Abstract

The effects of Covid-19 are tangible around the globe with emerging and third world countries being particularly affected by the economic and social consequences of the pandemic. The author explains the impact of Covid-19 on the work of foundations and the role of the latter in addressing global challenges. Foundations that are set up in perpetuity are often deemed slow and dilatory when it comes to taking decisions. Covid-19, however, demands fast, not to say unbureaucratic action. This is often contrary to the character of foundations and the way in which many of them pursue their programmatic goals. Foundations, therefore, risk falling short of their social mission and even missing the opportunity to offer society pioneering solutions. Yet, the current crisis has also underlined the importance of strategic partnerships between foundations and other players and of involving local people in bringing about social change. This being said, by their very nature, foundations are eminently predisposed to provide sustainable relief in crises such as Covid-19 and to mitigate long-term societal impact.

Introduction—the pandemic as a reset button for international foundation engagement

 Barely six years after the United Nations have adopted the Agenda 2030 and its seventeen Sustainable Development Goals, the Covid-19 pandemic is now jeopardising their achievement. Developing and emerging countries in particular will be set back by years in their already hesitant progress. Combined with inadequate health systems, fragile economies, high unemployment rates, a disproportionately strong informal sector and high public debt, immense medium- and long-term consequences are already being anticipated for local populations.

The SOS Children’s Villages and its Hermann-Gmeiner-Foundation also reflect this development with programmes committed to children, young people and families in 137 countries around the globe. It may be assumed that many societies will face immense medium and long-term consequences due to damages that the pandemic causes within the young generation on various levels. Most of the children and young people cared for by SOS Children’s Villages risk losing a year of their education due to school closures and a lack of

*Claudia Strasser, Head of Foundations Department, SOS Kinderdörfer weltweit Hermann-Gmeiner-Fonds Deutschland e. V., Ridlerstraße 55, 80339 Munich, Germany. Tel: +49 89 17914-129; Email: claudia.strasser@sos-kd.org; Website: www.sos-kinderdorfer.de

1. Global Policy Forum Europe e.V., “Corona und die SDGs. Folgen der COVID-19-Pandemie für die Verwirklichung der globalen Nachhaltigkeitsagenda,” July 2020.
2. “Afrikas Schuldenspirale dreht immer schneller,” in: Frankfurter Allgemeine Zeitung, 26 February 2021, 18.
digital alternatives. Of the students who complete vocational training programmes, many have lost job and apprenticeship opportunities and with them, the prospect of a secure future. The number of abandoned and traumatised children in need of alternative care will continue to rise worldwide. Likewise, a growing number of families will need support due to the loss of their livelihoods and in turn, their inability to provide adequately for their children. Moreover, also developed countries will be massively hit by the pandemic’s global side effects as key measures to mitigate the cause of migration and of climate change are being put on hold on account of the pandemic.

Within a short period of time, Covid-19 has therefore wreaked havoc on framework conditions for the charitable work of many foundations that are engaged internationally or in less developed countries. Since the outbreak of the pandemic, their work has been hindered by adverse conditions or has had to be suspended for the time being. Many programmes could not be implemented. Target groups suddenly voiced quite different needs and priorities than those envisioned in the foundation programmes and the vital personal contact to local implementation partners could no longer be maintained. This is particularly lamentable, given that measures promoting social change always take a long time to take hold and the ravages of the pandemic will destroy many years of valuable work. In view of these enormous challenges, it seems clear that the engagement of charitable foundations and NGOs is more vital and urgent than ever. But what form should this engagement take? Is it a matter of “carrying on as before” and delivering more of the same?

In view of these enormous challenges, it seems clear that the engagement of charitable foundations and NGOs is more vital and urgent than ever. But what form should this engagement take? Is it a matter of “carrying on as before” and delivering more of the same?

This might not be the best scenario. For years, many international foundations have been embracing the trend of setting up their own programmes and initiatives rather than seeking partners with existing infrastructure and skills. This has frequently resulted in the emergence of many similar, parallel initiatives. Potential synergy effects through pooling knowledge, infrastructure and financial resources, therefore, remain untapped. The question also arises as to whether foundations are using the right instruments to respond adequately to the major upheavals caused by the pandemic.

