GET YOUR SCHMOOZE ON: TENSIONS, PERSPECTIVES, AND APRADOXES IN
US-LATIN AMERICA NGO FUNDING RELATIONSHIPS

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Abstract: Social problems, in development and otherwise, are increasingly being allocated to the third sector. This paper posits, however, that the third sector is fraught with processes that may themselves be socially problematic: the intent of this article is to look at these processes, and how they may impact our ability to solve problems via NGOs and other third sector organizations. This study looks at the relationship between grantors and non-governmental grantee organizations in the implementation of sustainable development programs in the United States and Latin America. The intent was to see if and how the process of securing funding and operating under structured financial conditions shapes or reshapes NGO energies. I was interested explicitly in the interface between nonprofit grantees and their private funders: in what the relationship looks like from each perspective, in how both sides make sense of it, and what the implications of such a relationship are for nonprofit work in general. Through a comparative ethnographic case study of funding relationships, including six grantor-grantee dyads, I find that the grantor-grantee interactions are highly subjective and complex, and that its nuances are disguised through different frames. I also find evidence of friction between discourses of activism and discourses of professionalism, and that foundation staff deal with these conflicts through a strategy of deliberate ambiguity. I theorize that the quality of these funding relationships could have strong impacts on the quality, success, and perceptions of success of sustainable development projects.

Keywords: Five words in alphabetical order: Foundations, Grantmaking, NGOs, North-South Partnerships, Social Movements

INTRODUCTION

The nongovernmental (NGO) sector has emerged as a powerful policy force worldwide in recent years. Normally assigned by scholars to the rubric of civil society, non-governmental organizations worldwide work along many lines, facilitating development interventions, acting as organized social movements, providing support services and advocacy, or working or as subcontractors to state service programs. All manner of social problems in development and otherwise are increasingly allocated to the third sector. This paper examines how the competing logics for enacting and understanding relationships between grantors and grantees create dynamics that may themselves be socially problematic: the intent of this article is to look at these dynamics, and how they may impact our ability to solve problems via NGOs and third sector organizations.

There has recently been a massive rise of NGOs worldwide, and research suggests that these organizations play critical roles in creating values, through work in development, social services, and advocacy (DeMars 2005; Teegan, Doh, and Vachani 2004). Yet NGOs' outcomes, effectiveness, and influences, are unclear in the literature. The fields of social movements, development and organizations intersect in international nongovernmental organizations, though little work has sought to explicitly link these bodies of literature. As a result, analysts face an evaluative and theoretical challenge when considering the NGO, as it often straddles the social movement-institution divide. This divide manifests itself in the conflicting logics that come into play as grantors and grantees negotiate funding relationships, and has profound consequences for

both the political and programmatic orientation of NGO grantees. NGOs are financed in different ways, and most of them survive off some combination of government funds and private philanthropy; concern with financial solvency circumscribes much of their existences. Most work on NGOs focuses on coalition building or on their effectiveness in specific issue-areas; this research, however, began with the very basic observation that the process of keeping NGOs financially solvent is fraught with discontent.

Thus, I seek to understand how these organizations, in the context of sustainable development work, implement programmatic strategy following the guidelines set forth in their funding agreements, and how the process of creating and maintaining funding relationships and fulfilling outcome measurements may act on the programming or strategies of grantee organizations. I am interested explicitly in the interface—the relationship—between nonprofit grantees and their private funders: in what the process looks like from each perspective, how and how each side makes sense of it, what determines the quality of the relationship, and what its implications are for nonprofit work in general. I develop an understanding of these dynamics through a qualitative examination of a series of funding relationships, including grantor-grantee dyads. The different characteristics of this grant relationship (for example, the formal and the informal norms governing it) have dramatic influence on grant events, and philosophical orientations come into conflict in the process of negotiating them. Importantly, my respondents are all major US foundations engaged in North-South funding partnerships with grantees in Central and South America. This interregional funding relationship has not, to my knowledge, been explicitly studied, and generates a series of interesting questions regarding the logics and the informal norms that govern such exchanges.

BACKGROUND

This research elucidates an interactive dynamic in the third sector between two contrasting conceptual frameworks operating simultaneously within the funding relationship. Conceptual frameworks are important organizational characteristics, defining the desirable, and setting up norms, values, and mediating understandings of meaning within an organization. One framework in this study encompasses both bureaucratic ideals and professionalization, and is generally deployed by foundation grantmakers. The other is of social movements, generally deployed by NGO grantees. This examination attempts to shed light on the consequences these distinct logics generate as a product of their collision within organizations. NGO grantees in this study, almost without exception,

identify as activists within activist organizations, and tend to frame their involvement with sustainability and development as the semi-formalized arm of an ongoing social movement. Foundation program officers, on the other hand, generally come from activist backgrounds, and move into bureaucratized foundation positions with the idea that they are going to coordinate social change from a more strategic, more distant, perspective, and they value professionalization as a tool in meeting this goal. Foundation program officers, more than other individuals in the grantmaking process, are charged with combining the passion and charisma of grassroots organizations with the bureaucratic ideals of professional grantmaking organizations. Because these frameworks are both logistically and ideologically incompatible, the resulting grantmaking dynamics are imprecise, tense, and depend deeply on social networks to negotiate information problems and conflicting priorities.

Professionalization and bureaucratic ideals have long histories in organizational thinking, and the ideal of rationally managed organizations remains both powerful and pervasive. From (Weber 1947) classic thinking on bureaucracy to contemporary mechanistic evaluations of organizations, bureaucratic ideals are something of a given among grantmaking organizations. Professionalization, loosely defined as the creation of "full-time occupations" within a field, implying increased training, specialization and transferability of skill, best practices, objective standards, licensing, certification, and so forth (Wilensky 1964), is also on the rise among grantmakers. These professionalized organizational frames value processes of formal rationality in decisionmaking, procedural standards, and information feedback loops, all characteristics of a Weberian bureaucracy. Further, recent civil society and government emphases on transparency help to push ideals of replicability, reproducibility, accountability, and efficiency to the forefront in foundation work. Heavy congressional criticisms in the late 1960s forced foundations to acknowledge that they "were part of a profession that had failed to monitor its own performance or to cure its own ills. A drive toward a common defense, a shared identity, collaboration, and professionalism ensued…" (Ylvisaker 1987:366). The Commission on Private Philanthropy and Public Needs published an exhaustive report in 1975 on the conditions of philanthropic giving and foundation activity in the United States, and its work spurred the creation of the Independent Sector Coalition, the Foundation Center, and others (Commission on Private Philanthropy and Public Needs 1964). These new institutions and new priorities were intended to both help professionalize

and to render transparent the world of grantmaking foundations.

NGOs on the other hand, in a fashion highly reminiscent of social movement approaches, use issue framing tactics (Snow 2007), respond to political opportunities (Kriesi 1995), and deploy a language of resource mobilization (McCarthy and Zald 1977) when discussing their searches for funding. The activist frame of many social movement and collective action discourses strongly values qualities of individual charisma, leadership, and flexibility. Building on Della Porta and Diani's definition of social movements as "informal networks based on shared beliefs and solidarity which mobilize around conflictual issues and deploy frequent and varying forms of protest" (Porta and Diani 2006), I hypothesize that formalized NGOs might count social movements as important predecessors to both their identities and their approaches to their work. Organizations ranging from the Southern Poverty Law Center to Greenpeace were born of specific activist and social movement traditions; the Latin American Grassroots Initiative, an NGO respondent discussed later in this study, was formalized after several years of work by activists to build peace in communities ravaged by the Salvadorian civil war.

