Funding the frontlines: the value added of radical, collaborative sharing

Dr. Christin ter Braak-Forstinger, LL.M *(www.pva-advisory.com)*

Human rights funding today is more and more shaped by regional and local contexts shifting away from the traditional 'Northern'-dominated model. One of the basic goals of such funding is to empower the individuals, communities and organisations at the 'base of the pyramid' with strategies like advocacy, capacity building or coalition building. The positive impact of grassroots innovation can be tremendous. However, funding allocated to grassroots organisations directly is only a very small share in the human rights context. Is this because funding the grassroots frontlines is risky? Or is it even a layer beyond – and is it simply too burdensome and time-consuming?

Sharing versus serving

Let us briefly tap into some philosophical thinking: what have the words of a cynical yoga master got to do with today's new models of collaboration that have changed the world of philanthropy and impact investing?

In fact, more than one would think on first sight. "Charity is a strange game," says Osho in one of his major books "as it means degrading the other person. Instead of serving the poor, sharing is a concept of a totally different quality. The man who learns the art of sharing is the richest man in the world." Visionary philanthropists and impact investors have quite similar views on this idea. For example, the 2016 BNP Paribas Individual Philanthropy Index, based on a survey of more than 450 individual philanthropists worldwide, confirms that collaborative philanthropy is considered a top-trend for achieving a sustainable outcome. Also Sally Osberg, president and CEO of the Skoll Foundation recently pointed out: "We can't make a big dent in the challenges without a far greater ability to join forces." It is a given today that impact and innovation cannot happen in isolation but require collective action and sharing.

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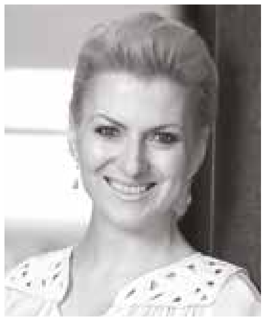
On the philanthropy side, 'collective giving' became famous in 2010, when Bill and Melinda Gates and Warren Buffet founded 'the Giving Pledge' – an effort to encourage their wealthy peers to give away a significant part of their wealth for philanthropic purposes. A remarkable number of 128 billionaires or former billionaire couples and individuals have signed the visionary pledge since. The latest and probably most famous of which are Marc Zuckerberg and Melissa Chan.



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Also smaller givers have not bevven excluded from the collective-giving wave. Technology allows average givers to pool their resources online in virtual giving circles. For example there is 'Giving Tuesday', a recent success intervention that unites the US philanthropic community for a day of giving at the start of the holiday season.

Another fruitful liaison is funding collaboratives: 'Living Cities' is a collaboration of 22 leading American foundations and financial institutions that have collectively invested nearly US$1 billion to improve the lives of low-income people in two dozen cities across the United States. This is one of the best examples of this trend in which a group of individual or institutional donors and investors, who share a common interest, a pool of funds, knowledge, and other resources to support social-purpose activities, conduct collective research and typically make joint decisions about the use of their common resources.

In the social investing arena, new innovative structuring forms and vehicles like the Public-Private-Partnerships (PPP or P3) or Impact Bonds (i.e. Social Impact Bonds, Development Impact Bonds or Green Bonds) have emerged next to cross-sectoral funding platforms (the most recent of which is Convergence https://www.convergence.finance, launched in January 2016). These innovative financing vehicles and mechanisms show that the involvement of the private and the public sector can have a multiplication effect: their joint work may attract further private, or even institutional investors, who would – out of risk perspectives – have not otherwise invested. Today some advanced impact investors have implemented very conscious approaches within their know-how sharing: they mediate in a group of peers and fellow-investors before they actually start their know-how exchange gatherings. This gives room for personal reflection and openness.

If thought through, collaborative efforts should be applied throughout the whole philanthropic engagement and/or social investing chain, actively including the final beneficiaries of the philanthropic engagement and/or social investment.

Serving through the supply of know-how or technology has long been thought to be the entry door for empowering the poorest of the poor to help themselves with economic tools. Serving originates from the meaning to work for someone as a servant. *"The steward serves the king"* is an old saying. A contrario – when the king serves the community – is controlled by the person with the highest status and, even under the most noble motives, not necessarily in the best interest of the community.