If Covid-19 has therefore created something akin to a reset button for foundation work, it could be an opportunity for foundations and philanthropists to rethink their engagement, to use the benefits of foundations for the tasks at hand more efficiently, and to explore new forms of foundation cooperation.

3. J Martens, “A world in turmoil needs fundamental change,” in: Global Policy Forum Europe e.V. et al., “Spotlight on Sustainable Development 2020. Shifting policies for systemic change. Lessons from the global COVID-19 crisis. Global Civil Society Report on the 2030 Agenda and the SDGs,” September 2020, 12–15.
It could be an opportunity for foundations and philanthropists to rethink their engagement, to use the benefits of foundations for the tasks at hand more efficiently, and to explore new forms of foundation cooperation.

The pandemic and foundations: a litmus test for the ability of foundations to modernise?

In Germany, as in many other countries, the foundation sector has steadily become more professional over the last two decades. For example, differentiated models of defining key performance indicators, measuring impact and minimising risk are now common practice in setting up programmes and selecting partners. In many cases, this has undoubtedly led to measures being applied in the right places and the “social return on investment” being maximised as much as possible. However, not least in view of the profound social and economic impact caused by the pandemic and the volatile overarching social conditions related to it, foundations must also take care not to focus solely on these models. When foundations raise efficacy metrics to the status of a panacea, they force themselves into an exceptionally tight corset that leaves them little scope for action. They risk missing the crucial moment for adopting necessary measures, and along with it, the opportunity to best fulfil their social mission. Covid-19 has made the complexity of social systems abundantly clear to us. In view of the as yet unpredictable final impact of the pandemic, quality standards certainly must not be neglected in foundation work, but the situation calls for speed, decisiveness, risk-taking, flexibility and beneficiary involvement. However, these factors seem to contradict the character of foundations.

The flip side is that foundations are often preoccupied with preserving the status quo. In the eyes of the younger generation, in particular, the foundation sector is deemed by some to be “fossilised and conservative.”

Similar criticism is voiced by the initiative “#VertrauenMachtWirkung” (Trust Makes the Difference), which was established in Germany by various civil society organisations and foundations in 2020. The aim of the initiative is to reflect on the future of foundations and to promote their renewal.

4. MJ Hartung and UW Heuser, “Steckt das Stiften in der Krise?,” in: Die ZEIT, 28 January 2021, 22f.
The initiators complain that many foundations always support the same things and largely rely on proven measures. They usually shy away from the “risk” of supporting new partners or approaches, since only limited funding is available, and decision-making bodies do not tend to be diverse in nature.⁵

They usually shy away from the “risk” of supporting new partners or approaches, since only limited funding is available, and decision-making bodies do not tend to be diverse in nature.

However, the costs to society are high, given that funding could be used as a kind of “seed money” for innovative solutions. Funding could be invested in partnerships aimed at an effective division of labour instead of in time-consuming, expensive infrastructure and competence building due to various similar parallel initiatives.

Lessons learned in the crisis: realignment and enhanced trust through partnerships

The Covid-19 pandemic is also a great opportunity for foundations to rethink themselves by revisiting their strengths and uniqueness. Despite being bound to a purpose, foundations do enjoy a great deal of freedom in their actions.

Despite being bound to a purpose, foundations do enjoy a great deal of freedom in their actions.

As independent players, foundations have the great advantage of not being tied to a political agenda and of thus being able to support social innovations more easily. However, the rapid pace of change in their sphere of action also shows that foundations will have to place greater emphasis on partnerships.⁶ As demanded by the initiative “#VertrauenMachtWirkung,” this also includes involving beneficiaries to a greater extent. It is a matter of listening keenly to what is really needed at local level and also of an honest recognition of the cooperation partner’s expertise. One example of such a straightforward, yet rather unconventional philanthropic approach, is the engagement of MacKenzie Scott, ex-wife of Amazon founder, Jeff Bezos. Unlike most of the largest foundations, so far she has not used her fortune to launch any programmes of her own, but has given spectacular amounts to support a selection of organisations that, over many years, have built up a wealth of experience and structures to tackle specific societal challenges.⁷ Instead of setting up a new organisational structure, which would have to develop these skills afresh, costing an enormous time and money investment, this is a way of using resources in a highly effective and efficient manner.

