



**Going Global?  
The Engagements of Danish Private  
Foundations in International Development  
Cooperation**

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## **ABSTRACT**

During the past decade attention paid to the role of private foundations in international development cooperation has intensified, as several of these have increased their global giving and transformed their approach to philanthropy from reactive grant-making to strategic social impact. While having been identified in the macro context of the world's biggest foundations, we have yet to see if such processes have also occurred at micro-level. This working paper makes one such contribution by exploring the international activities of Danish foundations. It finds that while the bulk of these continue to have a domestic focus, grant-making on global issues is increasing. In parallel, several of the foundations have undergone transformations in organisation of and approach to grant-making, including the adoption of more specialised and strategic approaches. Many are building capacity to be involved not just in funding, but also project conception, implementation and evaluation, increasing their role in global issues.

## INTRODUCTION

Private foundations have been active in international development cooperation for at least a century, but have drawn increasing interest in the last decade because of their growing importance. They now play a significant part in the growing role of non-state actors in global governance, and we are currently witnessing an increase in academic attention to the power of the new approaches and the finances these bring to the table. Like the rise of public aid agencies and multilateral organisations in the 1960s, and NGOs in the following decades, the last ten years have seen former aid recipients from the Global South emerge onto the scene of development cooperation alongside private foundations, the core focus of this paper.

The locomotive of this train of private non-state actors is undeniably the Bill and Melinda Gates Foundation: in the eyes of some, an illustration of the rise of abundant private foundations in development; in those of others, more an exceptional and unparalleled case than representative of a wider movement at large. Except for the Bill and Melinda Gates Foundation, not much is known about the contemporary rise of private foundations. Attempts have been made to produce large overviews of the sector in its entirety, both in terms of approaches and strategies (Desai & Kharas, 2008), and in terms of volume, either on a global level (Hudson, 2012) or on regional ones (African Grantmakers Network, 2014). Some have attempted to approach private foundations as they work in recipient countries (Lundsgaarde et al. 2012), and a fairly sizeable literature has focused on the role of foundations in global health (Moran 2014; Moran & Stevenson, 2013).

Simultaneously with the increasing interest of private foundations in global issues

and development matters, global philanthropy appears to be shifting from altruistic charity to sophisticated social impact investment (Kramer & Sattler, 2011). In 2006 Matthew Bishop coined the term ‘philanthrocapitalism’ to describe what he perceived as a new generation of private foundations and individuals successfully applying a business approach to tackling global problems (Bishop, 2006). This new generation emphasises efficiency and measurability, and their business-oriented approach may be considered a departure from traditional philanthropic practice (Lundsgaarde, 2010). Desai and Kharas (2008) refer to this shift as the ‘California Consensus’ in which the logic of managerialism (such as necessity of innovation, efficiency and evaluation, results orientation, quantitative impact measurement etc.) is transferred to practices and discourses in development cooperation.

Our knowledge of the largest and most prominent foundations engaged in global issues is growing, but we still do not know much about these trends at a more micro level. The purpose of this working paper is to address this omission by exploring first whether the overarching trend of private foundations increasing their engagement in development cooperation and international giving is one that may be traced at a rather more micro level than as has predominantly been done in the literature, and second to what extent the shift towards philanthrocapitalist discourses of, and approaches to, social impact in developing countries, is present at this level. We take Denmark as a case study, conducting a mapping exercise of the engagement of key Danish foundations in global or development issues. We explore the areas of intervention and the approaches of these foundations by studying activities, partners and modes of operation. The particular choice of Denmark adds a noteworthy

dynamic to the study as it explores the international engagements of private foundations in a context that has traditionally been characterised by a strong public donor ('Danida' – Danish International Development Agency), and with limited international foundation activity. The empirical data analysed includes different forms of documentation from the foundations, and interviews with key staff in several foundations.<sup>1</sup> Before proceeding to the analysis of Danish foundation international engagements, we begin by broadly discussing the fundamentals of private foundations and shortly hereafter turn to the role of these in development cooperation.

## **PHILANTHROPY, PRIVATE FOUNDATIONS, AND AMERICAN CAPITALISM**

Philanthropic foundations emerged in the late 1900s as the world's first millionaires increasingly searched for ways to spend their fortunes, but could also for many years be traced to international American missionary work<sup>2</sup>. During this golden age of American philanthropy, incredible wealth was made as rapid industrialisation swept across the country. Most famous were the three individuals Carnegie, Rockefeller and Ford, as frontrunners of modern-day philanthropic giving. Wealth creation to the same heights can be said to have characterised the 25 years leading up to the financial crisis of 2008. Dur-

ing this period in time that we witnessed the amassed fortunes of today's billionaires being given away in charity to the developing world.