Charismatic leadership in organizations generally, and in social movements especially, has a long history as an invigorating phenomenon. Many movements and movement organizations have count such leaders among their most transformative assets. Tasked with being both "mobilizers", who inspire participants, and "articulators", who link the movement to larger society (Morris and Staggenborg 2007; Gusfield 1966), these charismatic leaders, by virtue of their exceptionalism, are highly attractive to funders and supporters. In its pure form, as Weber reminds us, charisma "has a character specifically foreign to everyday routine structures" (Weber 1947:363)—that is, it is specifically un-bureaucratic. Charisma is an individual characteristic in the funding relationship that helps shape funding decisions. NGOs have inherited this social movements tendency to attract or generate charismatic leaders, and resent when such charisma must be subjected to the bureaucratic standards—generally implemented in pursuit of transparency—of grantmaking organizations.

Funding relationships embody a strain between these two fundamentally incompatible logics and further, between two somewhat incompatible *identities* that accompany them (the activist, vis-à-vis the coordinator, the professional, the bureaucrat). (Anderson 1991) reminds us that socially, politically, and economically different groups can become one, an "imagined community" (in this case, a sustainable

development "community") whose unity becomes part of public consciousness. However, neither that shared consciousness nor the identities that compose it are uncontested, and competing visions of activist, changemaker, professional, bureaucrat, entrepreneur, and environmentalist come into conflict in an effort to impose definitions on the world that these organizations inhabit. Each funding relationship thus represents a series of opportunities and contingencies, and balancing the demands from various stakeholders and identities through processes of "negotiated accountability" (Ospina, Diaz, and O'Sullivan 2002) is one of the primary occupations of both nonprofit and foundation staff. Romzek (in Perry 1996) conceptualizes identity-based work—such as activism, in many cases—as explicitly political (rather than legal, hierarchical, or professional), an insight that can help us understand why this disjuncture can have such profound effects.

Foundation program officers use social networks as mediating mechanisms, and by doing so they push us towards another literature that can help shed light on these interactions. Social network theory sees actors as embedded in networks of interconnected social relationships that offer both opportunities for action and constraints on behavior (Brass et al. 2004). The study of social influence links the structure of social relations to attitudes and behaviors of actors who compose a network. That is, the network can in some cases explain the behavior of the elements of the network, because those actors within it influence each other (Marsden and Friedkin 1994). Social networks, built upon both shared experience and shared ideologies, are a means by which actors in this study negotiate a set of conflicting ideologies—that of the activist, and that of the professionalized changemaker.

Funding relationships between nonprofit organizations and their funders are understudied. NGOs' 'dollar dependency' has been cited as a source of 'dysfunction' in the limited literature that deals with the issue (DeMars 2005; Parker 2005), but to my knowledge, there have been no studies conducted specifically on the grantmaking interactions between funders in the north and partners in the south. My sample includes grantors from the United States and their grantee partners working in Central and South America.

METHODOLOGY

In this article, I draw on two years of interview data that constitutes a chain analysis of grant monies. I look specifically at the quality and character of grantmaking relationships working in sustainable development. Grant relationships between philanthropic foundations and small NGOs generally consist of two actors: the grantor (in this study

exclusively private foundations) and the grantee (in this study INGOs[1] working in sustainable development). Most grantmaking processes share several elements: the Letter of Inquiry (or LOI, a several-page letter outlining an organization's general emphasis and potential matches with funders), a full proposal (invited following grantmaker interest in the LOI), which, upon final approval by the foundation's Board of Directors, culminates in a grantmaking period generally between one and three years in length. Grantors and grantees monitor progress during that period, and the grant usually terminates in some sort of evaluation process.

I conducted a comparative "commodity chain" analysis of these processes[2], tracing grant funds from six major US grantmakers[3] and through two small intermediary foundation grantees. Grantmakers were selected via the Foundation Center[4], a major and well-respected online resource in the philanthropy world, and the gold standard of foundation resources among nonprofit practitioners. In order to gain an understanding of the field based on some of its most influential players, I identified grantmakers working in sustainable development that fell within the top 100 US grantmakers (as measured by monies awarded annually), and contacted relevant staff to request interviews. I spoke primarily with program officers, program directors, and other senior staff and Board members within these foundations.

I then contacted grantees of these major foundations to request interviews with relevant staffmembers about the *specific* funding relationships and about grantees' approaches generally. As with the foundations, I spoke primarily with program officers, program directors, and other senior staff members within NGOs. I followed some grant monies all the way to their final 'destinations' (programs on the ground), though, due to issues of accessibility, I was not able to provide complete chain analyses for all respondents. Two respondents and secondary grantmakers, the Worldfunds Foundation and the MacMillan Foundation, were in the unique position of being both the funder and the funded, and provided insight into how monies are (re)designated as they travel through financing channels, and in how one organization can contain the struggles and paradoxes

of both positions within the funding relationship. I conducted interviews with staffmembers from six grantseeking organizations, five of whom were successful in their application processes and one of whom who was not.

The study consists of fourteen in-depth semi-structured interviews, conducted over the phone and in person, both in the United States and Bolivia between January 2009 and August 2011. Interviews lasted between one and three hours, and all were recorded, transcribed, and if necessary translated by myself. Because of space considerations, I have used only the English translations of conversations conducted in Spanish.

All subjects were asked to describe, in their own words, the process of seeking/securing a funding partnership with the other relevant organization(s). Grantors were asked to describe how they identify grantees, if and how those processes differ from published guidelines for grantseeking or grantmaking, what challenges the organization faced in awarding funds, what outcome measures were implemented and why, and how the foundation approached questions of mission and strategy both within their own organizations and among their grantees. Questions to grantors also sought to shed light on organizational decision-making processes. Grantees were asked how they identified funders, if and to what degree they had contact with program officers beforehand, and to explain the application process. They were asked to describe the nuances of the procedure, to explain if and how it differed from other grantseeking experiences, and to identify the critical elements in obtaining a grant. All subjects were asked for their opinions on the standard philanthropic funding model and process.

This research was approved by both the University of Chicago's Institutional Review Board and Brown University's Institutional Review Board, in 2009 and 2011 respectively.

RESULTS

This research found that the grantmaking process, almost without exception, is subject to very different narrative construction by both the funder and the funded, and that it is in these constructions—these reframings of practice and purpose—that disjunctures between grantor and grantee narratives occur. The discourse of the foundation world has its own explanations, logics, and understandings of why and how social change happens, and what foundations' roles within that process should be. The discourse of the NGO world likewise has its own explanations, logics, and understandings—and ne'er the two shall meet.

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[1] Though many foundations are also incorporated as not-for-profit non-governmental organizations, the terms INGO and NGO shall be used to refer only to grantees in subsequent discussion.

[2] See appendix for graphic and more information on participating organizations.

[3] All names, of organizations, programs, and staff members, have been changed to protect privacy.

[4] See http://www.foundationcenter.org

Funders' frames tend to disguise the subjectivity of the process of awarding grants, which is largely dependent upon networks and preexisting relationships. Foundations rely heavily upon scouting, academic knowledge, and personal networks in order to identify potential grantees and the process is highly subjective, though that subjectivity is publicly acknowledged only to degrees. The philanthropic world's field-level strategy of idiosyncrasy, coupled with its emphasis on a civil-society discourse of transparency, contributes to the grantmaking world's relative impermeability. At a very basic level, the fact that funders are in the position of awarding grants enables them to dictate a language of the field which is reflective of the political dynamics of foundations themselves instead of all the actors within it. Successful grantseekers understand this. Those who can skillfully cultivate personal relationships and/or manipulate their project frame to the liking of grantors are able to secure monies; those who are less successful networkers, or whose political frame undergoes an unsuccessful manipulation, are not. Concurrently, a common foundation critique of the NGO world is that small organizations lack long-term strategic and evaluative thinking skills and capacities. NGO frames, on the other hand, tend to portray foundations as lumbering, shortsighted, fickle, autocratic, and overly focused on abstract ideas of professionalism and strategy, while portraying themselves as nimble, passionate, creative, and "de la base" (grassroots).