Instead of setting up a new organisational structure, which would have to develop these skills afresh, costing an enormous time and money investment, this is a way of using resources in a highly effective and efficient manner.

The example of the SOS Children’s Villages Covid-19 emergency relief fund shows the importance of involving local implementation partners and also how much the trust placed in them motivates and empowers them. Last year, in cooperation with various foundations and partners, SOS Children’s Villages was able to establish vital projects linked to the consequences of the pandemic. Since these were emergency and interim relief measures, the time factor was and is a key aspect in the distribution of these funds. Action must be taken

---

⁵ See https://www.vertrauen-macht-wirkung.de/neun-thesen-fuer-die-stiftung-der-zukunft/, retrieved on 4 March 2021.
⁶ K Timmer, “Die Krise als Herausforderung und Chance für Förderstiftungen,” in: Stiftung & Sponsoring 4/2020, 16f.
⁷ R Lindner, “Wie MacKenzie Scott ihre Milliarden einsetzen will,” in: Frankfurter Allgemeine Zeitung, 24 December 2020.
swiftly, cutting the red tape, but not compliance with certain quality standards. Taking the local perspective into account was of central importance. The beneficiary countries had to evaluate their needs themselves and to submit a concept paper. So-called “fast-track” support for emergency relief measures was approved twenty-seven times in 2020, and another fifty-three applications for projects to financially support families and young people, to promote health and health education, and to develop digital education opportunities in both schools and local communities, were given the go-ahead. The support from the emergency relief fund is primarily intended to contribute to poverty prevention, for example, through education, as well as to the improvement of hygiene measures. Besides the measures themselves, it has already become evident that, on the one hand, this procedure has led to new quality standards in applying for financial support, and on the other hand, to a greater sense of responsibility on the part of local SOS associations, since they understand that “their” projects are concerned. These are learning effects that will continue to influence work even after the pandemic is over.

Staying power is vital in the pandemic—the core competence of foundations

But how does this accord with the above-mentioned perpetuity concept of most foundations? Many tend to forget that their enduring obligation to pursue a specific purpose does not mean that they should focus on the past or on preserving the status quo as mentioned earlier.

Many tend to forget that their enduring obligation to pursue a specific purpose does not mean that they should focus on the past or on preserving the status quo as mentioned earlier

It is more of a constant challenge to adapt the achievement of the purpose to current societal developments and to thus exploit the long-term scope for action as effectively as possible. If we again look at the long-term consequences of a pandemic against this background, a fundamental advantage emerges for foundations over non-profit associations and other relief organisations: Foundations can set up programmes and tools that provide sustained support and assistance to those in need. Thanks to their ability to plan projects in the long term, foundations are thus in a position to fulfil their responsibility for society over an extended period of time. Long-term sustainable goals to combat the social and economic consequences of the pandemic will also play a role in the positive transformation of society in the long run. SOS Children’s Villages and the Hermann-Gmeiner-Foundation also take the long view, namely by thinking in terms of generations. The children in our care today are the generation who will be upholding and shaping society in ten to twenty years. Our prime mission is to do our part to create a stable society through our support of every single child, every single family.

If we again look at the long-term consequences of a pandemic against this background, a fundamental advantage emerges for foundations over non-profit associations and other relief organisations

SOS Covid-19 solidarity fund

In order to fulfil this ambition, the Hermann-Gmeiner-Foundation, in its capacity as the foundation of SOS Children’s Villages worldwide, has set up the SOS Covid-19 Solidarity Fund under its aegis along with committed philanthropists. The aim is to give the current generation of children and young people a future by funding and supporting long-term programmes over the next few years. By involving several donors, funds can be pooled in the spirit of crowdfunding, thus leveraging the effect of each individual contribution. The fund has also been intentionally designed as a limited-term trust to provide
medium and long-term Covid-19 relief and will be distributed over a period of ten years, which coincides exactly with the period during which the current generation of children needs assistance until they can support themselves.

