

## Foundations

Foundations are non-governmental and non-profit organizations. They differ across legal and financial dimensions. Some are public while others are private organisations. These non-governmental philanthropic organizations have made important contributions to several domains, democratic governance; diseases control; agriculture; family planning; and empowerment of youth and minorities. These organisations tend to support innovative approaches and normally seek to fill niches where other actors have not provided adequate financing. Some have focused on supporting science, technology and innovation in particular but not only where technology and innovation can contribute to addressing social challenges (see [Addressing social challenges](#) [1]).

Their role in boosting innovation can involve supporting the transfer of ideas, identifying emerging fields of concern and testing new approaches to address societal problems. They can also help finance pilot projects other development actors can replicate and scale up afterwards. The financial independence of foundations can allow them to take bigger risks or invest in more controversial topics to support ambitious innovation projects.

Success, however, requires an adequate framework is adopted for project selection, supervision, monitoring and for setting a balance between immediate targets and long-term capacity building. Foundations are increasingly applying principles, methods and instruments from the corporate sector to their practices towards a more results-based approach, focused on enhancing measurable impact. The most effective investments are often those that are integrated with local capacities and societal priorities, although large foundations operate in several different regions in the world. Foundations are also increasingly seizing co-operation through collaborative arrangements, with international organizations, the private sector as well as governmental and non-governmental organisations as such collaboration provides wider opportunities for success. This can also help avoid unnecessary duplication of activities that would be more effective if performed through joint efforts.

Possible policy responses to enhance the role foundations can play to support innovation include measures aimed at improving the exchange of information on related projects conducted by other actors. To improve information exchange and the establishment of cooperation with aid agencies, policy-makers can promote foundation councils or similar umbrella bodies, enabling representatives of governments, foundations and experts to debate goals and how they can be pursued. Moreover, fiscal incentives such as tax deductions for individuals or businesses that contribute to foundations will, moreover, have impacts on resources foundations have available to support various activities including those related to innovation.

## References

- Kramer, M (2009). Catalytic Philanthropy, Stanford Social Innovation Review, Available at: <http://www.oecd.org/site/progresskorea/43851081.pdf> [2]
- Lundsgaarde, E et al. (2012). Private Foundations and Development Cooperation: insights from Tanzania. German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE). Studies 69, p.11.
- OECD (2003). Philanthropic Foundations and Development Cooperation. Off-print of the DAC Journal, v.4, n3. Available at: <http://www.oecd.org/investment/stats/22272860.pdf> [3]

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