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# INTERNATIONAL GRANT MAKING FUNDING WITH A GLOBAL VIEW

# international grant making

## funding with a global view

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What goals, values, and experiences lead grant makers to the international arena? This section explores some of the reasons why funders bring global issues and concerns into their grant making.

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Why do different grant makers – from private, independent foundations to individual donors – decide to get involved in funding globally?

### **PAGE 6** **Global Grant** **Making: The** **Basics**

For American funders, making grants outside the United States can have complicated legal and financial implications. How can a funder learn about the options? Where can you find the latest information on relevant federal guidelines and regulations?

### **PAGE 10** **Dealing with** **Distance and** **Difference**

By definition, international grantees are far away, separated from funders by many miles and, often, several time zones. How do experienced grant makers maintain a sense of connection? How do they coordinate their reporting and other systems to be clear and helpful? How do they bridge cultural and communication gaps that separate them from grantees located in other countries?

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Intermediary organizations offer a mix of supports – including local knowledge of funding needs, language skills, cultural sensitivity, and legal and financial mechanisms – that can help funders work effectively across national borders. This section describes some types of intermediaries, how they function, and the assistance they've provided some grant makers.

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## **Ways to Use This Guide**

**IN THIS GUIDE,** grant makers describe the benefits and challenges of bringing a global perspective to their work. The guide explains the regulations that govern cross-border grant making and shares the experiences of funders who have coped with working across geographic and cultural divides. It also weighs the merits of working through intermediaries and funding directly outside the United States.

*This guide was written by Rebecca Nichols and Arne Mackinnon. It is part of the GrantCraft series.*

*Underwriting for this guide was provided by the Ford Foundation.*

*Publications and videos in this series are not meant to give instructions or prescribe solutions; rather, they are intended to spark ideas, stimulate discussion, and suggest possibilities. Comments about this guide or other GrantCraft materials may be sent to Jan Jaffe, project leader, at [j.jaffe@grantcraft.org](mailto:j.jaffe@grantcraft.org).*

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## Why Fund Internationally?

**G**rant makers fund internationally for many reasons. Some do so because the problems that concern them most, as institutions or individual donors, span national boundaries. Some feel an ethical obligation to respond philanthropically to the complex effects of globalization, or to respond to a natural disaster or other emergency. Some believe that experiences and lessons from other countries will enrich the quality of their domestic funding. Corporate funders may be motivated to give in parts of the world where they have business interests. Individuals and family foundations may want to help improve conditions in their countries of origin or deepen their engagement with places, issues, or people in other parts of the world.

Some grant makers may be interested in funding internationally but feel that their resources are too small, their mission too local, or their staff too inexperienced. They may be concerned about the risk of violating U.S. tax law, making grant choices that end up doing more harm than good, or getting hung up on problems of cultural difference and geographic distance.

Those risks are real, yet conversations with experienced grant makers confirm that it's possible to do as good a job overseas as at home. International funding is different from domestic grant making in some ways, yet a lot of the usual concepts and tools apply. This guide can help prospective international funders define their interests, weigh different approaches, avoid pitfalls, and make the most of the growing array of international funding opportunities.

### **TWO APPROACHES: GIVING INTERNATIONALLY, GIVING LOCALLY WITH AN INTERNATIONAL PERSPECTIVE**

Global giving by U.S. foundations has grown dramatically in recent years, increasing from roughly \$508 million in 1990 to \$2.5 billion in 2000. According to an analysis by the Foundation Center of grants of \$10,000 or more, international grant making is growing even faster than grant making overall, increasing by 76 percent between 1998 and 2002, “far exceeding the 41 percent gain in overall giving” (2003 *International Grantmaking Update*, [www.cof.org](http://www.cof.org)).

Several of our contributors noted a related trend toward internationalism within U.S. domestic grant making. Many U.S. funders have decided in recent years to address global issues — environment, poverty, population migration, and others — through work close to home. For example, one Midwestern foundation organized its entire local grant-making agenda to emphasize “the underlying principles and tenets of human rights.” In another case, an East Coast foundation reshaped an international fellowships program around cross-national exchange on health systems innovation. For more on how global issues are informing grant making at home, see “Funding Domestically with a Global Lens,” page 20.

## ESPECIALLY FOR U.S. DONORS

### FEDERAL GUIDELINES FOR INTERNATIONAL FUNDING

Since September 2001, the U.S. government has established new regulations with pertinence for international grant making. To summarize, there are three main instruments:

- **Executive Order 13224** freezes property and assets of people and organizations named as terrorists on lists maintained by several federal government departments. Grant makers are required to confirm that grantees' names do not appear on any of the lists.
- **USA Patriot Act** increases existing criminal sanctions for people or entities that provide material or financial support for terrorism. The Council on Foundations warns that the act raises the possibility of civil liability against grant makers whose support ends up in the wrong hands.
- **Treasury Department Voluntary Guidelines** recommend practices for international grant making that comply with Executive Order 13224 and the USA Patriot Act.

For more information, see *Handbook on Counter-Terrorism Measures: What U.S. Nonprofits and Grantmakers Need to Know*, published jointly by Independent Sector, InterAction, the Council on Foundations, and the Day, Berry & Howard Foundation on March 15, 2004 ([www.cof.org](http://www.cof.org)).

### OTHER COUNTRIES' GUIDELINES FOR U.S. DONORS

It's important to review relevant local laws and regulations before making a grant to an entity outside the United States. Many countries require organizations to register with one or more government agencies before receiving international funding, and some have established offices that serve as liaisons or registration centers for nonprofits and donors.

The Web site of the U.S. International Grantmaking Project ([www.usig.org](http://www.usig.org)) offers information on the legal environment in approximately 30 countries. For each country, the site provides a brief overview, or "country note," with links to longer reports, texts of relevant laws and regulations, and contact information for knowledgeable advisers.

## WHERE THE EXAMPLES COME FROM

This guide draws on interviews and conversations with more than fifty grant makers and donors, representatives of intermediary organizations, consultants, and advisors with experience in international grant making. It also compiles advice from organizations that aid international funders and tips on where to find the most up-to-date information on working abroad.

A list of people who contributed ideas, information, and comments appears on page 25.

# International Grant Makers: Who Are They?

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**Here's a quick look** at different types of international funders based in the United States — from large, independent foundations to individual donors — and some of the reasons they give for extending their grant making into the global arena.

## **Private, independent foundations**

U.S. private, independent foundations that fund internationally or with a global perspective often do so in substantive areas that are linked to their domestic agendas — such as education, human rights, or health care. By coordinating its domestic and international agendas, a foundation can capitalize on the expertise of its own staff and broaden its experience in the field.

Some, but not all, foundations monitor their grant making by visiting international grantees regularly. A few very large foundations go further and establish offices outside the United States to manage their international work.

## **Corporate foundations and funders**

Corporate foundations typically link their international giving with their business interests and markets. In addition to cash, corporate funders may make significant contributions of products and in-kind services to further philanthropic goals.

Some international companies have established programs to involve their employees as volunteers and donors. For example, a corporation with offices in India created a philanthropic fund sustained and managed by its local employees.