By involving several donors, funds can be pooled in the spirit of crowdfunding, thus leveraging the effect of each individual contribution.

Through this trust, the Hermann-Gmeiner-Foundation can effectively plan how and when relevant sums are used to finance local projects. However, of far greater importance is its effective use of one of the key advantages of foundations. Securing the future of children and young people can only succeed with the long-term measures and support that a foundation can provide. A practical example of the type of projects focused on and expanded in the wake of Covid-19 are investments in digital education. In 2020, due to the Covid-19 pandemic, the UN estimates that 500 million students had no opportunity to learn online. Children from poor families, in particular, had no possibility of taking part in online lessons due to the lack of Internet connections and technical equipment. These children and young people are disadvantaged worldwide in their access to technology and technical know-how on account of geographical, income-related and ethnic inequalities. The SOS Children’s Villages educational programme, “Digital Village,” aims to narrow the digital divide worldwide. It not only addresses access to technology, but also to the important assets of education and social participation. The programme has already yielded initial successes in Latin America and is to be rolled out worldwide in the upcoming years. It is based on three core elements: teaching digital skills to use digital tools; teaching the necessary empowerment skills to participate in a digitised environment and access to technical resources. In addition to imparting technical knowledge, the aim is to enable access to education regardless of geographical location and ethnicity.

In 2020, due to the Covid-19 pandemic, the UN estimates that 500 million students had no opportunity to learn online.

If we succeed in achieving these medium-term objectives with the help of the ten-year limited-term trust, we will make an important, if not fundamental, contribution to mitigating the post-Covid-19 impact. Planning plays an important role in this, enabling us to deploy these funds wisely and efficiently over a period of several years, keenly aware of the fact that people in need around the globe are still likely to be affected by the impact of Covid-19 in five, ten or fifteen years. The Hermann-Gmeiner-Foundation has thus opted for a sustainable, long-term focus that will extend beyond purely pandemic-related measures. The effect of the measures will stretch to surrounding communities and over generations. Current and former participants of SOS programmes apply the social skills and knowledge they have gained in the outside world and in doing so influence others. When young people leave SOS programmes and take responsibility for their own families or in their working life, at the same time they always take on the part of role models as well. They pass on something to those around them and to the next generation. This is how we change society in the long term, improve its prospects and help it to help itself and others in the future.

They pass on something to those around them and to the next generation. This is how we change society in the long term, improve its prospects and help it to help itself and others in the future.

---

8. United Nations Children’s Fund, “Covid-19: Are children able to continue learning during school closures? A global analysis of the potential reach of remote learning policies using data from 100 countries.” UNICEF, New York, 2020.
What the pandemic has taught us as a foundation

For more than over a year, we have all been constantly learning new things about the coronavirus and adapting our strategy accordingly to deal with the pandemic. We are growing and, in the best of cases, excelling ourselves in the crisis. We have learned that countries and people on the ground know best what they need. We must involve and trust people on the ground. The optimum implementation of projects and most efficient use of funds hinges on the personal commitment of the people in the deprived countries. This is a crucial time for foundations to refocus on their core competencies and to form equal partnerships with other stakeholders.

The goal must be to pool our forces. The crisis has shown us how important it is to work together and not in parallel. Only then will it be possible to meet global challenges and goals, such as those of Agenda 2030.

Claudia Strasser is responsible for SOS Children Villages’ partnerships with foundations and advises together with her team of philanthropists on their commitment under the umbrella of the Hermann-Gmeiner-Foundation. She builds on a long-standing experience in the foundation sector, having worked on international relations, education and migration matters in some of Germany’s major foundations. E-mail: claudia.strasser@sos-kd.org.