A second notable difference in these discourses concerns the identities of foundation and NGO staffmembers themselves. The non-profit workers interviewed tend to frame themselves as activists, and to frame their grantmaking process the semi-formalized arm of an ongoing social movement. A resource-mobilization frame is appropriate to their purposes, and is, in fact, widely employed in conversations on funding. Foundation employees, on the other hand, primarily frame their work as strategic and rational. Their language emphasizes professionalism, often echoing language employed by for-profit firms. Many foundation interviewees noted that they came to grantmaking from "the other end" or "the other side"—meaning from NGOs.

I found this emphasis on "the other side" to be particularly noteworthy. In many cases the stated goal of foundations and non-profits is nearly identical, involving some iteration of supporting grassroots work, sustainability, empowerment, and/or conservation abroad. These two entities are, by most accounts, engaged in the same project; disjunctures appear regarding organizational relationships *within* that broader goal. The activist frame on the part of INGOs often sees foundations as almost adversarial,

overly emphasizing what they perceive to be imposed strategy and professionalism, while the professional frame on the part of the grantors sees NGOs as lacking in both strategic and evaluative thinking. Romzek (Perry 1996) conceptualizes identity-based work as explicitly political (rather than legal, hierarchical, or professional), an insight that can help us understand why this disjuncture can have such profound effects.

The responsibilities of giving and receiving funds necessitate accountability standards[5], which in turn act upon programming, causing philosophical and programmatic stresses to occur within NGOs through the articulation of strategic justification. Foundation staff appears to both recognize the existence of this problem and to experience the negative effects of these sorts of stresses themselves: under pressure from the Boards of Directors, they structure accountability standards for grantees about which they purport to feel conflicted, negotiating between their own personal impulses and their professional mandates of systematization and rational administration. Thus, the process embodies a dual process of stress: among grantees, and within grantor organizations.

Four issues within the data help explain how each side mobilizes specific logics, discourses, and practices to make sense of the funding relationship: personal relationships, strategy, charisma and leadership, and accountability and evaluation. In the subsequent sections I briefly examine each. I then consider the conflicts in these perceptions, and conclude with some observations on the dynamics of this partnership generally.

PERSONAL RELATIONSHIPS

Foundations cite negotiating between long-term support for projects and being open to new ideas as a major challenge in funding relationships. They generally address this challenge through a practice of awarding grants on the basis of personal relationships and through closed RFPs, as opposed to open calls for proposals. Jim Portes, a program officer at the Picarelli Foundation recounts[6]:

When I arrived at the Picarelli Foundation, it was part of our culture that all of our programs were open programs […] that was something that the Foundation really believed in […] That has changed significantly over time […]The vast majority [of grants are] based upon direct contact with the grant recipient, someone that we know, somebody that we've worked with, somebody that we've funded in

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[5] See, for example, Ostrander 2007.

[6] I have removed the hesitations of ordinary speech for the sake of readability in transcriptions.

the past […] It's all of those built-up relationships, and what essentially become solicited requests.

These comments hold across foundations. Salvadorian grantee LAGI's support from the grantor Branton Fund is another example; for years, the Branton Fund made grants based on personal commitments alone. Branton hired John Bringhurst as its Director in 2002 to systematize the building of grant partnerships. He recounts:

Until 2002 projects were supported because Board members—all of whom were descendents of the founders—would bring personal interests to the Board to recommend them for support, and then essentially there would be some jockeying […] about which projects got supported and which didn't. LAGI was the project that was sponsored by one of the branches of the family which had been very interested in work in South America around poverty alleviation…it was very much the personal passion of one or two Directors on the Board. So it got supported via that Director's individual recommendations for a number of years.

When Bringhurst took leadership of Branton he foresaw cutting LAGI altogether, considering it an outlier to the organization's newly formed strategy. Branton had agreed to support a transitional three-year grant to LAGI in 2003, to provide it with the support to stabilize following the retirement of Antonio Sancho Olas, the organization's founder and longtime leader, but did not anticipate renewing funding after 2003. However, a personal experience with LAGI's work led to his decision to renew support for the organization. As he and the Branton Board worked to refine funding priorities,

I [Bringhurst] got invited to El Salvador, which I had promised for several years to go to and never made it down there […] which I did in March 2006. And it was a transformative experience for me […] As a consequence of that, I recommended to Board what is supposed to be a final three-year grant.

The final LAGI grant, like all of Branton's support to the organization, was a direct result of a compelling personal connection. When asked whether the subjective nature of this award was a good thing, Bringhurst replied "I think it's a wonderful thing. Generally speaking, I think that the distance between North American funders and beneficiaries around world is beyond enormous, and it usually has multiple layers between two ends of the pipeline."

This perspective conflicts directly with Branton's public statement about grantmaking strategy, and represents a disjuncture within one professional's characterization of his own job. Bringhurst himself

pointed out that his mandate was to organize Branton for a "more rational, less charitable purpose." He must balance the professionally rational strategy, which he was hired to institute and uphold, and the personal experience of seeing sustainability work in action in an international context. On the one hand, he recognizes that a defined strategy provides his organization with public legitimacy and some standard of systematization, and that he as a bureaucrat is responsible for upholding that approach. On the other, he explicitly did not adhere to strategy; LAGI may have met Branton's goals, but it was the unique power of the personal visit that decided its fate. Bringhurst's framed his treatment of this tension in terms of *distance*.

At Worldfunds, program manager Stephanie Fenton also credits personal relationships with grant success. She describes the creation of the funding relationship between Worldfunds and its grantor the Isaacson Foundation: When we were first mulling over approaching Isaacson, we had just brought on Deputy Program Director who had previously done some consulting for Isaacson, and he knew the Director, Richard Ishmael, well […] Isaacson had just opened up the funding round for their South America program, which is clearly a Worldfunds geographic priority area. I had also met Richard Ishmael at an international funder's conference and introduced myself. Those personal relationships, along with meeting the requirements of Isaacson Foundation […] led to eventually submitting the letter of intent.

Robert Kent, Director of Sustainable Technology International (STI), a small NGO supporting sustainability programs in Central America and another Isaacson grantee, adds "Sure, you schmooze. I was connected to Isaacson through friends who trusted me"; thus, the NGO was both traceable and legitimized by intermediaries. These connections are cultivated using framing techniques aimed specifically at potential funding audiences. Antonio Sancho Olas, co-founder of LAGI, elaborates on the process from a grantee's perspective:

The government kicked me out of El Salvador in 1977, and I began to give talks that year [in the United States] about the situation there. With the support of some North Americans, I began to present grant proposals so they could help us. There were people who introduced me to other people, and who instructed me about how to present, how to speak, how to be concrete. They talked to me about the mentality and the culture of donations in this country. It's not the same as asking for funds in Europe, which can be more abstract, more speculative. Here they want to know: what is the objective, what are the results.