## **Community foundations**

Led by demand from their donors, a growing number of community founda-

tions have entered the international realm, whether working through intermediaries or supporting overseas grantees directly. As in their domestic work, community foundations often give a great deal of support to individual contributors in framing and realizing their international funding goals.

Some American community foundations have found it helpful to collaborate with community foundations in other parts of the world. For example, when a community foundation in Ohio hosted a delegation from Poland, the visit attracted the interest of new donors from the local Polish-American community. The interest of those new donors in supporting projects in Poland led the Ohio foundation to amend its articles of incorporation to include international grant making.

## **Family foundations**

Family foundations often gravitate toward international funding as a natural extension of their commitment to local or domestic causes. As one Boston-based family grant maker explained, “Our international strategy is shaped by interests in our own community. Each side informs the other, internationally and in our own backyard.”

Some families are motivated by a desire to do good, or “give back,” to their country of origin, while others are moved by the experience of living or traveling abroad. Many family foundations are actively involved in funder collaboratives, especially when family members are interested in exploring global issues and priorities together.

## Individual donors

Individual donors have considerable freedom to contribute internationally on the strength of their own interests and concerns. Many become deeply, personally engaged in the projects and organizations they choose to fund. Also, because they are able to make rapid decisions, individual funders are in a good position to respond quickly to international events.

Individual donors manage their global grant making in different ways. Some donate through U.S. organizations working abroad, intermediary organizations, community foundations, or a combination of those, while others manage their own grant making, often with help from consultants or philanthropic advisers.

## WHO ADVISES INTERNATIONAL FUNDERS?

International funder networks, partnerships, donor funds, intermediary organizations, and philanthropic advisers are important sources of information on international funding for foundations and other donors. Most offer funders at least some of the following advantages:

- expertise in a particular issue area or geographic region
- ability to identify capable grantees, then follow up with due diligence, ongoing monitoring, and regular reporting
- capacity to direct small grants to grassroots organizations strategically and cost effectively
- legal status to accept tax deductible donations
- opportunities to collaborate with other funders and donors with similar interests

*Funder networks* such as Grantmakers Without Borders ([www.internationaldonors.org](http://www.internationaldonors.org)) aid international funders by organizing workshops and study trips, sharing information, and fostering collaboration among donors. Some Council on Foundations–sponsored affinity groups also give special attention to international funders; examples include the Africa Grantmakers Affinity Group ([www.africagrantmakers.org](http://www.africagrantmakers.org)), Funders Concerned about AIDS ([www.fcaaid.org](http://www.fcaaid.org)), and Hispanics in Philanthropy ([www.hiponline.org](http://www.hiponline.org)).

*Donor funds* coordinate giving among like-minded funders. The Synergos Institute ([www.synergos.org](http://www.synergos.org)) facilitates donor collaborations to support poverty reduction programs around the world. Some donor funds are created especially to facilitate giving

by a specific constituency of funders. The Dragon Fund, for example, a project of the Women’s Foundation of California ([www.womensfoundca.org](http://www.womensfoundca.org)) and the 1990 Institute ([www.199oinstitute.org](http://www.199oinstitute.org)), was established to support economic development and education projects for women and girls in rural China. Many of the fund’s donors are Chinese American women.

*International intermediaries* typically receive funds from U.S. donors, then “regrant” the resources to nonprofits around the world. Although U.S. tax law usually requires that donors do not exercise ultimate control over the disposition of funds, intermediary organizations use a range of mechanisms to ensure that donors’ priorities are reflected. Some intermediaries, such as the Global Fund for Women ([www.globalfundforwomen.org](http://www.globalfundforwomen.org)) or the Global Greengrants Fund ([www.greengrants.org](http://www.greengrants.org)), work in specific issue areas. Others, such as Give2Asia ([www.Give2Asia.org](http://www.Give2Asia.org)) specialize in a particular region. For in-depth discussion of intermediaries, how they function, and how to choose one that fits your needs and interests, see page 16.

*In-country consultants* assist some donors by conducting research, developing and advising on programming, and managing the day-to-day aspects of cross-border grant making. Funders typically locate knowledgeable consultants by asking for referrals from more experienced funders and nonprofit contacts.

*Philanthropic advisers*, such as Rockefeller Philanthropy Advisors ([www.rockpa.org](http://www.rockpa.org)) or The Philanthropic Initiative, Inc. ([www.tpi.org](http://www.tpi.org)), assist wealthy individuals and families interested in funding internationally. A few commercial financial advisers also offer assistance with international grant making.

# Global Grant Making: The Basics

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**Effective grant making abroad** begins with insight and planning. It's important to do background research on the issues that concern you, the place where you're interested in working, partners who might be helpful, and strategies that are likely to produce the results you have in mind.

In addition, U.S. donors need to be aware of laws and regulations governing international giving, especially if they seek to realize tax benefits or apply the gift toward a required minimum payout. Legal requirements associated with international giving have become more complex and stringent since September 2001, yet there are many ways to fulfill them without undue burden.

## **Where can you turn for reliable information on international grant making?**

Prospective international funders may want to familiarize themselves with some of the major organizations offering information and advice.

- **The Council on Foundations** ([www.cof.org](http://www.cof.org)) and the Council's **U.S. International Grantmaking Project** ([www.usig.org](http://www.usig.org)) offer information on guidelines governing international grant making and links to the most recent U.S. government regulations.
- **The Global Philanthropy Forum** ([www.philanthropyforum.org](http://www.philanthropyforum.org)), provides extensive, annotated lists of global intermediary organizations, networks, and educational resources, organized by region of the world and by issue.
- **The Worldwide Initiative for Grantmaker Support (WINGS)**, a global network based since 2003 at the European Foundation Centre in Belgium ([www.wingsweb.org](http://www.wingsweb.org)), supplies information on a wide range of global funders and its own international projects with community foundations and corporate funders.
- **Grantmakers Without Borders** ([www.internationaldonors.org](http://www.internationaldonors.org)), a funders' network, offers workshops, travel seminars, peer support, research, and advice to funders interested in social change philanthropy.
- **The Global Philanthropy Partnership** ([www.global-philanthropy.org](http://www.global-philanthropy.org)), produces brief guides on issues of global importance – including such diverse topics as climate protection, forests, land mines, refugees, malaria, and local development – and what philanthropists can do to help.

## **How can funders ensure that their international grants comply with U.S. federal laws and regulations?**

Some donors choose to work through intermediaries specifically because intermediaries know a lot about how to comply with federal guidelines and maximize tax benefits. (For an in-depth discussion, see "Working with Intermediaries," page 16.)

Contributors to this guide encouraged prospective international funders to seek legal advice before making international grants directly, given the complexity of current law. In general, the following standards apply:



■ **Private foundations** may make grants to groups outside the United States and count them toward their minimum payout requirements if certain requirements are met. There are two ways to do this: by establishing that the recipient organization is “equivalent to” a U.S. public charity or by taking steps to ensure that the grant is spent exclusively for charitable purposes. For a discussion of the issues, including the relative advantages of “equivalency determination” and “expenditure responsibility,” see the *International Grantmaking Primer*, developed by the International Center for Nonprofit Law ([www.usig.org](http://www.usig.org)).