Frank Emerson Andrews' definition of private foundations, derived from his seminal work on the societal role of these in America in the early 1950s, is often used as a point of departure for studies of such actors. In his view a private foundation is a '*non-governmental, non-profit organization having a principal fund of its own, managed by its trustees or directors, and established to maintain or aid social, educational, charitable, religious, or other activities serving the common welfare*' (Andrews, 1956). What separates these foundations from the many other types of non-governmental organisations with a mission of doing good then, is the '*principal fund of its own*', allowing them to exercise, in theory, complete self-determination. Through continuous reinvestment of the initial endowment made by the founding individuals, the foundation is exempt from external resource allocation. This provides foundations with financial independence but also greatly blurs the lines of accountability.

Certain traits set different types of foundations apart. They may provide grants exclusively to other organisations or handle implementation of programmes and projects themselves. This is also likely to have consequences for in-country presence, as foundations handling implementation are more likely to have local or country offices whereas the majority of the work in grant-making foundations is done from headquarters, often in the originating country. They may be established by a limited set of individuals or a company, which is then in turn likely to determine the focus and field of the organisation beyond providing the financial means.

A key similarity for private foundations is their ambition to promote human welfare i.e. philanthropy. Altruistic customs may be

<sup>1</sup> Including the A.P. Møller and Chastine Mc-Kinney Møller Foundation, Augustinus Foundation, Bestseller Fund, COWI Foundation, The Obel Family Foundation, Novo Nordisk Foundation, Villum Foundation and Rockwool Foundation.

<sup>2</sup> The Rockefeller Foundation (1913) and the Ford Foundation (1936) both supported missionary groups for their first endeavours into international philanthropy (Desai & Kharas, 2008)

seen as a universal feature of human societies, historically closely linked to selfless and selfish religious duties (OECD-DAC, 2003). Traditionally, foundations have emphasised improving opportunity rather than relieving immediate suffering, best exemplified in Andrew Carnegie's aim of having his foundation focus on *'the placing of ladders upon which the aspiring can rise'* (Carnegie, 1889). Philanthropy is a somewhat elusive concept of giving and do-gooding that finds its roots within the traditions of 'social entrepreneurship'. Definitions of social entrepreneurship remain blurred and there is an almost universal confusion as to what this kind of entrepreneurship has in common with commercial entrepreneurial activities (Nicholls, 2006; Martin & Osberg, 2007). Two commonly agreed upon features of the concept nonetheless seem to frame its perception and are the object of this working paper: a principal strategic focus on social impact, and an innovative approach to achieving this (Hammack & Heydemann, 2009).

## **PRIVATE FOUNDATIONS IN INTERNATIONAL DEVELOPMENT**

As global philanthropy appears to be shifting from altruistic charity to sophisticated social impact investment (Kramer & Sattler, 2011) private foundations have attracted increased attention for their potential dual contribution of providing additional resources and of bringing new approaches to international development efforts (Nelson, 2008). These organisations are associated with a host of traits described in the literature around them. They seem to be closely linked with innovation, and their financial independence presumably allows them to take risks traditional donors do not, particularly with development

of new technologies, tools and approaches (OECD-DAC, 2003). In extension of this, some foundations perceive their engagement as filling funding gaps for priorities that are neglected by traditional donors, such as specific diseases. The focus on results and quick fixes through technology and innovation has spurred critique of an apparent reluctance of the foundations to address systemic and societal change (Marten & Witte, 2008; Kramer & Sattler, 2011). Social benefits of development aid may have complex causal structures and be difficult to measure in terms of results. To overcome this, many private foundations employ or adopt models or theories of change building on short-term impact (Kramer & Sattler, 2011).

Foundations will often frame their work as being done in a political vacuum in which they can be perceived as apolitical or neutral (Jenkins, 2011), and may not feel a necessity to align or harmonise efforts with existing actors (Marten & Witte, 2008). This necessarily entails risks of contributing to fragmentation and the creation of parallel implementation structures (McCoy & McGoey, 2011) but, equally interesting, it strengthens perceptions that managerialism permeates the practices and discourses of these actors. An emphasis on development seen as technical and neutral problem solving goes hand in hand with rational planning, in which an end state is thought to be achievable in so far as the correct approach and tools for monitoring are applied to a linear causal line.

Observers of the engagement of private foundations in development cooperation commonly fall into two categories: those who see foundations as emerging forces for good, able to bring new resources, new thinking and new ways of achieving impacts and results, and on the other side, those who question firstly, whether there is altogether something

genuinely *new* about these actors, and secondly, if they are at all able to deliver the results their proponents expect.