Olas, then, was trained in both the importance of personal contacts and strategic framing techniques, and in what accountability requirements requesting donations would imply. On behalf of STI, Kent notes that his relationship with the Isaacson program officer himself is critical to their grantmaking relationship: "our man at Isaacson is a good one. Isaacson is autocratic in nature, so we rely on his cleverness a lot. Anyway: *asi es la vida* (that's life)."

Some organizations explicitly reported that they are unwilling to fund the unknown: on behalf of Worldfunds, South American scout Antonio Fernandez commented that his organization would have been extremely hesitant to fund an unfamiliar project. It is worth noting, however, that the Isaacson, Noonday, MacMillan, Picarelli, Worldfunds, and Branton foundation websites (Branton changed its policy due to the 2009 economic crisis, approximately one month after interviews with Branton staff were conducted) state that the foundations accept unsolicited applications, clearly impling that the grantmaking process is open, though restricted thematically and geographically. These organizations value ideals of openness and surprise, and consider them important parts of their public image (as evidenced through their published policies of accepting unsolicited inquiries). However, this work suggests that they recruit and accept grant recipients almost exclusively through other channels.

STRATEGY

"One of my first challenges [as Executive Director]" said John Bringhurst of his job at the Branton Fund, "was how to bring focus to a foundation which was united by shared value system, while supporting all sorts of things all over the place."

Such a strategy, at least discursively, is a major concern of grantmaking programs. In all of my conversations with grantors, references to strategy occurred repeatedly, often connected to issues of a grantor's accountability to its own Board. There is a clear sense that a strategic, rational approach to grantmaking is at least more publicly desirable than a system of "supporting all sorts of things all over the place". This affinity for strategy has been documented in other work; for example, Shaw and Allen, in a study of a large New Zealand foundation evidence of what "might be termed an objective, strategic approach regarding the development of funding criteria (Shaw and Allen 2009:87)." Foundations appear to be negotiating a very delicate balance between the often subjective wishes of its Board and a professionalized approach to program priorities on behalf of the staff; as the above quote suggests, Bringhurst's project was to construct a coherent discourse out of a number of small, and perhaps not particularly compatible, pieces.

Many of the largest foundations in the United States doing grantmaking in sustainability and development are family foundations, which carry with them a specific set of organizational dynamics. On behalf of the Picarelli Foundation, program officer Jim Portes notes, "One thing that I learned very quickly about foundations: all family foundations are driven, to some extent, by the interests of the family members, if the family members are still involved in the foundation. They all have that element." At the MacMillan Foundation, program officer Mamzack agrees, "First and foremost, the MacMillan foundation is a family foundation, and the family is still very involved and on the Board, and so the family really sets the priorities for the program— overall program strategy."

Foundations report that program directors and other program staff generally execute these Board-set missions. These staffmembers, in turn, have their own strategies for carrying out those goals, which often include professional designs and requisites, such as seeking identifiable narratives, and looking for ways to prove that change has occurred from among their grant applicants. These strategies are apparent in *why* staffmembers choose to fund organizations, and principally, *how* they identify them.

All foundations cited a closed grantmaking process as a part of a strategy of knowing and knowledge, employing consultants and relying upon academic training in order to generate understandings of the field and to identify potential grantees. Another general and explicit strategy to which foundations adhere when seeking grantees is demanding the presence of strategy itself. Says Hemmingway of her work at the Hilltop Fund,

Certainly one of the things we are looking for, particularly in longer term partners, is people with a strategic vision of the change they want to help foster, and who have the capacity to clearly state how they want the activities that they are proposing to carry out are going to help lead them towards that, and people who are focused on identifying achievable outcomes.

The MacMillan foundation reports looking for similar articulation of strategy: "We use "theory of change" model there—so part of the Theory of Change is that grantees have a Theory of Change. We fund a Theory of Change."

Grantor the Isaacson Foundation states that the kinds of projects it seeks out are highly consistent with what it professes to seek out, and that its grantmaking strategy is clearly published and accessible on the organization's website. Says program associate Inti: "What we pursue is very much in line with what we

publish. That is really what guides us." However, Inti later amended, adding,

Perhaps what isn't published and that what kind of directs it, actually, is that there's a limited number of organizations that are working in the area that we work in. So just over the span of time that we've been following [this] strategy, we've implemented three series of three-year grants in those locations, and a lot of the grantees have been the same because they are so involved in the work.

Grantmaking strategy, however, as is clear from the above example and despite being framed as a highly rationalized process, is often extremely fluid. It does not adhere to articulated or publicly stated approaches. In most cases, what could be pejoratively framed as "mission creep (having a mission 'creep' towards available funding or grantmaking trends)" within foundations is described as flexibility, shifting, a frame extension, a collaboration, a coordination effort.

Antonio Fernandez, the Worldfunds scout for its South American grantmaking program, and Stephanie Fenton, the Worldfunds Program Associate, discussing Worldfunds' role as a funder with me. They acknowledge Worldfunds' willingness to "work with" organizations whose project holds potential, despite a strategic mismatch. Worldfunds provides grant support to the Documentacion de las Aguas Bolivia (DAB). DAB's original proposal to Worldfunds was for research focused on documenting mining practices in Bolivia. Fernandez recounts,

Since 1995 I've been going to Bolivia to coordinate with partners there. In that time I got to know DAB, which plays a very important role in the issue of documentation, and I found that in Bolivia they were lacking a systematic documentation of water practices with respect to transnational environmental and economic justice. [But] just financing a research project isn't the central interest of the Andean Advisory Board [of the Worldfunds Foundation]. So I talked to DAB and proposed that instead of just doing an investigation, they take advantage of the research they had already done (they had done an interesting history of water litigation in Bolivia) and that they cross it with environmental themes and look for networking opportunities with other organizations within Bolivia working on these issues. As a product of this—long story short—we incorporated someone from DAB into the FCMAL (Latin American Forum for Water Conflicts), the network that I coordinate, and formed the FBCM [Bolivian Forum for Water Conflicts].

The initial DAB proposal thus moved from being a research project to a wider, coordinated effort as a result of the Fernandez's personal investment in it, and his willingness to suggest a new direction for a pre-selected organization. It could even be argued that this project was work that Worldfunds wanted carried out, and that their funding relationship with DAB was simply seeking a partner who could undertake that work. Such levels of introspection occur to different degrees at different foundations: grantor Hilltop Fund's program director Hemmingway says,

[Foundation] strategies become more specific, *in which case you're basically looking for people on the ground to carry out the work that you think needs to be done*. And that's a very, very different relationship. And where there's room for that, there's also room for money to be available to react to and to support the ideas of people that are coming from organizations in Latin America. It comes back to the question [...]: who's the protagonist here? (emphasis mine).

housands of miles away, Fernandez's colleague Fenton negotiates daily between the fiscal reality of being donor-dependent, and the ideological orientation of Worldfunds:

There's a fine line and a balancing act, because our overall goal is to increase the amount of resources going to developing world. If slight mismatch could help expand areas in a way that we think would be appropriate, then we have a conversation with our volunteer advisors, and they have to be in agreement. Recently we had a foundation that came to us and saiy "we love the Worldfunds model," and who wanted to expand reach in the Republic of Georgia. Worldfunds didn't have representation among advisors in the Republic of Georgia. We recognized that it was an underserved area, so went to advisory board to ask about possibilities for expansion [...] In this case they said they were comfortable, so we brought on a new advisor and incorporated the mission of that donor into own program work without compromising the essence of our grantmaking programs in any way. There can be quite a bit of money at stake [...] but we have the responsibility to remain true to our missions.