■ **Individual donors** are allowed by law to claim income tax deductions only on gifts made to charities based in the United States. There are numerous avenues, however, for making deductible contributions to support work outside the country. Grantmakers Without Borders offers a useful article, “Tax Planning Issues for Cross-Border Philanthropy by U.S. Donors,” by Jane Peebles, J.D. ([www.internationaldonors.org](http://www.internationaldonors.org)).

■ **All US-based contributors and nonprofits** are now also subject to laws and regulations intended to prevent funds from reaching organizations or individuals suspected of involvement with terrorism. The Council on Foundations’s U.S. International Grantmaking Project is a good source of information on the most current guidelines. See, for example, “Grantmaking in an Age of Terrorism: Some Thoughts about Compliance Strategies,” by Janne G. Gallagher. ([www.usig.org](http://www.usig.org)).

### **What can a grant maker do to learn more about funding needs and opportunities abroad?**

Whether you’re just beginning to consider a venture into international funding or investigating a topic or geographic area that you’ve already identified, there are plenty of ways to learn more about the possibilities for making grants that make a real difference.

■ **Review the work of other foundations and funders.** Many foundations publish reports on their initiatives and the international context in which they work. The Ford Foundation ([www.fordfound.org](http://www.fordfound.org)), for example, offers a detailed, historical profile of the work of each of the foundation’s regional offices, including an overview of the social, political, and economic priorities of the region and a selection of related readings.

■ **Consult official sources.** Several contributors recommended that prospective funders check what’s available on the Web sites of multilateral organizations such as the World Bank ([www.worldbank.org](http://www.worldbank.org)) and the United Nations Development Programme ([www.undp.org](http://www.undp.org)). The World Bank, for example, publishes country briefs that include background information on history, economy, government, major development projects, and, if relevant, mechanisms for donor coordination.

■ **Join an affinity group or funders’ network.** Participating in a funders’ affinity group or network can be an especially effective way to learn about a country or field. By attend-

### **TRAVEL: A CATALYST FOR PHILANTHROPY**

Tourism is one of the most important economic development strategies for poor countries. In addition to spending money, some travelers seek to deepen their connection with places they visit by volunteering or contributing funds to projects that preserve the environment or improve the lives of local people. That impulse has led to the creation of numerous philanthropies and nonprofit organizations, based in the United States and abroad.

One American couple, for example, decided after visiting Fiji in 1989 that they wanted to do something about the high local incidence of untreated cataracts, the result of exposure to strong sunshine and glare. Working with a resort operator, they created a project to provide free surgery. The couple — a doctor and a nurse — continue to volunteer annually.

Encouraging and coordinating the growing field of “travel philanthropy” is part of the mission of Business Enterprises for Sustainable Travel ([www.sustainabletravel.org](http://www.sustainabletravel.org)), a program of the International Tourism Partnership of the Prince of Wales International Business Leaders Forum.

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ing meetings and communicating with other members, new international grant makers can identify the players in a country or field and learn what each is doing, get ideas about people to consult on exploratory trips, learn about new developments in an issue or country, recognize gaps in current funding, and find opportunities to collaborate and coordinate with others. A 2003 report, *Affinity Groups and International Grantmaking: A Council on Foundations Survey* ([www.cof.org](http://www.cof.org)), lists grant makers' affinity groups whose members are involved in international work.

■ **Read publications and Web sites with a global view.** Some funder networks make their publications available to interested members of the public; see, for example, *Global Giving Matters* ([www.synergos.org](http://www.synergos.org)), produced jointly by Synergos and the World Economic Forum ([www.weforum.org](http://www.weforum.org)), or

*The Venturesome Donor* series, published by The Philanthropic Initiative ([www.tpi.org](http://www.tpi.org)). International alliances like Allavida ([www.allavida.org](http://www.allavida.org)) and OneWorld ([www.oneworld.net](http://www.oneworld.net)) offer a wealth of information on civil society and development organizations. Allavida's publications include its quarterly *Alliance Magazine* and a series of guides to working with the nonprofit sector in specific countries. *Yes! Magazine* ([www.yesmagazine.org](http://www.yesmagazine.org)), published by the Positive Futures Network, is another good source.

■ **Travel.** Some grant makers join study tours planned by intermediaries or affinity groups in order to learn about an issue, explore the dynamics of a place, and meet potential grantees, policymakers, and other funders. Synergos, for example, has organized trips in the past few years to southern Africa, Brazil, South Africa, and Mexico.

## Channeling the philanthropic energies of international employees

*In an interview with GrantCraft, Connie Higginson of the American Express Foundation explained the thinking behind the International Community Service Fund, which involves the company's non-U.S. employees in international giving within their own countries. The foundation is a multinational philanthropy, whose funding derives mainly from the earnings of the American Express Company.*

### **Q: How did the International Community Service Fund get started?**

The American Express Foundation was established in 1954 and began to give internationally in the 1970s. Our giving outside the United States focused on a couple of themes that had a logical connection to our business: grants to cultural institutions and historic preservation of sites and monuments, which made sense because we're a travel company as well as a card company, and economic independence, which funded projects that helped people move toward personal financial stability.

Toward the end of the 1990s, we began to realize that, although the programs really worked for the company and for our managers, and although they were accomplishing a lot, they didn't have an enormous resonance for employees working in countries where the disparity between their own relative middle-class comfort and security and the conditions they saw around them was very great. So we decided to start the International Community Service Fund in selected countries where we had large employee concentrations.

In each case, we work through an intermediary organization or with a nonprofit consultant to determine the needs in the country and develop a slate of causes or populations for employee vote. Once they've decided what area interests them most, an employee committee, drawn from all levels of the company, works with the intermediary organization or consultant to find nonprofits and charitable organizations working in that area to receive a grant from the foundation.

### **Q: Does the work vary a lot by country?**

Yes, absolutely. The slates are different, for one thing, and the employees make different choices. In some countries, we fund only a single organization, and in others we choose three or four, depending on the size of the country. We also want to be sure there are volunteer opportunities for our employees in conjunction with the grants, so that means spreading the grants over different organizations that correspond to our employee concentrations.

### **Q: What are the challenges, from your point of view?**

We rely on our local people to do the liaison and due diligence work. They are our eyes and ears, and they do a pretty good job of it. Still, the

program involves a fair amount of management from us, especially when it comes time to define the projects. That's the most difficult part.

Sometimes an issue comes up that's very meaningful for our employees but isn't an area of focus for us. We say, "We know it's very important to you, and we respect that, but it's just not within our giving guidelines." Also, we started by giving \$100,000 grants. We've cut back somewhat, partly because we're a little more constrained, partly because we're giving in more countries, and partly because the money came too fast for some organizations and the projects weren't thoughtfully designed. For those reasons we have also decided to make the grants in two payments, over two years.