The first group of observers maintain that the institutional logics transferred from the business world by these organisations renders them more successful, and that these private foundations are more innovative, effective and results-oriented than traditional donor organisations (Hudson, 2012). In mainstream literature on private foundations, new fortunes and philanthropic initiatives from emerging industries have been praised as solutions to transnational problems (Clinton, 2007; Bishop & Green, 2010). In 2006, Matthew Bishop coined the term ‘philanthrocapitalism’ to describe this movement (Bishop, 2006). This new generation emphasises efficiency and measurability, and their business-oriented approach may be considered a departure from traditional philanthropic practice (Lundsgaarde, 2010). Rising optimism among this group has given way to the perception that private actors and emerging private-public partnerships are supplanting existing donor-recipient relations, and even bringing about more sustainable forms of development (Adelman, 2009). Private aid, in this line of thought, is framed as a contrast to the unsuccessful top-down and centrally planned public aid programmes, able to deliver effective results by seeking out what Easterly (2007) refers to as ‘opportunistic innovations’ in his *searchers vs. planners* discussion. It is thought that particular elements of these institutional logics, grounded in business and entrepreneurial lines of thought, are diffused to other actors in the field, entailing a *privatisation* of international development cooperation. This privatisation of development cooperation can essentially be understood by taking three key elements: i) increased multiplicity and prominence of pri-

vate actors and innovative forms of providing aid by individuals, ii) growth in private aid flows to developing countries including absolute and relative financial power of private actors in development iii) a shift in the practices and discourses of development cooperation towards ‘ideas emanating out of business schools’ (Moran, 2014).

The second group of observers, the critics, hold that private actors may well be more effective in providing quick results in developing countries, but that some notes of caution should be sounded. The history of philanthropy is replete with scandals about misused funds (Desai & Kharas, 2008); accountability remains a pertinent question as many private actors feel little need to be answerable to public scrutiny, and are subsequently considered vastly less transparent; the apparent inexistence of any need for coordination is not necessarily advantageous for poverty-reducing efforts, as issues of duplication and fragmentation may arise making it difficult to ensure effective and sustainable change;<sup>3</sup> in private foundations in particular, short-term projects and *quick fixes* driven by the zeal of the trustees will often be favoured over long-term impact (Edwards, 2009); and some claim that many private foundations are not as willing to take risks as they want to be perceived to be (House of Commons, 2012). This belief maintains that the transfer of entrepreneurial business skills into the world of relief and development cooperation is problematic, and that the supposed superiority of business and managerialist approaches inherent in the commercial rhetoric of economism in particular has been portrayed as conflicting with mainstream international development

<sup>3</sup> Some donors have aired their concern about private foundations’ influence on the implementation of the Paris Agenda (House of Commons, 2012).

discourses (Edwards, 2009). Ramdas (2011) moves the argument further to contend that social transformation is impossible to ensure as long as it is founded on economic models that support inequality. The shift towards business approaches in global development efforts by private foundations also seems to have entailed changes in foundation-grantee relations. Jenkins (2011) argues that traditional foundation-grantee relations were characterised by ‘a coequal partnership’, in which foundations attempted to contribute to societal change by supporting actors and institutions capable of inducing long-term systemic change. In contrast, the managerialist or business approaches of the new foundations imply far more paternalistic relations in which grantees are disempowered by foundation-centred problem solving models.

## DANISH PRIVATE FOUNDATION ENGAGEMENTS IN GLOBAL ISSUES

Denmark has a large number of private and public foundations, exceeding 14,000 in total, sitting on combined endowments of more than \$80 billion.<sup>4</sup> Every year they provide several billion dollars to domestic cultural, educational, and research and science projects, with such donations to public utility purposes being covered by different tax exemption measures. The vast majority of the founda-

<sup>4</sup> It is impossible to precisely identify the number of foundations in Denmark and their giving, since they are not forced to report on grants, investment and endowments as are, for example, US foundations. In 1991 former conservative Minister of Justice, Hans Engell, closed down the Danish foundation registry, thus making it impossible for the public to follow how many Danish foundations exist, how much they provide in grants annually, and how big their endowments are. In June 2014 however, Minister of Culture, Marianne Jelved, suggested the return of a voluntary registry of foundations.

tions are non-commercial (around 13, 000) but Denmark has a history of commercial funds (around 1, 500 today) that traditionally own the majority of their parent companies. Commercial foundations play a central role in the organisation of the Danish private sector as many of the biggest Danish companies have chosen this model (Deloitte, 2012).<sup>5</sup> According to the Danish legal framework, commercial foundations may own companies (or shares in companies), conduct business activities and distribute grants to fulfil objectives in a long-term perspective. The fortunes of the founder are irrevocably separated from the fortunes of the foundation, and free reserves may be donated to public utility purposes (Folketinget, 2014).