Neither Fenton nor Fernandez see Worldfunds' mission as compromised as a result of the new partnerships. Both indicated an inability to overtly contradict Worldfunds' mission in the receipt or awarding of funds, and yet both have found a way to secure support without "compromising their missions in any way". This expansion was phrased in terms of seeking "networking opportunities" and "taking advantage of past research," and "incorporating the mission of that donor into our program work." This strategy, on the grantmaking end, is framed in terms of information-seeking, opportunity-seeking, and

flexibility. This ambiguous phrasing helps foundation staff mediate between their conflicting priorities—of what they believe is worthwhile work, and of the professionalized approaches they have been contracted to uphold.

Borrowing from basic organizational schools of thought, these foundations consider strategy a key tool in meeting their funding goals, emphasizing what Bringhurst calls a "more rational, less charitable" approach. The tension is apparent, however, in the way that such strategy is executed, and the gray area between systematization and subjectivity can create a discursive schism within the field. Says Hemmingway,

Donor-driven mission [creep] I think is a huge problem. And with strategic counterparts we always have discussions about that, and encourage people to not go after particular projects unless it fits within their core mandate and their core business. It's very different when a unique opportunity opens up, but again, if that's not linked to their core business in some way then I would advise people against it.

At the Picarelli Foundation, Jim Portes says: Our grant recipients are oftentimes, unfortunately, more than willing to do what they need to do to get more money and to grow. This is one of those things that just bugs me about NGOs, is that they treat themselves like businesses. They think that growth is good for growth's sake. It's always about the bottom line. You know, they hire people, and the first thing it says in the job description for this new position they're creating: "We want to grow the program." Why?! It doesn't say *why* they want to grow the program, it just says they want to grow the program. Anyway, to do that, to achieve that, a lot of NGOs will, very willingly—they're willing to allow mission creep for the sake of having more staff and a larger budget and everything else.

It is also worth noting that strategy is culturally framed, and related in large part to the issues of *who* decides on a development dialogue. A strategy is an articulated tactic, in most cases defined by certain knowledge that has been publicly legitimated by the entities in power which are not, necessarily, the entitites carrying out programs or receiving the services. Articulating strategies and Theories of Change therefore constitutes a power-knowledge discourse that is by nature esoteric, creating what Foucault would term a "rule of right". Foundations, especially the family foundations examined in this study, develop their priorities independently of their potential grantees, though they presumably incorporate grantmaking experience and other knowledge of relevant issues into that process. It is unlikely that potential funding partners are entirely in agreement about the objectives and strategy that the

foundations articulate. This dynamic stands in potential tension with the generalized development discourse of *empowerment* and questions of protagonism, and certainly could be seen to contribute to a mismatch of programs onto needs. Isaacson reports that its strategy is developed in a "very academic" setting, employing the discourse of academia, which may or may not be appropriate to the needs of its constituency, and is certainly distant from it. Grantee Olas says:

Many organizations think that they know firsthand what the poor people need, or what recipient organizations define their strategies. And they define strategies and they demand that people stick to those. And this seems to me to be a mental poverty, a certain arrogance, to define the world *here* from the perspective of the world *there* […] For example, the conception of the "environment". If the environment is going to be independent of the person, of the community, it seems to me there is a flaw […] We can't separate the person from the forest, nor the forest from the person. There are ideas like that, which are so schematic, so "strategic", not integral or holistic.

Foundation staff is familiar with this critique. One program officer, speaking about her work in Latin America, says: I don't think that change is going to come about all by itself in the region. And I think that organizations such as ours are in a position to help foster change towards more open societies, which is the mandate of our organization. And funding is one way to do that. Where it gets different is *who* decides what change […] Certainly the philosophy of our particular program has been that we are not the protagonists. We don't have to live with the consequences of what happens or doesn't happen. So we support people who desire to be protagonists in their own contexts.

This philosophy is echoed in several of the different foundations, and there does appear to be some recognition that NGOs make this critique. Foundations try to get around the inevitable power issues is myriad small ways. Jim Portes says:

That's another thing about the culture of the foundation. Most of us try not to talk about the work that "we" are doing, "we", as in the foundation. Because we're a donor. And while we do hope we add value beyond the funding that we give to an organization, they're the ones doing it.

In sum, foundations demand an articulated strategy and a vision as a condition of grantmaking, but even prior to that, as a condition for relationship-building. Foundations report that they are looking for a grantee's Theory of Change, itself a somewhat erudite concept. NGOs seem to think that they are

being asked to articulate a strategy that is not their own. DAB did not get funding for its own Theory of Change—it got funding for a project that was dramatically retooled according to Fernandez's suggestions.

However, stated and published foundation strategy, even if it does not fully guide the grantmaking process, has a strong latent function: it demonstrates acknowledgement that a bureaucratized, merit-based system of grantmaking is transparent and publicly desirable. The demands of grantmaking are such that foundation staffmembers vacillate between this published strategy and subjective approaches to awarding money. This ambiguity leaves a convenient gray area in this relationship in which all manner of negotiations may take place.

Systematization: How to Institutionalize in the Shadow of the Charismatic Priest

Tensions between systematization as an organizational virtue and charisma as a social movement discourse become starkly apparent in the relationship between NGOs and their funders. Generally, NGOs in their inception are reliant upon personal dynamism and charismatic leadership: they are typically initiated and nurtured by activists. The foundation-NGO relationship, in the beginning, places a premium on charismatic leadership; such charisma is necessary to create a funding relationship in the first place. At some point in the organization's lifecycle that dynamism is seen as inadequate, and preparations are made for transitions to long-term, institutionalized, and systematized leadership. Conflict arises, however, in this rocky in-between period. Charisma, as Weber reminds us, has a "character specifically foreign to everyday routine structures" (Weber 1947:363), and its main effect in the cases examined was to create a paradox. Funders are attracted to charisma and charismatic leadership in NGOs, but subsequently see their role as to help these charismatic leaders formally institutionalize their programs. That initial charisma is something subsequent "systematizers" often cannot match, and the nonprofit organizations often sit in uncomfortable positions, sometimes for years—negotiating an identity that is part social movement organization, and part institutionalized program provider.

 Worldfunds still has its original leader of sixteen years, the visionary who invented the localized grantmaking model, and who has "exponentially expanded" the funding base and programs operating around the world. Bringhurst recounts that LAGI as well underwent its most difficult period as an organization in its quest to transfer authority to a long-term leadership team, following the retirement "[of Olas, who] had been running the organization since '86. He was a liberation theologian Jesuit priest

[…] who was forced into exile during the Salvadorian civil war. He was […] in his late 60s, and was trying to make the organization sustainable after his personal hyperactive commitment to it."

LAGI's intent in approaching the Branton Fund was to build a stable organization that could survive after Olas, addressing, as Branton Board member Herb Braxton put it, the "problem of how to institutionalize in the shadow of this charismatic priest." At Picarelli, Jim Portes discusses this sort of charisma as a rationale for more highly personalized relationships and a more intensive process of engagement between grantors and grantees:

So much of what we do is based on trust and knowledge […] And there's so many things that happen with these organizations, all the turnover, all the strife […] All the places where we work and the organizations we fund: if one or two people leave, everything falls apart. Because these are often small organizations. They are often managed by people who are very dynamic, and the minute that person leaves there's this huge vacuum. All sorts of things happen that we have to be in constant contact with them.

The problem of institutionalizing (post-charismatic-leader) reflects on the difference between leadership and management. Conger and Kanungo (1998) distinguish organizational leadership from organizational management: management supports the status quo and stabilizes the organization, while leadership challenges the status quo and creates change. In most cases, leadership creates something that is appealing in its entirety but not strictly "rational"; management is tasked with systematizing, with institutionalizing. Systematization is bureaucratic and predictable, at least as an ideal; it follows internally consistent structures. These transition processes bring differences between two operational logics into sharp relief.