### **Q: What lessons have you learned from the experience?**

One thing we've learned is that our penchant in the United States for taking the world's misery and carving it into causes or themes doesn't work everywhere. In the United States, we tend to deal with hunger apart from homelessness, and homelessness apart from AIDS, and AIDS apart from the condition of women and children. In many places, people's charitable instincts are much more geographically focused. It's a much, much more traditional idea of charity — people going back to their villages and emptying their pockets. When we came in and asked employees what their causes were going to be, they sort of looked at us blankly. What we ended up with in both Brazil and India was a slate of populations, groups of people — families in Brazil, children in India — who were going to be the beneficiaries of the grants.

### **Q: What's the value of the International Community Service Fund to the foundation and the company?**

American Express has about 90,000 employees around the world. Employees ask the foundation to help organizations they're personally involved with, and, frankly, we need a way to say no to a lot of those requests. In the United States, we have employee gift matching, but that's a difficult thing to replicate in most countries. We also have a global program of very small grants to organizations where employees volunteer. The process we use with the fund allows us to involve our employees in some of our larger grants. It's another way to channel their philanthropic energies and demonstrate that the company is a good corporate citizen.

Another thing: The "teams" that manage the funds are very valuable training for our employees. It brings them in direct contact with the needs of their communities. The people who serve on the teams definitely become better managers; it also makes them much better able to represent the company.

## Dealing with Difference and Distance

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*“Any philanthropic organization acting internationally will have to deal with the image of its home country abroad. You will be perceived as a representative of your culture. In the case of the United States, the image is not always positive. It’s controversial. You need to be mindful of this.”*

**International funders** cope constantly with the reality that their grantees are far away. Distance affects how grant makers follow the progress of a project, support grantees in solving problems, and handle such mundane issues as currency exchange. Yet even more than distance, our contributors argued, cultural difference is a challenge that requires constant attention when working overseas. As one grant maker with a Midwest-based foundation explained,

*“You have to realize that you’re a guest in a foreign country, even as a grant maker. Every country has its own values, traditions, and needs. Poor performances tend to happen when Americans don’t look for those differences.”*

Careful due diligence, an open mind, and a respectful attitude are all crucial to effective international grant making. This section describes how some grant makers have negotiated difference and distance in building relationships with their grantees, monitoring their work, and maintaining a sense of connection.

### UNDERSTANDING AND MANAGING CULTURAL DIFFERENCES

Many contributors to this guide emphasized the importance of getting to know the country or region where you plan to work. Learning about history and current events, relations among social groups, and the role of religion and other belief systems can help orient you and your grant making.

A legal adviser to a foundation described a problem that arose when an NGO partner was selected before

the foundation knew enough about the local political context:

*“There was a presidential election with some concern regarding a contested vote, and it was very politically charged. We didn’t realize that people had chosen sides at all levels of society. Our timing was all off, and we didn’t wait for things to settle down. With the two finalist organizations, there were allegations regarding relations with the ruling party.”*

Sometimes the challenge is understanding subtle cultural associations. For example, a grant maker working with civil society organizations in Eastern Europe found that she had to adjust her approach to advancing gender equality in a post-communist society:

*“I am dealing with a part of the world which considers that gender equality either has been attained or is a communist value. For people in Eastern Europe, [feminism and gender equality] are linked to Soviet occupation and to women on tractors. What it means to many people is that women were forced to do heavy labor and to drop their children at horrible day care centers for the entire day.”*

Cultural differences can also mean that a model that works well in one setting doesn’t work in another. The director of an NGO in South Asia described an effort by international funders to replicate a microfinance program in a remote area of his country:

*“Microfinancing generates income for people, and it has been enormously popular around the world and suc-*

cessful in other parts of my country. The effort to introduce it in that region collapsed for many reasons, but an important one was that the local cultural values and traditions were not attuned to the concept. The failure there shows that there's no one formula for every development problem."

Another common theme was the need to understand how you will probably be viewed abroad. As a European grant maker working globally pointed out,

*"Any philanthropic organization acting internationally will have to deal with the image of its home country abroad. You will be perceived as a representative of your culture. In the case of the United States, the image is not always positive. It's controversial. You need to be mindful of this."*

Grant makers warned against cultural stereotyping in unfamiliar settings. Questions to ask include, Have I made this person represent a group just because he is a member of the group?

## COMMUNICATION AND REPORTING

There's nothing more basic to the grant-making relationship than regular communication with grantees. Communicating reliably across time zones, languages, and cultures may require planning, sensitivity, and persistence from both grant maker and grantee.

**Progress reports.** If not organized with sufficient care, this humble but essential facet of grant making can lead to much grantee and grantor anguish. In the international realm, potential misunderstandings and practical considerations such as unreliable postal service make it extremely important that

## STRATEGIES FOR DEALING WITH DIFFERENCE

**Do background work and consult widely.** Preliminary research, thought, and listening can help you avoid acting on assumptions and stereotypes.

- Find out what other funders are supporting, including funders based in the country or region you're interested in.
- Hear from a range of voices, including practitioners, academics, businesspeople, and public-sector officials.
- Involve potential stakeholders early on to help clarify varying points of view.
- Avoid relying exclusively on grantee "stars." A seasoned grant maker from a small family foundation approaches an unfamiliar setting by asking everyone he talks with, "Who else should I talk to?" And, "Refer me to someone with a different point of view or opinion."
- Take some time to digest the guidance you get.

**Establish lines of communication.** Once you have done your background work and are ready to enter into grant relationships, establish clear and respectful lines of communication with grantees. This is particularly important in negotiating grant terms in places where people may have different ideas about what needs to be done, or who may have trouble articulating them in ways that U.S. grant makers are used to.

- Clarify your own expectations for contact and reporting. Do you want to hear from grantees every month? Twice a year? Annually? Would you prefer to talk on the phone? Communicate by e-mail?
- Familiarize yourself with the communications culture in which you are working.
- Draw on guidance from local colleagues or consultants.
- Decide how to handle language differences. In what language will you communicate with grantees, potential grantees, and the wider public? Will you hire translators, or can translation be handled by your staff?

**Together with grantees, establish clear benchmarks of success.** Try to be clear from the start about how a grant will be evaluated for success.

**Take advantage of diversity at home.** In the United States, culturally diverse and multilingual staff can bring skills and global knowledge to your grant making.

reporting standards be clearly spelled out and understood by all parties.

You may want to consider:

- What information should reports contain?
- When must they be delivered?
- Must they be printed and mailed, or is e-mail acceptable?
- What reporting formats are acceptable?