The Danish foundations selected for this study have diverse aims and ways of organising. In general, the statutes or charters of the foundations provide the basic guidance for donations for public utility purposes. Some of the interviewed foundations support long-term goals in the sector of the parent company, others work on issues of public utility that are completely separated from the companies. Most of the motivations for giving are traditional notions of ‘giving back to society’, or to secure long-term favourable conditions for business (for instance through education, research, the environment, etc.) A fundamental principle, for instance, guiding the Novo

<sup>5</sup> Including nine foundations covered by this study: the A.P. Møller and Chastine Mc-Kinney Møller Foundation, Augustinus Foundation, Bestseller Foundation, Carlsberg Foundation, COWI Foundation, Lego Foundation, Novo Nordisk Foundation, Obel Family Foundation, and the Poul Due Jensen Foundation. Realdania is defined as a membership organisation. Villum Foundation and Fabrikant Mads Clausen Foundation are defined as non-profit organisations and, finally, the Rockwool Foundation is defined as an independent private institution. While being a not for profit organisation, the Villum Foundation, as laid down in the statute, still has responsibility to contribute to ensure the survival and sustained reputation of VKR Holding as a model company and has an important share in the company (Villum and Velux, 2013: 9).

Table I. Selected Danish foundations

Name	Main fields of interest	Selected international activities	Founded	Total pledged and donated 2013
<i>A.P. Møller and Chastine Mc-Kinney Møller Foundation</i>	Domestic issues; Danish shipping, industry and science; Nordic countries; contributions for the public good.	Demining programmes in Afghanistan, Somalia, and Angola; sustainable fisheries in Somalia	1953	\$403 million
<i>Augustinus Foundation</i>	Mainly the cultural and social sectors in Denmark	Humanitarian projects in Benin, India, Syria, Philippines, and Somaliland	1942	\$29 million
<i>Bestseller Foundation</i>	Social and cultural initiatives in Denmark. Internationally, it follows three strategic lines: jobs and entrepreneurship; agriculture and food production; children's access to basic services	Supporting young entrepreneurs in Kenya. Major partnership with the Chinese government to alleviate poverty in the Hubei province.	1995	\$1.1 million
<i>Carlsberg Foundation</i>	Support for Danish humanities and social science research	Occasional international activities	1876	\$39 million
<i>COWI Foundation</i>	The board is responsible for its undisclosed priorities. Most are connected to the engineering nature of the backing company COWI.	Potential future support to an international organisation.	1973	\$1 million
<i>LEGO Foundation</i>	Long-term strategy of redefining play and re-imagining learning, understanding it as a complex, global, systemic challenge	Programme in South Africa providing creative tools to find solutions through play in elementary schools. Related projects in Ukraine, Mexico, India and other countries. Contributing to UNHCR's 'Educate A Child Initiative'.	1986 (Revision in 2009)	\$22 million
<i>Novo Nordisk Foundation</i>	Bioscience research in Denmark. International focus on health.	Diabetes education in Malaysia, Turkey, Tunisia, India, China, and Indonesia. Health project in Guinea-Bissau.	1951	\$121 million
<i>The Obel Family Foundation</i>	Mainly domestically on social development. Internationally it focuses on human rights in health.	Empowerment and equal access to healthcare in Kenya.	1956	\$10 million
<i>Poul Due Jensen Foundation (Grundfos)</i>	Focus on four areas: research and innovation; environment and sustainable development; humanitarian assistance and social responsibility.	Projects in South-East Asia, and East Africa including solar energy solutions to drinking water supply. Pilot project in Kenya on innovative solutions specifically for sustainable water supply for low-income populations.	1975	\$2.6 million
<i>Realdania</i>	Domestic focus on 'the built environment' e.g. cities, buildings and the built heritage.	Support to the C40 Cities Climate Leadership Group, with a view to reducing greenhouse gas emissions.	2000	\$158 million
<i>Rockwool Foundation</i>	Internationally: food security, social capacity building, international peace-building and health interventions	Poverty alleviation among rural farmers in Tanzania. Village savings project in Malawi.	1981	\$6 million
<i>Villum Foundation</i>	Focus on support to scientific, artistic, cultural, social and environmental purposes.	Supports the World Resources Institute on global action on climate change. Also supports The United Nations' Intergovernmental Panel on Climate Change (IPCC) through a partnership with the UN foundation.	1971	\$165 million

Nordisk Foundation is that the permission to produce insulin in the Nordic countries was given to August Krogh in Canada in 1922 under the condition that a part of the profits be given back to society.

In the case of commercial foundations, the backing companies' values often form important references for behaviour, for instance in the case of the Villum Foundation's objective of exercising exemplary conduct towards employees, partners and society as a whole (Villum and Velux, 2013: 9). In general, guiding values on charity, creativity, discretion and thoroughness greatly depend on the vision of the founder(s) and the culture of the company in question.