Foundations, to some degree, hope and help to nurture this sort of systematization both within their own organizations and among their grantees. Charisma, regarded as a desirable quality in activism and activist organizations (and certainly indispensible in the process of starting up nonprofit programs) is explicitly antithetical to the sort of routinized organizational structures that are considered professional, transparent, and accountable. Foundations want to fund charisma, correctly recognizing it as transformative. They also, however, want to fund reliability, accountability, reproducibility, and programs that can be taken to scale or made into templates. Here again we experience a clash of discourses and of priorities, uncomfortably negotiated and uneasily resolved.

Accountability and evaluation

This research suggests that the propensity towards outcome-based accountability measures (responsibilities to donors especially) are symptoms rather than causes of divergent definitions of work and obligations to numerous stakeholders, feeding into a decoupling of *desirable* and *measurable* outcomes. Evaluation is generally agreed to be an important part of any organizational undertaking. However, in this grantmaking, grantors and grantees appear to have quite different opinions on the function and the logic of evaluation within their programs. Conversations with both grantors and grantees showed that ideas of fiscal *accountability* and programmatic *evaluation* are not clearly separated. There is considerable frustration present in both entities as regards the process.

Accountability procedures within foundations and nonprofit organizations are a relatively new phenomenon. Unlike the public sector, the third sector was left to its own devices for much of its development, and the emphasis on fiscal and programmatic accountability is a product of only the last several decades (Ospina et al 2002). Accountability procedures within third sector organizations have developed towards greater fiscal transparency, which in turn helps generate greater programmatic legitimacy in the public eye.

Foundations consider accountability on two levels: within the foundation (the Foundation's accountability to its Board), and between the foundation and the NGO (the NGO's accountability to the foundation). No respondents mentioned an accountability relationship that examines the foundation's accountability to its grantees. These two different evaluations are related but distinct. Interestingly, NGOs seemed to be largely unaware of all the internal evaluative procedures that take place within foundations, and foundation respondents did not clearly differentiate between their self-evaluation and grantee evaluation. Funders discussed their own evaluative systems, transitioning almost imperceptibly into the evaluative procedures governing the relationships between themselves and their grantees. Foundations generally create multi-layered systems intended to track grantee progress towards goals. That information then becomes part of a larger series of indicators they use for tracking their own progress. Many foundations report using dashboards and other electronic tools designed to aggregate grantee stories "up", for presentation to their Boards of Directors and donors. One program officer recounts:

Progress on goals is what we track […] I mean, when you're running a[n NGO] *program* it's a lot easier to deal with evaluation and indicators and benchmarks.

In the kind of work we do, the nature of the work and the fact that we're one step removed from the action makes it a lot more challenging. And we've been struggling with this over the last couple of years. We lay out our strategic priority areas, our goals, and objectives. And we do reports on progress on goals using evidence-based sort of indicators of progress made. What we *don't* have is a particularly good system for tracking that, and we can't include everything because it becomes totally unmanageable.

Two things are apparent in this passage: the first is that this person considers foundation accountability to be more difficult to represent fairly than NGO work. Second, she perceives external pressures that act on her program, requiring that she demonstrate impact. These pressures come from the foundation's Board of Directors, the entity with a legal mandate to ensure that the organization fulfills its mission to the best of its ability. These demands are also political in a broader context; many foundation employees report a recent increase in the levels of stringency and oversight from both the IRS and congress, which translates to foundations pressuring grant recipients to show immedieate results.

Foundation staffmembers have several consistent complaints of their evaluation processes, a principal one being that the timing of these evaluations does injustice to NGO work and to their own program's impact. Although the foundation as a whole required program reviews every two years, several grantors reported that their individual programs altered the review timeframe, lengthening the time between evaluations because "often what you are looking at is outcomes from investments made a year or two or three ago. These processes take a long time, and it's very difficult to get to the one-to-one relationship between your investment and what's happened within a timeframe." Jim Portes agrees, saying that his program evaluates every five years: "We're talking about conservation here. It takes years! If we did reviews every two or three years, it would be ridiculous. It would be a bunch of fabrications, quite frankly."

Systems of reporting and evaluation between foundations and grantees look somewhat different than internal foundation evaluation. Grantors acknowledge that reporting requirements can become a significant time commitment for their grantees, and though no foundation reported having a fully efficient system for tracking grantee progress, many did mention the potential burden that reporting constitutes for NGOs. One program officer told me that he meets with a group of other conservation donors biweekly to develop common systems for conservation outcomes so "that we don't keep

bugging grant recipients with different measurements." Hemmingway concurs:

We do leave it to [grantees] to decide how they're going to monitor [outcomes]. Partly because most of us have run operational programs in the past. We realize that our grantees are dealing with multiple donors, and if each donor proposes a different kind of evaluational system, it puts the organization in an impossible position.

A foundation program officer describes the accountability and evaluation process with his grantees in the following manner:

Between me and the grant recipient, a lot of it gets worked out *prior to* […] Immediately after the Board approves the grant […], they get a formal letter from the president that's essentially a contract. And they have to sign it, literally, and say it's a contract […] We also have attached to that letter a reporting guideline that has three sections to it. Did you do what you said you were going to do, and if not, what not? The second section is a set of indicators. The third section is telling the stories: assuming that the first two sections don't quite tell the whole story about what you want to convey, or if you got on the evening news or in the newspaper, use this section to convey what you couldn't convey in the other two sections. And the fourth section is the financial reporting.

Apart from the technical reporting requirements, many foundations appear to feel slung between dichotomous views on what evaluation *should actually be* and what it should be used for, and this tension is reflected in a lack of field-wide best practices or general expectations. Foundations report ongoing conversations about the differences between *informational* evaluation and *learning* evaluation:

There's those of us who believe that evaluation is most effectively used for learning. How do you learn in order to make your work more effective? As opposed to a strictly evaluational perspective: Did you do what you said you were going to do? And they're not particularly compatible […] Because if you put the emphasis on accountability, and doing what you said you were going to do—in most cases we are dealing with support for complex social phenomena, and you need to be able to understand how they're evolving and move quickly. And if you're locked into doing what you said you were going to do, it gives you a lot less flexibility. You've become a lot less innovative and creative, and are tied into reporting on ideas that you've had that have become locked in time […] As an organization that basically used to be responsive donors, as people are more concerned about impact, etc., it's a lot easier to

assume responsibilities for outcomes if you become more informational.

This tension is apparent throughout the grantmaking world. Mintz, program director at the MacMillan Foundation, is frustrated by the lack of learning-based evaluation practices among her grantees: "What we've found, honestly, is that grantees in the places where we work, have limited breadth of evaluative thinking. So it's more monitoring and compliance thinking." When asked why she thought this was, Mintz responded,

A lot of places that we work are places were USAID goes. USAID, and World Bank […] So the norm in philanthropy, the norm in the evaluation thinking […] is more logframe, compliance, and bean counting, in my perspective. And questions of utility and credibility get lost in that. It's kind of this top-down show of—you know, "we've got to report to Uncle Sam and the American People that you're using your money right!"