## COMMUNICATION AND CULTURAL DIFFERENCES

Some grant makers have found that many of their international grantees seem excessively concerned about disappointing funders — perhaps even more so than is typically the case in the United States. On the other hand, they observe that there can sometimes be real sensitivity, or even resistance, to a funder's communication style. For example, the director of a small family foundation was surprised at how negatively grantees and applicants reacted to her written communications:

*"In an oral culture like Haiti — about 80 percent are illiterate — the written word has a weight that I'd never encountered. What is written is treated as a legal document for all intents and purposes. I'd been working with Haitians for a long time, and it was only when we started this regular exchange of [written] memos that I [realized] I can't think out loud on paper. I really have to do a lot of that on the phone, and certain things I just had better not write at all. Because when I start writing, the bells go off, the windows slam down."*

In establishing reporting systems, it is important to consider what's convenient and logistically possible for grantees. A grants manager with an international foundation remarked,

*"Some grantees work in very difficult situations. In certain countries, we accept reports via e-mail because grantees can't get them out any other way."*

In some cases, however, e-mail might not work well, or might screen out exactly those organizations a grant maker is most interested in reaching. As one international funder noted,

*"Your application and reporting forms and method of outreach will determine the types of organizations that can apply. E-mail and Web-based applications, for example, may be useful only in the capital city. You'll reach the elite, national NGOs but miss the smaller organizations with links to the community."*

Our contributors also observed that donor oversight can require a lot of time and support:

*"For some of our smaller partners, it's the first time they've received a sizable grant or one with our kinds of reporting requirements, so we've requested quarterly reports just to help them. We try to monitor their work a little bit more closely and then look at their audited financials at the end of the year, or on a site visit do a spot-check of all their receipts and account books."*

The objective, grant makers explain, is to build relationships in which grantees feel able to alert you to problems early enough to do something about them. According to a funder who exercises expenditure responsibility to monitor the work of overseas grantees,

*"It takes more paper and more chasing after paper than with our domestic grantees. For [domestic] grantees, we require a report once a year. In Africa, we ask for a report every 6 months. This allows our consultants to do two things: First, to spot problems early, for technical assistance or to figure out what is going on; second, it also enables the consultants to keep an eye on trends."*

**Language and translation.** When funding in a country where English is not the primary language, grant makers in the United States may find they need to choose a single language — frequently English — in which grant-related business will be conducted.

In establishing policies regarding language, you may want to consider:

- Can you afford to supply translation services for your grantees? Can you handle translation in-house, by relying on your own staff?
- What forms and documents might need to be translated?
- How will you handle requests for information and informal communications?
- Are good translators readily available? If not, what can you and your grantees do to locate people with the right skills?
- If you communicate in English only, will you fail to reach certain key groups?

A donor adviser with an intermediary explained that, although her organization has a policy of accepting proposals in English only, she and her colleagues try to be flexible when working with

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local organizations. They have also taken the trouble, she notes, of translating documents for routine transactions into their grantees' primary languages.

Some grant makers accept proposals in multiple languages, then have their own in-house staff do the translations. One e-philanthropy funder, for example, accepts submissions in English, French, and Spanish.

A grant maker participating in a funders' collaborative in Eastern Europe described working with grantees to coordinate translation services:

*"We contracted with a coordinator based in Belarus, who then coordinated translations for our LOIs, RFPs, grant agreements, and other documents into the necessary languages. We also made arrangements to translate proposals, reports, and general inquiries into English."*

**Staying in touch.** Several grant makers stressed the wisdom of communicating openly and often with international grantees. Fortunately, staying in touch is easier than it once was, thanks to the increasing availability of e-mail and the Internet, even in very remote communities.

Once the doors to communication are open, funders often discover that grantees are hungry for contact. A donor representative described her contacts with a small African organization that provides support and education for AIDS-infected girls:

*"Especially people who are receiving their first-time grants, for organizations that are still very young, they*

*love to communicate a lot. [The director] will call or e-mail me every week and just tell me about the girls. So it's not any kind of formal report, but it means a lot to her knowing that she's received the support and that someone's listening to and doing things that she would like — educating the outside world — with what she says."*

The cofounder of a small New York-based family foundation emphasized that frequent, personal contact helps ensure that grantees handle grant funds well:

*"We don't fund anything we don't know. I make five trips to Asia each year, and part of what I do to make sure money goes where it should is explain that we have the same rules on us. If the money is not properly used, we could be fined and not be able to make grants. Since 1987 no one has let us down. Being there and being in touch makes the difference."*

## CURRENCY AND EXCHANGE

On managing currency, you may want to begin by asking:

- Through which bank should payments be made?
- How will the money be transferred?
- Will the grant be awarded in a lump sum or in installments?
- Will payments be made in U.S. dollars or foreign currency?

Our contributors recommend using wire transfers, not checks, when transferring grant dollars, and to use a bank with a strong global network, or at least a strong presence in the country or region where the grant is being made.

## HOW CAN YOU FIND A LOCAL CONSULTANT?

The search for the right consultant often begins by asking for referrals from other funders. As one international grant maker explained:

*“In most countries, you'd want to talk with peer funders, experienced grant makers who are already on the ground, and ask them, Who do you know who's good? Who do you suggest we talk to?”*

Yet other contributors urged making the effort to identify a wider range of potential advisers and contacts. One contributor suggested checking with organizations that support local grant makers in the region where you intend to work. WINGS ([www.wingsweb.org](http://www.wingsweb.org)) maintains a list, organized by region and country, of grant-maker membership associations and support organizations around the world.

As a financial officer at one foundation explained,

*“Use wire transfers to ensure safety and timeliness. And make sure the grantee gives you complete information: the right name for the bank, the account number, and the international code number. When the bank does the transfer, it's required to check the recipient against the [U.S. Department of] Treasury list, so you benefit from that extra due diligence.”*

Currency devaluation can be perilous for grant makers and grantees alike. Consult with financial and legal experts about the stability of the currency of the country where you plan to work, and make adjustments as necessary. For example, one foundation grants administrator observed,

*“If you know a country has a long history of currency devaluation, you know you're not going to pay a lump sum up front. Knowing that, we can sometimes be strategic about holding back a portion of the grant.”*

Another grant maker offered the following suggestions:

*“It's a good idea to transfer funds in U.S. dollars so the grantee can convert to local currency as funds are needed, especially in inflationary environments. That also enables the grantee to negotiate about the exchange rate and date on which to convert the funds.”*

## CONSULTANTS AND LOCAL REPRESENTATIVES

Many grant makers bridge the distance between themselves and their grantees by employing trusted representatives to serve as their eyes and ears in coun-

tries outside the United States. In-country consultants can help funders (or groups of funders) find opportunities, develop proposals, and, later, monitor projects and evaluate their effects. Some grant makers get similar benefits by establishing proxy relationships with other donors or agencies.

Seeking to strengthen its program in Africa, for example, a family foundation worked carefully to develop relationships with skilled consultants:

*“We were getting inquiries that all sounded the same. An application didn't tell us enough to make our own judgments about whether the work of the organization was a fit with our interests. We realized we needed to have people who were there regularly to work over a period of time with community-based organizations and generate more appropriate funding requests. We hired consultants incrementally over time to build trust. We started with them reviewing grant requests. Now we contract for a certain amount of time per year, and a certain number of trips. They've become advisers to our applicants and to us. And they understand the purpose, intent, and values behind our grant making.”*

When the foundation's board wanted to explore a new program to help African children orphaned by AIDS, they turned to their consultants:

*“We knew the range of responses could be very broad — from medical research, to making medicines available, to paying children's school fees. After one of our consultants did a reconnaissance trip, we were able to carve out a funding niche.”*



One technical assistance provider urged, however, that prospective funders make an effort to “break out of the charmed circle of capital city–based local and foreign consultants, which tend to get funds to a small circle of NGOs.” Looking beyond the well-known names can be important, he argued, if the objective is to reach rural communities or organizations that have not received prior grants from international donors.