The functioning of foundations is generally based on a statute or charter, and managed by a board that decides on donations. The composition of boards deciding on strategies, approaches and donations is varied. In many cases members of the founders' families participate, while some boards involve representatives of employees. A committee under the Ministry of Commerce has developed a set of initial recommendations for good management of commercial foundations which, for example, includes guidelines for the boards to be made up by at least a third of members who are independent from the company, the foundation and the founding family, and that the members should be selected for terms of 2–4 years and chosen because of their personal and professional competencies and, finally, that the composition should be diverse. The boards have to justify to the authorities that they fulfil the recommendations of the committee according to a '*comply or explain*' principle (Folketinget, 2014). This new law seeks to resolve notorious issues such as boards being known to often share members, to be strongly interconnected, and to have unequal gender distribution, presently there

is an average of 3.5 men to every woman (Information, 2014).

### **Contemporary changes in Danish foundation giving and organisation**

Three major and interrelated transformations seem to have taken place in recent years (or are currently taking place) in the organisation and approaches of the Danish foundations, as they appear to be shifting from discretely providing the opportunity for applicants to have ideas and projects financed, to being increasingly involved in proactively defining goals and methods, and in communicating their results.

First, the operational approaches of the Danish foundations are undergoing changes, with a vast majority increasingly adopting new strategic and proactive ways of working. To some extent Danish foundations have been influenced by new international trends and ideas, and shifts in strategy in some of the largest international foundations during the 2000s. Many of the foundations have undertaken strategy processes or are just about to start these processes. Some foundations have decided to specialise and apply catalytic approaches, attempting to start up smaller projects and eventually have these leveraged with public funds. Others have opted for an approach based on a light and reactive organisation driven to a large extent by applications. This is especially so for one of the largest of the foundations, the AP Møller Foundation. Some foundations combine both, working strategically in some areas and less in others, such as the Novo Nordisk Foundation. Several foundations such as the Cowi Foundation and the Poul Due Jensen Foundation, driven to a large extent by applications, have recently started processes to define new strategies. As an example of a catalytic approach, the Rock-

wool Foundation seeks to address complex societal problems by developing social interventions and practical methods that can be taken over by other institutions if they prove successful (Rockwool Foundation 2013: 10). Realdania has chosen a *'problem driven approach'* based on a new strategy from 2013, aiming to address *'complex societal challenges'* including establishing better cooperation among public and private actors. Such proactive approaches represent a radical shift from the traditional or conservative approach of serving the public good by occasionally accepting applications from those that choose to apply for funds.

The second change concerns permanent staff, and is closely connected to the first. From a situation of no or very limited permanent staff (for instance one permanent assistant), many of the Danish foundations have increased staff in quality and quantity within their fields of action, most of them essentially with a view to increasingly working in strategic and proactive ways. The Bestseller Fund, for instance, recruited new staff qualified on development issues in 2011–2012. The Lego Foundation has increased staff numbers and opened a second office in Switzerland to implement new strategies on global play and the foundation has around 30 employees at present. The Novo Nordisk foundation started by employing permanent staff in 1992 (to its secretariat), and currently has 20 employees and has just begun a process to recruit staff specialised in measuring impact. As mentioned, quality is as much an area of importance as is quantity. The foundations are generally not scaling up on human resources, not because they have capacity issues with their current ways of operating, but rather because they share ambitions of being able to increasingly engage with potential grantees and partners, and also with the public, in a much more

strategic way. Engaging strategically with the public is mainly done with a view to transparently report and present results of the funded projects.

Finally, the Danish foundations are in a process of setting up new means of communication which include websites and information for potential applicants, but also annual reports, accounts and, not least, results of the supported initiatives and projects. Such initiatives break with the traditional values of discretion and reticence, and have several purposes. First, such measures are being taken because the opacity of the Danish foundations has been subject of a heated debate in the Danish media and among Danish politicians, contributing to a broad public perception that they need to reinforce communication. The main disapproval has been directed at the often short-term nature of foundation support, for example allowing for the construction of a building without providing any funds for its operation (which is then left to the state, and thus also its taxpayers), and because of the tax-exempt nature of the foundations, providing them with a fairly direct responsibility towards the taxpaying public. In addition to the obvious reason of seeking to avoid such criticism and public scrutiny, legal changes have also been made recently, strengthening demands on foundations for openness.<sup>6</sup> Second, and more proactive, steps towards increasing communication with the public, and not just the Danish public but also internationally, have been driven by an evolving sense of the need to professionalise

<sup>6</sup> One of the initial recommendations of the committee for good management of foundations is about external communication. The board has to develop a strategy for external communication which reflects the need for transparency and the possibility for involved actors to get relevant and updated information about the foundation. The boards have to justify that they fulfil these conditions before the authorities (Folketinget 2014).

and to increase capacity. Some foundation interviewees point to international trends and the professionalization of the large foundations as an inspiration, whereas others point to some of the leading Danish foundations as basically enacting forms of mimesis, drawn from the rest of the field. Notwithstanding which of these is the strongest driver, this development seems well in line with the increasingly strategic and proactive approaches of the Danish foundations.