Grantee perceptions of this process differ from those cited above, and clearly perceive this emphasis on "bean counting". At CWP, program associate Hotchkiss describes a grant evaluation on the following terms: "[It was] eighteen questions or so, all sort of essay short answer type things, all fragmented. Nothing that says "Explain what this grant is about" but rather "explain this little portion of it."" Isaacson's Program Officer was unsatisfied with the initial Worldfunds proposal due to a lack of sufficient evaluation processes. Worldfunds staffer Fenton recounted that,

Worldfunds has a trust-based model which is informal, passive communication between grantees and advisors, and he [Ishmael] asked us to include— with an appropriate funding line to go along with it— an in-depth process at the end of the period to be able to report back to Isaacson. Originally ours was not a metric space proposal, but a kind of narrative storytelling type […], and a kind of participatory process. They requested a metrics-based approach, a series of indicators that they tracked throughout the grant period […]His [Ishmael's] support of our work was absolutely essential in the process of getting approval for the grant. Without it, there would have been more serious questions from the Board of how they could demonstrate the contributions that we've made, which you really can't do. So he really fought hard to get this proposal approved.

The concern with the original Worldfunds proposal is immeasurability. How does one quantify capacity-building, especially within a short grantmaking period? Interested in the Isaacson attitude towards this, I asked Isaacson's director Ishmael about it. He responded that outcome measures build a sense of

commitment from the grantee towards its funder, and further, that,

There is a difference between *outcome* and *output*. Output should be clearly quantifiable, the results of what the money has done. Outcome is hard to measure…and has to do more with other changes in society. That's one of the weaknesses of the program. Grantees have a responsibility to the donor community, but there is also a sense of and a need to create structure for the grantees themselves. Isaacson staff has a responsibility to its Board, and must show them what has been done with the Board's money.

This friction is evident in phrasing—it is the "Board's" money, not the organization's money or the program's money. Ishmael is negotiating a delicate balance, accountable to his superiors for significant resource expenditures and yet, at least on some level, recognizing that outcome—the crux of sustainability and justice work—is not inherently measurable. At Branton, Bringhurst articulates a similar perspective: "Certainly my job as president is in one part is to serve as the conduit between what we as staff believe would be the most effective ways to advance the Foundation and the mission, and at the same time to hear from the Board exactly what they think we should be doing, and keep those things in bound. It is dynamic."

Another grantee describes being happy with increasing educational requirements for foundation program officers because "it helps them see the complexities of the work that we do. Specifically in environmental biology and conservation science, [it can be] difficult for some funders to see the ambiguities and complexities of funding international grassroots work. It's not necessarily about conservation outcomes, it's about things that are a little bit trickier to measure, like empowerment and strength of civil society." At LAGI, Olas agrees that the balance is difficult:

[In the United States] they want to know: what is the objective, what are the results. The emphasis is much more on results that you can measure, and for that reason it is much more difficult to seek funding, for example, for peace. With an economic project you can say, "these chickens will lay twenty eggs a week", but the question of peace is a question of values, of change, of mentalities, of activities, and it's difficult to subject it to a measure.

These pressures—foundation priorities, international norms set by international entitites, accountability procedures that have their roots in theories of open societies, and negotiations between foundation Boards and foundation staffpeople—thus form a chain of structural realities that shape the way that accountability and evaluation practices are done in the private grantmaking world, and which act powerfully on the interface between grantors and grantees. The disparity of perspectives between grantors and grantees seems to come in as regards the tensions between learning processes and information/compliance processes. NGO grant recipients understand fully that continued funding is based, to some degree, on the ability to demonstrate that their resources have been used responsibly—programmatically and fiscally—and the incentive is thus to demonstrate "success", however it that success is measured because foundations can decrease or cease funding flows if they are unsatisfied with either accounts of compliance or the stories that they receive from their donors. It is in this place of measuring and accounting that foundation program officers must truly trade in their activist hats for their bureacrat hats, requiring and structuring outcome measures that they recognize as flawed in defense of their foundation's profesional reputation.

However, foundations have a real and seemingly increasing desire to use NGO and programmatic experiences as ways to learn more about their approaches and about processes of social change generally. And those two priorities are not wholly commensurate—the incentive structure for grantees creates a pressure towards demonstrating impact and "bean counting"—telling the story they think foundations want to hear—as opposed to engaging in what foundations call truly "evaluative thinking." The evaluative process therefore, while not in a total stalemate, certainly confronts significant challenges due to conflicting incentives, priorities, and philosophies.

Analysis: identities, contingencies, and the communication gap

In order to make sense of this relationship, I organized my inquiry around the question of what role organizations see themselves playing in the field of sustainable development. The respective roles and identities turn out to be deeply shaped by the orienting logic that each organization employs.

Funders see themselves as motivators and coordinators, both funding and directing movements for progressive change. At MacMillan, Mintz describes her responsibility as "to fund, but also to influence" change work. She adds, "Also, it's more than an opportunity. It's a life's work. It's a passion, it's a purpose." Another gives a similar statement:

I am very much motivated in terms of a desire to be in support of movements for constructive change in this world. I am very much moved by the tremendous inequality, and the challenges of the region, and the fact that there are many good people throughout the

region trying to bring about change [...] what gets me up in the morning is our ability to put money in the hands of people who are committed and who are doing effective work for change. And to help link those people, and to help them se themselves as parts of broader movements. And to learn from each other. And to see how the sum of the parts can be more than the whole.

Jim Portes says: By virtue of our positions, we often are required to have a much bigger picture of all the things that are happening and how they fit. Assuming that we are good at interpreting that or analyzing that, it helps us be better activists. In other words, it helps us be more active in a very, very effective way than, say, a small organization working in Fiji that doesn't really see a lot of that stuff. But we can, probably because we have money, but also because we have the position that we have. But I'm one step removed from the actual work.

Several foundation staff also noted a desire to try to change the way that grantmaking works, or simply to be a part of the structure that gives money as opposed to the structures that receives it. These program officers say: [I took this job] to try to change a little bit the way that grantmaking is done. And I don't say that with any hubris. When I entered the job, I actually talked with the people who were going to be my bosses about the ways in which foundations are perceived, and the ways in which I wanted to make sure that I would not continue those sorts of stereotypes.

At the MacMillan foundation, Mamzack says, I was familiar with [the NGO] world, and of course, almost anyone who is in grantwriting and fundraising kind of dreams about being on the other side of the desk, and working for a foundation and being able to give out money, instead of ask for it [laughs].

Grantees, on the other hand, largely see themselves as activists. At the CWP, Hotchkiss says: I had this 'conversion experience', and it was clear from that moment forward that I needed to be doing something with my life, which was bringing more justice to the world. I didn't know what that meant at the time, but as I explored that and this and that organization, I came to be hooked up with the CWP pretty shortly after that. But I ended up working on trade in particular because it's that huge enormous massive economic system fight that has been going on in some protracted form for you could say several hundred years. It's not the small fight, it's not the short fight, it's not some specific-issue thing, it's a major life-long fight, which in some ways is why I chose it in the first place.

Antonio Sancho Olas's perspective is also very much that of an activist. He says: I see the needs and the good that could result of my project, the freedom from poverty…and that's where things change. The passion for something—it's like love. You fall in love, and it takes on a life of its own. In the way that you live it, you give yourself to it. It's the same way working with poor people. You have to love the poor people and see in them the capacity for liberation.

Foundation respondents all indicate a clear understanding that there are, minimally, two roles in this change work—those who do it, and those who fund and coordinate it. NGO staffmembers, on the other hand, tend to frame foundations as fully part of the "other"; their comments suggest that they see the foundations as part of the establishment they are trying to transform. There also appear to be major differences between how these two types of organizations frame the work itself, and in part, these differences are related to the different social and political theories of the people who staff them. Foundations emphasize a discourse that privileges openness, flexibility, and transparency, values that are well established within third sector organizations and deeply tied to theories on civil society. There is also the corresponding discourse of information and surprise—of learning—that accompanies this sort of frame.