Experienced grant makers also caution that both consultants and funders need to be clear about consultants’ role and authority and communicate the limits to grantees. Are consultants providing the external funder and grantee with advice, or are they acting as representatives of the donor? This distinction is especially important when a consultant helps develop proposals or provides ongoing technical assistance.

The head of a Bangladeshi foundation described the confusion that can result when funders don’t insist on clarity about the role and authority of their consultants:

*“What has happened in Bangladesh, and I think in lots of parts of South Asia, is that a culture of consultancy has developed. In various places, consultants have a kind of designated zone of influence. Small grant seekers are in some sense forced to depend on them. There is an impression that if you go to [a particular] consultant you have a chance of getting funds from [a particular] donor.”*

## GRANT MAKING IN DIFFICULT CONTEXTS

Some international funders support projects in difficult political environments. How do they manage to steer a steady course and advance their objectives? Our contributors suggested a few basic principles:

- Choose capable, reliable allies
- Pay close attention to laws and regulations governing local organizations and international grant making
- Support work aligned with your own most fundamental programmatic interests
- Set realistic goals
- Exercise patience

A grant maker working in Israel explained the value of finding the right priority or topic, then identifying qualified guides:

*“People have a lot of very reasonable concerns about working in the Middle East, but there’s also a kind of mythology that gets perpetuated that it’s more complicated there than other parts of the world. But it’s also important to remember that Israel’s no different from any other country in that you could fund from A to Z, not just on peace or human rights issues. Whatever your interest is, you could find it in this country: animal protection, environment, whatever it is, all you have to do is identify it, and then find guides in Israel to help open that world up for you.”*

Sometimes an idea has to wait for the right moment. Part of a grant maker’s job is to figure out the appropriate timing for a grant and to resist the sense of pressure created by an on-the-ground crisis, your organization’s grant cycle, or other reasons for urgency. For example, a grant maker experienced in South Africa observed,

*“There was a group formed by black women activists in 1990 and they were trying to talk about gender at a time that was highly charged racially. The biggest worry was that it would be considered divisive, that the time wasn’t right. At the African National Congress conference a year later a woman tried to put a similar motion on the floor. [Even though it was unsuccessful], it did get people thinking and talking about mobilizing around gender — at which point it was possible for us to make the grant.”*

## Working with Intermediaries

*“They provide us an instant connection from their office to the surrounding community. . . . They also bring expertise in working with local nonprofits and nonprofit laws.”*

**Some grant makers** choose to channel international support through intermediary organizations. Giving through an intermediary is often the simplest way to fund internationally, especially for funders who want to realize tax benefits. Yet intermediaries may also provide other important advantages:

- staff expertise to help explore issues, identify beneficiaries, and screen projects
- help in bridging linguistic and cultural differences
- familiarity with social, political, and cultural contexts, including local risks and conflicts
- access to relevant networks and organizations
- savings in staff time or administrative expenses
- local accounting and reporting infrastructure
- knowledge of local laws and regulations

Effective intermediaries tend to be sensitive to the interests of funders and entrepreneurial about developing strategies that allow them to achieve their goals. For example, a family foundation grant maker in the Midwest who had supported the development of a new agricultural technology teamed up with an intermediary organization to bring the technology to local farmers in the Philippines:

*“The technology is used to preserve crops like tomatoes longer, or to store flowers so they can be transported to market without being broken or damaged. With our grant, an intermediary piloted and tested a method in 10–15*

*communities with 200 farmers. Once it was really working, they went to a national farmers association and reached farmers nationwide. Farmers’ income tended to increase by over 50 percent, without any additional inputs like fertilizer. It’s now used by over 80,000 farmers.”*

In some cases, intermediaries become long-term, trusted collaborators. When a Boston-based family foundation wanted to give emergency aid to schools for women and girls in Afghanistan, its director sought help from an experienced intermediary:

*“I didn’t know anything about Afghanistan. We found out that an international intermediary, one of our regular partners, was doing an emergency drive there, so we contacted them and sent a check. We knew they’d be responsible with the money and creative about what it went for.”*

Here’s a list — by no means exhaustive — of major intermediary types and a few organizations that exemplify their style.

### **“Regranting” Intermediaries**

Intermediary organizations that “regrant” support offer a simple and flexible way to put resources to work in other countries. Defined as charities under the U.S. Internal Revenue Service regulations, intermediaries based in the United States are able to receive tax-deductible donations from U.S. funders. Regranting intermediary organizations are also increasingly common overseas.

For funders new to international grant making, regranting intermediaries offer a good way to get their feet wet in a new country or issue area. The director of a U.S. foundation that also acts as an

intermediary in Nicaragua described the help her organization gave to an individual donor who wanted to address women's issues:

*"We did the program work in-country and then gave her examples of groups so she could narrow things down to the ones she most wanted to fund. Then, we asked those groups for proposals. She selected one in an area where she had some experience, and where she could get support from us."*

The Global Philanthropy Forum offers a searchable database of regranting intermediary organizations based in the United States. The database may be found in the International Philanthropy Resources section of its Web site ([www.philanthropyforum.org](http://www.philanthropyforum.org)).

#### **Local, or "indigenous," philanthropies**

Donors based in the United States sometimes partner with philanthropies located elsewhere. A local funder may serve as an on-the-ground source of information, a funding partner, a pass-through intermediary, a grantee, or some combination of those. The African Women's Development Fund, for example, solicits funding from foundations and other donors worldwide, coordinates their participation in a range of high-priority projects, and works closely with African NGOs to develop programs and build institutional capacity.

Collaborations with local grant makers take many forms. A program officer with a Texas community foundation described how a relationship with a community foundation on the other side of the border facilitated his own

organization's border-related grant making:

*"They provide us an instant connection from their office to the surrounding community. It's almost like a field office. We're able to work jointly on projects, but with different funders and different nonprofits. They help us on environment projects throughout Chihuahua: They go to more remote places than our staff can do easily, and they know individuals better than our staff would. They also bring expertise in working with local nonprofits and nonprofit laws."*

Several of our contributors noted that building the capacity of indigenous philanthropic organizations — and of the larger, local grant-making sector — is a valuable goal in its own right. Through its Global Philanthropy and Foundation Building Program, the Synergos Institute ([www.synergos.org](http://www.synergos.org)) is helping to establish and strengthen local foundations in Latin America, Southern Africa, and Southeast Asia.

#### **Diaspora funds**

Diaspora funds promote and facilitate giving by members of a particular emigrant community for causes and projects in their home country. As they become more established, diaspora funds may also begin to raise funds from a wider range of donors.

The founder of one fund, the Brazil Foundation ([www.brazilfoundation.org](http://www.brazilfoundation.org)), recalled testing the idea with a group of Brazilians in the United States:

*"I went to a wedding in New York with about 40 young Brazilians, all very successfully employed. I went around*

#### **"REGRANTERS" OR LOCAL PHILANTHROPIES?**

From "Why We Need Local Grant makers," an article by Bisi Adeleye-Fayemi, executive director of the African Women's Development Fund, in the June 2003 issue of Alliance Magazine.