### **Forms of engagement in international development efforts**

Most of the Danish foundations explored in this study are first and foremost domestically focused, but several of them do have international activities and projects, many of which are in the developing countries. These engagements are diverse and include social and humanitarian, environmental, agricultural, educational and economic development work. All of the foundations explored in this study support smaller innovative projects or social engagements in developing countries, with none intervening in major infrastructure projects, nor any types of sector reforms or issues relating to governance.<sup>7</sup> Their forms of engagement may be divided into three groupings: activities and projects on development and humanitarian issues, being reactively supported from incoming applications, mainly from Danish organisations; activities based on proactive foundation strategies concerning specific development issues; and finally strategic ac-

tivities within global issues that affect developing countries.

The first group of foundations studied here mainly support domestic initiatives in Denmark, but occasionally fund interventions in developing countries, in particular (if not only) activities of Danish development organisations. The AP Møller Foundation is an example of such an approach. It mainly supports projects within five areas: domestic projects; co-operation between Denmark and the other Nordic countries; Danish shipping, industry and science (particularly medical science); and, finally, contributions for the public good. Despite the not very international outlook of such fields of interest, the foundation has supported some initiatives in developing countries, including three Danish-led demining programmes in Afghanistan (\$2 million), Vietnam (\$1.8 million) and Angola (\$3 million). The foundation also recently decided to support a Danish–Somali initiative in Somaliland to create a new, sustainable fishery industry (\$500, 000).

Similarly, the activities of the Augustinus Foundation are mainly oriented towards the cultural and social sectors in Denmark. Supplementing this work, however, the foundation contributes to activities of Danish development organisations for social purposes in developing countries. In 2013, the foundation provided support to humanitarian action in the Global South for an amount of approximately \$270, 000, covering eight separate projects in Benin, India, Syria, the Philippines, and Somaliland.

The Carlsberg Foundation is primarily concerned with basic research in humanities and the social sciences and occasionally finances programmes with an international perspective. Finally, the Novo Nordisk Foundation supports a cluster of research centres with the purpose of making Copenhagen an interna-

<sup>7</sup> In parallel to the activities of the foundations, some of the companies invest in Corporate Social Responsibility activities, at times important in developing countries, however they are not addressed in this study as they are conducted and financed by the companies, independently from the foundations.

tional hub for bioscience research. The foundation supports some activities for social and humanitarian causes with work in the developing countries, in particular the STAR and REACH programmes (\$4 million) on diabetes education. The STAR programme involves activities in Brazil, China, India, Indonesia, Mexico, Tunisia, and Turkey, while the REACH programme is oriented towards Malaysia. In addition, a stand-alone grant has been financing the Bandim Health Project since 2002 in Guinea-Bissau (\$2.5 million), which is focused on a demographic monitoring system allowing for analysing effects of health interventions on women and children. The project also receives support from the Danish Ministry of Foreign Affairs and other partners.

The second group have all developed specific strategies for intervening and supporting projects in developing countries. The Obel Family Foundation, though primarily focused on supporting social development in Denmark, provides funding for international projects with up to 5–10% of its annual budget. The foundation developed an international strategy in 2013 centring on the advancements of human rights in health, and fighting social marginalisation in East African countries. It mainly attempts to fund projects in less visible or underfunded areas that do not have the attention of larger organisations, within the domains of sexual minorities and mental health issues. In line with this new strategy, the foundation started the project *LGBTI<sup>8</sup> rights are human rights* in 2014, about empowerment and equal access to healthcare in Kenya. The project will provide \$1.2 million over a four-year period.

Along the same lines, the Rockwool Foundation has developed a strategy with four areas of intervention: food security, social ca-

capacity building, international peacebuilding,<sup>9</sup> and health interventions. The ‘RIPAT intervention’ has involved four pilot projects since 2006 in Tanzania, following a learning-by-doing process with the aim of finding the best way of promoting development and poverty alleviation among impoverished rural farmers. The foundation also supported a village savings and loan project in Malawi from 2009–2013 using a monitoring system to measure improvements in food security and welfare.