The 'serving-concept' has neglected an important human part in the giving process, the absence of which may cause even the best economic ideas for implementation to fail. Serving implies a 'top-down' approach, driven by the good-intentioned and ambitioned – but not always sustainable – mission to help. This drive for doing good is too often not backed by real need at the beneficiary level. Serving is relatively easy as it usually comprises one's own world view of things without the deeper intention to open up for honest feedback from the potential beneficiaries. As a result it often lacks participation, real understanding and project identification. Such identification can only emerge through intense listening to what the community of beneficiaries says and suggests: by observing local traditions, habits and opinions, and by giving the community tools at hand that they have suggested and that are carried jointly by them. However, this requires trust. Trust allows for an unconfined flow of information and a co-equal dialogue that facilitates a deeper understanding and that opens up the space for the evolution of innovative, cross-cultural and/or cross-sectoral solutions that facilitate ownership.

How do social enterprises fit into the context of human rights funding and collaborative sharing?

Hybrid organisations, like social enterprises, work in a variety of different sectors. Often they operate in areas that are traditionally administered by the public sector. In that regard there is potential to implement rights-based approaches to development, which integrate human rights principles into organisational design, procedure and processes and put pressure on traditional responsibility bearers.

Founders of social enterprises have long indicated their need for tailored support based on their values, organisational structures and differing financing requirements. On the other side of the spectrum, early investors typically have a clear view of their prerequisites for investing in social enterprises. They may be willing to combine a grant with an equity element or similar financing, or other support form.

What they are often not willing to engage with are deeper and time-consuming conversations around the exact needs of the investee company.

Collaborative sharing among investors and investee organisations allows the latter to become deal-ready from an inside-out perspective. This presupposes that beneficiaries or representatives of investee companies are honestly asked what they really need to better define their spectrum of 'deal- and investment readiness'. This also means that the investor and the investee will openly share their ideas and use more time talking to each other to co-create solutions. Such sharing allows for the emergence of innovative and scalable solutions.

The value added of collaborative sharing

Collaborative sharing provides for self-dependent solutions on a bottom-up level. Instead of a top-down approach and the associated lack of local project involvement and identification, collaborative sharing fosters an exchange of ideas, most suited to the needs of the recipients. Collaborative sharing efforts are part of a holistic process: they are concerned with their impact on a human's and organisation's inner and outer world.

Conclusion

It is crucial for human rights funders, effective altruists and social investors – no matter if individuals, enterprises, foundations or organisations – to understand how their support can create long-term, positive social impact on the beneficiaries' end. When such investors are open for a mutual exchange of information beyond their internally approved or best-intended concepts, they will experience that collaborative sharing is much more impactful than traditional 'serving'. It facilitates a partnership based on equal footing and allows for mutual-value creation and self-supporting solutions. Still, moderating one's own ego in imposing neatly pre-fixed ideas on the needy, is not always an easy task. It requires self-awareness, empathy and reflection. Collaboratively sharing ideas, experience, and financial know-how means giving grassroots organisations, ultimate beneficiaries or social enterprises the tools they need in order to be in the driver's seat for healthy growth and systemic change.

***Dr Christin ter Braak-Forstinger, LLM** is the Founder of PVA Advisory, an independent philanthropic advisory firm for financial intermediaries based in Zurich (founded in 2011). Christin has 15 years of experience as a financial lawyer and project manager for HNWI and a deep knowledge and personal passion in the area of philanthropy and impact investing. She also has extensive grass-roots experience in Africa. Christin is the author of several books and peer-reviewed articles in banking, law, philanthropy and impact investing. She completed her postgraduate study at Duke Law School and wrote her doctoral thesis at Harvard Law School.*

She is a regular lecturer at universities and speaker at panels. Privately, Christin is the co-founder and president of an Austrian, Swiss and Ghana-based NGO supporting vulnerable children in Africa (www.braveaurora.com). Her private NGO recently got awarded with the highest award of the Upper Austria Government (Human Rights Award 2014). The Int. Alpbach Forum Austria elected her as one of the 40 Young Emerging European Leaders 2014.