*"I want my organization to be referred to as a local grant maker, not a 'regranter.' . . . Local grant makers play a key role in promoting links and good will between governments, the private sector, NGOs and community-based initiatives. These connections can add value to grant making. By providing opportunities to address the very structures and systems which breed inequality, poor governance, uneven distribution of resources, and abuses of fundamental human rights, there can be maximum return on the grant-making investment."*

The African Women's Development Fund ([www.awdf.org](http://www.awdf.org)), based in Accra, Ghana, supports work on women's human rights, political participation, and other issues by organizations throughout Africa.

The article appears in a special section on intermediary organizations. To order copies of the magazine or to read the online publication Alliance Extra, see the Allavida Web site ([www.allavida.org](http://www.allavida.org)).

## CHOOSING AN INTERMEDIARY PARTNER: ISSUES TO CONSIDER

- Are you comfortable with the intermediary's track record for selecting and handling projects?
- Are you satisfied with the level of input you'll have about funding decisions? Typically, funders help set grant making criteria but leave decisions about individual grants to the intermediary.
- What local controls does the intermediary have in place to ensure that funds are spent wisely? How does the intermediary control and report on administrative costs?
- What is the intermediary's reputation internationally and in the places where it supports projects?
- How does the intermediary report to donors?
- Does the intermediary have 501(c)3 status in the United States? If not, are you comfortable with knowing that you won't receive tax benefits as a result of your contribution?

*the room asking, 'If you had the chance to give to a project that would have a direct impact on people in Brazil, would you be willing to give? And did you know that you could also deduct it from your income tax here [in the United States]?' First, the response was overwhelmingly positive. And, second, they didn't know that they might be able to deduct it. Lots of them said they were already giving here or there. In other words, they were already in the habit of giving, but they didn't know how to give in Brazil."*

### Venture philanthropy funds

Venture philanthropy funds attempt to apply the assumptions and language of venture capital investing to philan-

thropy — both in their own operations and in their expectations for grantees. Typically, for example, they offer funders several "portfolios," each containing a mix of grants and investments addressing a particular social issue.

The founder of the Acumen Fund ([www.acumenfund.org](http://www.acumenfund.org)), established in the spring of 2001, explained how "founding partners" invested in the development of a low-cost hearing aid, now being distributed in South Africa, India, and other countries:

*"Our goal — and we actually met it — in our first eight months was to start with 20 founding partners who would each contribute \$100,000. We had \$2 million in our first portfolio, which was in health technologies. People literally at the beginning would say, 'I don't really care about hearing aids, but I like the model.' There's enormous excitement about how this approach lets us think about how the health market is structured and how we actually might innovate to make it more effective and bring change to the fore."*

### E-philanthropy

E-philanthropy is a relatively new phenomenon that uses Internet technology to match the support of funders with beneficiaries overseas. For example, through its World Schoolhouse program, NetAid ([www.netaid.org](http://www.netaid.org)) involves corporate and individual volunteers and donors in educational projects in India, Zimbabwe, Pakistan, China, Haiti, and other countries. The organization's responsiveness to donor

interest is reflected in a story, told by a NetAid staff member, about her efforts to add projects in South Africa:

*"When we launched World Schoolhouse, we had no projects in South Africa on the inventory. I made a special trip to South Africa, where I met a lot of different NGO leaders and made a lot of site visits. We were then able to present those to corporations that had expressed interest in South Africa. So sometimes we customize our approach."*

#### **Donor-advised funds**

Individual donors are increasingly turning to donor-advised funds, often coordinated through an established public charity, a commercial financial services company, or even a local community foundation, as mechanisms for work overseas. To open a fund, a donor makes an irrevocable contribution of cash or securities to the public charity, which is then legally responsible for

managing the investment, usually for a nominal administrative fee. Most allow funders to recommend grants at any time, although they usually require donors to maintain a minimum balance in their funds. The Tides Foundation ([www.tidesfoundation.org](http://www.tidesfoundation.org)) and Charities Aid Foundation–America ([www.cafonline.org/cafamerica](http://www.cafonline.org/cafamerica)) are two of the organizations through which U.S. funders can establish donor-advised funds for international giving.

#### **"Friends of" funds**

These funds, established in the United States, channel support to specific overseas institutions, such as a school or university, foundation, arts organization, or museum. To locate a "friends of" fund affiliated with a particular institution or working in a country or region, consult GuideStar ([www.guidestar.org](http://www.guidestar.org)), a national database of more than 850,000 IRS-recognized charitable organizations in the United States.

#### **TO READ MORE ABOUT INTERMEDIARIES**

For more about intermediary organizations and the kind of work they do, you may want to consult *Global Giving: Making a World of Difference*, written by Paula Johnson and published by The Philanthropic Initiative ([www.tpi.org](http://www.tpi.org)). Johnson, a research fellow with the Global Equity Initiative at Harvard's Kennedy School of Government, provides short case studies of several intermediaries, along with other information and advice.

## Funding Domestically with a Global Lens

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**Global grant making**, as described by Emmett Carson in *Grantmaking for the Global Village* (Council on Foundations, 1997), is a style of funding that implicitly recognizes the interplay between international and local events and processes. It does not necessarily require funding outside the United States, or even outside one's own community.

As the director of a women's fund in Minnesota noted,

*"It's not just Minnesota reaching out to the world — the world has come to Minnesota, too. People are here from Ethiopia to Somalia to Laos; the list goes on and on. Why are they here? Globalization, wars we've been involved in, changing economies. 'International' is not just people far away; it's recent arrivals from all parts of the world."*

An international perspective may be helpful not just in understanding local problems but in working toward their solution. The director of a community foundation described a small step that helped resolve a painful local misunderstanding:

*"A few years ago, there was a huge increase in the Hispanic population in one of the counties we serve. One county commissioner wrote to the INS to say, 'Please get rid of these foreigners.' This had a polarizing effect on the community. A local group was sponsoring a study trip for public officials to Mexico to help them understand immigration issues. We went to our donor advisers to ask if they would put up funds to allow him and some others to be part of the trip. We only needed \$6,000, so this wasn't*

*huge. The commissioner returned a changed man. He announced publicly that he would work to make his county welcoming for all residents."*

Indeed, the possibilities for applying a global lens to domestic work are practically limitless. Here's a small sample of ideas, mentioned by our contributors.

### **Strengthening cross-national alliances**

Some funders have made grants to American organizations for projects designed to broaden their international agendas. For example, a corporate funder in Southern California helped a local natural history museum collaborate with a Mexican organization to produce an educational film — a project that emphasized their common interests and laid the groundwork for further cooperation:

*"We helped sponsor the filming of an IMAX movie on Baja and the Sea of Cortez for our local natural history museum and Mexico's oldest conservation organization. The movie shows the bio-diversity of the peninsula and makes you want to protect it. It's been key to raising funds for U.S. and Mexican conservation organizations."*

### **Opening avenues of communication**

Many funders have sponsored projects to encourage international communication among peers — from elementary school students to nonprofit service providers to senior government officials.