The last foundation from this group, the Bestseller Fund, initially only supported social and cultural initiatives in Denmark but since 2004 has been engaged in development work. In 2012 the foundation developed a strategy with a geographic focus on Eastern and Southern Africa, China, and India, with three strategic lines: contributing to jobs and entrepreneurship; engaging in agriculture and food production to enable small-scale farmers to increase food production; and supporting children’s livelihoods by improving their access to basic services. In implementing projects the foundation works with a variety of public and private partners. In Kenya the foundation has entered a partnership with a business incubator, supporting young entrepreneurs in agribusiness (\$300, 000), it recently initiated a major project in partnership with the Chinese government for an amount of \$7 million, aiming to alleviate poverty in the Hubei province, and especially addressing the conditions for left-behind and abandoned children in 80 villages.

The third group of foundations are those that have developed strategic approaches with a global perspective in specific sectors and formed strong international net-

<sup>8</sup> Lesbian, gay, bisexual, transgender, and intersex

<sup>9</sup> The foundation is currently revising the strategy, linking the issues of peace and food security through a new approach to resource scarcity and conflict.

works. The Lego Foundation has a long-term strategy in place towards redefining play and re-imagining learning, understanding it as a complex, global, systemic challenge. While continuing to build organisational capacity, the foundation currently focuses on strengthening the capital of children, attempting to establish play as pedagogy, scaling up a project in South Africa, and seeking to spark a new global dialogue on learning through play. The foundation organised the international 'Idea Conference' in April 2014, attempting to position the concept of 'learning through play' at the centre of global discussions on education. Since 2009 the foundation has supported the first phase of a programme in South Africa providing creative tools to find solutions through play in elementary schools and related projects in Ukraine, Mexico, India and other countries. 2013 also saw the LEGO Foundation contributing \$3 million to UNHCR and its 'Educate a Child' initiative, to improve access to quality education for refugee children.

The Villum Foundation funds scientific, cultural, artistic and social projects, and awards honorary prizes. Since 2008 the foundation has developed an environment programme with an international component. The foundation does not directly finance activities in developing countries but contributes to global initiatives. The foundation supports the United Nations 'Intergovernmental Panel on Climate Change' (IPCC) through a partnership with the UN foundation (\$8.5 million), which includes communication courses for climate researchers in China, India, Brazil, Mexico and South Africa with the aim of reinforcing their capacities to communicate research in their own language and country context. In addition, the foundation supports the World Resources Institute in order to develop communication capacity

on low-carbon economics to support global action on climate change, focusing on a range of countries including India, Brazil, Indonesia and Mexico (\$2 million). Likewise, Realdania has supported, together with other foundations, the C40 Cities Climate Leadership Group (C40), a network of the world's megacities taking action to reduce greenhouse gas emissions (\$10.5 million in 2013). Thus, while working predominantly in Denmark, the foundation also engages in, and directly supports, international exchanges of knowledge and experiences, in this case concerning the sustainable development of the world's biggest cities.

The Poul Due Jensen Foundation (Grundfos) awards honorary prizes and is involved in development projects in developing countries and charity in Denmark. The foundation has a general preference for projects related to water in line with the core activities of the Grundfos company, and engages in areas such as research and innovation, environment and sustainable development, humanitarian assistance and social responsibility. The foundation has supported development projects in South East Asia and East Africa, including a project for village development including drinking water supply in Malawi (\$250, 000). Most projects involve the establishment of boreholes to obtain clean ground water instead of polluted surface water, and the installation of solar-driven submersible pumps.

### **Foundation relations to partners and grantees**

Danish foundations have, over time, developed partnerships with public and private actors by supporting public organisations, local authorities, and non-profit organisations working with charities and the social sectors. The recent changes in the approaches and or-

ganisation of the Danish foundations have two major implications for the way they work with partners. First, foundations are increasingly developing a broad range of international partnerships. Historically, when engaging internationally, Danish foundations have mainly supported Danish organisations or organisations with some form of Danish connection. Today, that seems to be changing as several of the foundations have started working directly with a broad range of international actors and organisations, as well as governments from developing countries. The Villum and Poul Due Jensen foundations are founding members of the Carbon War Room, an international network of foundations and businesses, supporting work to decrease CO2 emissions. The Lego Foundation is similarly a founding member, together with the King Baudouin Foundation and other partners, of the Transatlantic Forum on Inclusive Early Years, sharing knowledge, exploring policies and projects supporting the early childhood development of children from migrant and low-income families. Second, as we have seen, foundations not only receive and support applications, but are also increasingly involved in project conception, implementation, evaluation and learning activities. Several foundations noted that instead of sending written applications, many Danish NGOs are beginning to interact directly with them in processes of conceiving projects and programmes.