The founder of a family philanthropy explained the genesis of an organization that develops and coordinates project-based learning among students and teachers around the world, using the Internet and other new technology:

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*"We started up in 1988 with twelve schools in Moscow and twelve schools in the United States. It was a pretty rough time, but the project was very successful. Fifteen years later, that particular project, which we spun off, involves over a million children in 15,000 schools in 100 countries with project-based learning, across national boundaries, and therefore across cultural and religious boundaries."*

Hoping to inspire a more global approach to national policies, one large East Coast foundation organizes an annual symposium for health ministers from major developed countries. The officials review comparative international research and discuss strategies for improving the performance of their national health care systems. The foundation also supports exchange programs that allow health professionals to study innovations in other countries.

American funders are increasingly borrowing strategies and perspectives developed in the global arena for their domestic work. For example, the microenterprise lending movement, which originated in Bangladesh through the pioneering work of the

Grameen Bank, has found its way into foundation-supported antipoverty work in communities around the United States.

A foundation in a Midwestern city emphasizes human rights as defined by the United Nations' Universal Declaration of Human Rights and asks all applicants to "describe how their work enhances the dignity of people, recognizes minimum rights and standards, or affects systemic change in local communities."

#### **Tackling global issues**

Some funders are interested in advancing international problem solving in areas such as environmental protection, economic development, or women's rights. Strategies include monitoring government compliance with international agreements, advancing civil society, organizing global networks, and convening conferences on pressing topics.

For reflections and practical advice from grant makers on funding in connection with international summits and conferences, see the GrantCraft guide *World Summits and Conferences: Grant Making on a Global Stage* ([www.GrantCraft.org](http://www.GrantCraft.org)).

## Key Lessons from Grant Makers

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■ **Inform yourself about relevant legal and tax issues.** If you decide to fund directly, undertake due diligence on the relevant legal and tax issues in the United States and target country, and set up the processes and timetable to govern your work. Enlist staff and long-term consultants as allies in making sure that things run smoothly administratively, as well as programmatically. As one grants administrator from a private foundation observed,

*“Generally grants administrators are another set of ears for grantees to answer questions, helping them to understand how to think about reporting, or whatever.”*

■ **Give yourself time for research and reflection.** Our contributors strongly recommended spending plenty of time to educate yourself, your colleagues, and your board members about the target issues and countries you are interested in funding. The former head of a major European donor center and library told how a new environmental funder got started in Eastern Europe:

*“What they really wanted to know initially was, what is everybody else doing so that we can find gaps and opportunities to make a mark? They got a grad student to come into the library and sort of camp out for a week or two, then write a full report.”*

■ **Clarify the values that guide your grant making.** A grant maker at a family foundation explained how the organization’s values informed its grant making:

*“We have topical areas — community development, health, economic*

*development — but within these there are hundreds of possible programs. The challenge was to create a screen. We articulated a set of values: local involvement in decision making, informed by local people and bottom-up. That ruled out a lot of things. We realized that we would not be funding outside people who wanted to go into a new community and start new work. We would work with people who had relationships on the ground and were building capacity of local people to solve their own problems. A number of our grants go to NGOs based in the United States, but we fund them only if they are working closely with a community organization abroad.”*

■ **Identify institutional and personal constraints.** What financial resources, staff time, and personal time will you dedicate to international work? How hands-on do you wish to be? Can your organization manage the program decisions and the legal and tax issues involved in direct grant making? Or would it make more sense to work through an intermediary, at least initially?

■ **Develop ways to help you communicate effectively with grantees and applicants.** What is the communications culture in the country or region in which you plan to work, and how might that condition your dealings with grantees? For example, are people most comfortable communicating in face-to-face settings or may some of the work be conducted by phone or e-mail? Might they hesitate to communicate news, especially bad news, in a timely manner?



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Contributors emphasized the importance of working with grantees to ensure mutual comfort and clarity of expectations regarding how and when you should be in touch

- **Consider a site visit or study tour to a new setting to meet with potential grantees and others.** This can provide the kind of crucial information that grant makers need to back up their funding recommendations. For example, the director of a small family foundation recalled a site visit to a rural community development project in Mexico:

*"The director was one of those charismatic, spark-plug people, and I could tell that he personally was going to make this work. That day in the office, it was clear that it wasn't a bureaucracy. This was a group of impassioned people."*

- **Listen carefully to the interests and concerns of local communities.** The assistance of experienced consultants can be particularly helpful in

coordinating local conversations. Organize meetings to scope the field and for others to get to know you. When exploring a field with potential grantees, remember that your education may cost them time and resources. You may want to reimburse their travel expenses, provide honoraria, offer training, or underwrite groups working on similar issues to network and learn from each other.

- **Consider small grants as a way to explore the field.** This approach offers opportunities to learn about a field or country, while also giving you a chance to offer timely assistance to promising projects that might not fit within a larger grant.
- **Take advantage of the knowledge and connections of local philanthropies.** Grant makers suggest making contact with local donors and donor networks when gathering initial information, and considering a partnership further down the road.

## What Grantees Wish Grant Makers Knew

- **People in other countries may not understand how U.S. philanthropy works or your role as a grant maker.** Remember, cautioned one grantee, that the people you talk with may not understand whether you're collecting ideas or actually making decisions.
- **A model that works well in one place won't necessarily work in another.** Local culture — including attitudes toward entrepreneurship, patterns of graft and corruption, and views toward outsiders — can doom a project to failure, even if the approach has worked elsewhere.
- **Try to clarify the meaning of technical terms.** Terms that mean one thing in the United States may have different meanings or connotations in other countries. Try to spend time discussing what all parties really hope will be accomplished and how the work will get done.
- **Be clear about your projected exit from a grant.** Our contributors stressed the importance of structuring your work from the beginning with an eye toward your eventual withdrawal. Plan your transition strategy from the first moment you begin to engage in another country and shape your role to support that strategy.
- **Be strategic about translation.** Make sure key documents and conversations are translated between English and the main language (or languages) of the countries where you are working. An American grantee who works globally translates all presentation slides in advance of international meetings, as an aid to bilingual participants and to enhance the quality of simultaneous translations.

## Ways to Use This Guide

This guide is intended primarily to help grant makers, trustees, and donors think through the decision to add a global dimension to their grant making. It may be especially helpful with:

- Learning about what's out there in terms of existing resources, partners, and information
- Getting a picture of the legal and logistical demands of funding globally
- Weighing the advantages of working through an intermediary organization versus funding directly
- Walking trustees or an individual donor through an initial decision to work internationally
- Bringing global perspective to a domestic funding agenda

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Natasha Amott	Idelisse Malave	Copen Family Fund
Ellen Arrick	Niamani Mutima	Council on Foundations International
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Cristina Eguizabal	Aron Thompson	Organizations, Harvard University
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Nicholas Gabriel		and Development
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Christopher Harris	American Express Foundation	Social Venture Partners Seattle
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