Danish foundations are used to working with the Danish government and public institutions: the Augustinus Foundation has long been working with the National Museum in Denmark, Novo Nordisk Foundation with Danish Universities and the AP Møller Foundation with a range of Danish municipalities and ministries. Recently we have seen the establishment of the independent 'Danish Environment Fund', a major public-private

partnership, to which the Danish government contributes \$86 million, the Villum Foundation \$43 million, and the Aage V. Jensens Nature Foundation \$22 million. Thus far though, partnerships between Danish foundations and the Danish government on international issues have taken place on an ad hoc basis. These have included co-financing of specific initiatives, as well as exchange of information on sector issues between advisors in the Ministry of Foreign Affairs, and permanent staff in foundations, though such endeavours seem to have been sporadic at best. Likewise, Danish Embassies also support foundations with knowledge of the local context and potential partners, as they do for Danish companies.

## CONCLUSION

Increased international giving by philanthropic foundations such as the Bill and Melinda Gates, Rockefeller, or Ford foundations, to projects in the developing world has for the last decade been praised as an emerging game changer for development cooperation, framed within the overall increasing volume of private flows to developing countries. Alongside this assertion, some have argued that foundations engaged in international giving are increasingly shifting their operational approach to grant-making to so-called 'philanthrocapitalist' strategies, adopting businesslike ways of operating as they pursue social impact in the developing world (Bishop & Green, 2010).

This working paper set out to explore whether such developments are mainly reserved for the largest and most prominent international foundations, or if both increased international giving and a philanthrocapitalist turn in operational strategies could be traced

at a relatively more micro-level as well. To do so we used Denmark as a case study, conducting qualitative fieldwork and interviewing nine of the largest Danish foundations, to explore how they approached such issues.

Denmark has a special tradition of commercial foundations serving as owners of what are basically their backing companies. Historically, this has been done to prevent foreign or hostile takeovers of firms. Today, however, many different types of foundation exist, the vast majority of which provide grants to serve the public good, in one way or another. The bulk of these activities continue to take place domestically in Denmark but, for many of the largest foundations, such work is increasingly complemented by international endeavours, much of it in the developing countries. Some foundations support applications from Danish organisations working in developing countries on humanitarian and social issues on an ad hoc basis, not grounded in any deliberate strategies of internationalisation. Others, on the other hand, either have developed, or are taking steps towards developing, specific strategies for supporting certain priority issues in developing countries, and are increasingly recruiting staff to match these new areas of intervention. Finally, a group of Danish foundations are involved in global issues, using strategies to influence global agendas and coalitions as well as scaling up successful activities. These are not directly involved in projects in developing countries, but support global issues that relate to these. As a general rule for those involved directly in developing countries, only smaller innovative or social engagements are supported, none intervene in major infrastructure projects, nor sector reforms or governance-related projects.

Across all the studied foundations, a trend towards increasing international giving can

certainly be identified. Some are more ambitious than others and have developed strategies for how to specifically engage in such funding, but very few of the foundations do not support international causes. However, compared to philanthropic giving by some of the world's largest foundations, or to the Danish development aid budget (of approximately \$3 billion), the financial resources provided to international causes by Danish foundations are still miniscule. But such comparisons do not necessarily render these contributions unimportant. Whereas limited funding was provided by Danish foundations to international projects before the turn of the millennium, it is worth noting that such giving today represents anywhere between \$20–50 million and is increasing.

Equally interesting are the operational developments Danish foundations have undergone and are currently undergoing, partially in their quest to have an international impact. Changes include the adoption of more specialised, strategic and catalytic approaches, whereby the foundations are actively engaged in singling out projects that fit their strategic priorities, and participating in project processes, from conception and development to evaluation and impact measurement. Such proactive approaches represent a radical shift from the traditional or conservative approach of serving the public good by occasionally accepting applications from those that choose to apply for funds. Partly in response to such changes in operation, many of the foundations have seen important staff changes, not only in quantity but also in quality, gradually shifting from only employing administrative caretakers of grants to recruiting specialists with concrete knowledge in the foundations' strategic areas of intervention. Finally, the foundations are coming out of hiding and increasing their public role, setting

up new websites, presenting themselves and the projects they fund to the public, potentially heightening public accountability.

Should we consider such developments part of a ‘philanthrocapitalist’ agenda then? Not necessarily. Danish foundations are definitely approaching grant-making in a much more proactive and strategic fashion, but doing so does not necessarily render their operationalisation or methodologies more businesslike. What we could say is that in their international work they are becoming a lot more like conventional development actors: narrowing down their focus and setting strategies for how to increase impact; building in-house capacity by hiring specialists; trying to understand the contexts they work in and the partners they work with, be these NGOs, the Danish Foreign Ministry, governments, or international organisations (and not just concerning co-financing, but also knowledge exchange and coalition building on global issues); and following projects from conception to evaluation, increasing organisational learning of what works and what does not. The influence of Danish foundations on both international and Danish development cooperation still remains limited, but if their scaling up of international engagement continues, we are likely to see them play a gradually more significant and instrumental role as funders of, and partners in, international development projects in the future.

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