Concurrantly, foundations emphasize a discourse of professionalism, rationality, and strategy, which in many ways mimics the language of the for-profit sector. There are many potential reasons for this: the field of development and philanthropy is still combating the perception that such work isn't valid or useful—such heavy emphasis on accountability is in part to increase perceptions of legitimacy. As one program officer said, "It's kind of this top-down show of—you know, "we've got to report to Uncle Sam and the American People that you're using your money right!"" Because the third sector feels that it still lacks sufficient legitimacy among the general public, it adopts language that carries with it the validity of other industries—notably, that of the for-profit sector—to help convince skeptics of its value. The narrative construction, then, of foundation work is subject to this internal strain: between openness, surprise, and civil society on the one hand, and efficiency and rationalism on the other. Though the two aren't necessarily incommensurate, they can conflict. Foundation professionals piece different elements together as appropriate. They do seem to be beginning to create a more unified discourse of profesional philanthropy, with its own language and concepts; this process which is especially apparent around issues of measurement.

Grantees, on the other hand, emphasize a discourse of activism and social movements, and are also highly dissatisfied with the levels of risk they are expected

to asume, as well as with the power distributions. Morales, at DESARTE, says that his project is working towards self-sustainability so as to avoid some of these potential pitfalls:

DESARTE was born—was born intentionally—as a self-sustaining project. The idea is to arrive at the maximum level of self-sustainability possible, a project of social co-responsibility with the public, and with the [rest of the] third sector […] We wanted to look, to the most minimal extent possible, for financing from outside […] I come from the world of cooperation, and I have been working in arts and culture and I have seen, in many cases, that the search for financing can be totally destructive. [Destructive] in terms of social relationships, between people, and also in terms of transparency, right? Between funders and funded. It's true that it's not always like that, that there are organizations who manage that relationship very well, but there are many—a lot of risk.

Interviews with NGOs, without exception, also touched upon ways that power and power flows manifest themselves within the grantmaking relationship, and a major part of conversation touched upon dissatisfaction with this. Hotchkiss says,

The entire [grant application] process makes me die a little inside. It's this radically asymmetric relationship. The power dynamics in it are the antithesis of everything that we're trying to do with our organization. We step through the door into this space, where it is a given that the relationship we have with our funders is *not* honest […] the goal of some of the [CWP programming] relationships and partnerships are all about power: how do we identify power and seek to break down some of the inequities that exist there? […] And it's the opposite in this relationship. You go in with the understanding that you're going to talk nice and smile and things like that […] in order to gain an outcome that you can go back and report to your Board, and that sounds nice. That's the usual goal. We lie to each other just enough so that at the end of the day we'll have money and they'll have something they feel like they can talk about.

Foundations seem willing to acknowledge this issue of power, though grantor perceptions of it consider it less crucial. Bringhurst concedes that, Foundations in general have the opportunity with relatively little pushback to stay true to their purpose. You can say what you want to, and there's not a lot they can do. I think it's more difficult among small organizations struggling to find the support they need to maintain their integrity, when there's significant funding that may not fill the bill exactly.

This research suggests that, despite the numerous critiques of the system and the obvious disjuncture

between discourses, foundations are actually highly efficient in both finding and funding grantees that fit their requisites. Foundations are not in a position of having too few grantees, or of funding grantees whose missions and work is an imperfect fit—they have sufficient grantees and their grant monies are fully allotted.

However, the costs of such a system are allocated disproportionately to the NGOs, who bear the brunt of the risk in both relationship-building processes and accountability processes. Foundations are also able to be efficient because some of the costs of research and familiarity with the field are also allocated to potential funding partners. NGO partners—both grantees and prospective grantees—provide foundations with massive amounts of free information on an annual or semi-annual basis in the form of proposals and evaluations. Their reports and grant proposals are aggregated up within this process of learning that occurs in the foundation.

Secondly and related, a field-level practice of idiosyncrasy on the part of foundations creates pressure towards continued relationships. Both NGOs and foundations, having invested such significant time and resources in the processes of building relationships, experience an incentive to continue working together, which further pressures NGOs to continue demonstrating success. The different practices regarding accountability—one foundation's distinctions between "outcome" and "output" juxtaposed with another foundation's frustration at the lack of "evaluative thinking" among NGOs—contribute to this issue of idiosyncrasy, and help incentivize continued pairings. These idiosyncrasies also impede the development of field-wide best practices or field-wide norms. When a field does not have norms, its transparency may be compromised or perceived as compromised.

Aggregated, these processes contribute to a field-wide impermeability of funding loops. This idiosyncrasy is acknowledged among foundations as a general peril of doing business:

I have a colleague right down the hall who would be sitting next to me disagreeing with at least half of what I just said (laughs). And so it becomes *highly* personalized. And that's why foundations—all of them are very very different, for a variety of reasons. Some of it might have to do with the families that created them. There are lots of different factors that can effect it, but a lot of times, it just comes down to the personalities of the people who are managing the money.

Foundations also experience an incentive, if they release open calls, to frame their calls as widely as possible in order to generate diversity of grant

proposals, which in turn generates a diversity of information about the current constitution of the field. This evidence suggests that, even though these calls are prepared in open language, foundations know what sorts of grantees they are looking to support and indeed, release open calls perhaps more for purposes of public image. The practicalities of administering a program based on a system of open calls are administratively overwhelming, and thus most foundations do the majority of their grantmaking via other channels. Their risks in such an approach are minimal, and an open call can produce substantial information about the movement of the field in general. Though such self-awareness does indeed create diversity among prospective grantees, it continues to offload the time burden and the accompanying risk onto potential partners.

The narrative construction of grantors and grantees, by and large, do not confront each other and their discourses diverge, as I have demonstrated, in important ways. Contributing to this divergence is the sort of social segregation that occurs between grantors and grantees. Grantors report that they develop strategy and philosophy in conjunction with other grantors: funders' conferences and funders' meetings are a popular mechanism of information-sharing within the field. Likewise, NGOs liaise with other NGOs within their areas of interest. The two entities do not have habitualized ways of communicating with each other outside the context of a specific grant proposal—several respondents remarked to me that they had never had this sort of conversation with an organization on the other side of the funding relationship. One grantor's response typifies this type of social division:

We are on a number of listserves, there's a number of either committees or funders groups nationally, internationally, or local that we are members of, to share with our peers at other foundations, to share with our peers in the fields that we are working in.

This segregation is bi-directional; foundation staff complains that NGOs don't take the time to understand their missions and how they set out to do their work. One foundation program officer reports that "Generally, grant seekers are not that knowledgeable about the foundation, and if they are, it's because their development people are. And so generally, they're not that aware of what the Picarelli Foundation is about." This segregation and this lack of information contribute, unsurprisingly, to a lack of mutual understanding as to the challenges and logics that both parties face in the process of building funding relationships.

Finally, the tensions between activism and professionalism among foundation staff are highly apparent, and explain a good deal of the subjectivity

and ambiguity of the grantmaking process. Foundation program officers are generally ex-NGO staffmembers, meaning that they have an element of activism informing their behaviors and are familiar with the social movement discourse that underlies most development work. In their foundation capacities they are tasked with systematizing and professionalizing foundation activities in the face of the highly idiosyncratic Boards of family foundations, deploying strategic and bureaucratic procedures in order to maintain their legitimacy as program officers and as rational organizers of social change. These program officers thus experience both a double "pull"—downwards, from their grantees, whose activist identities tug on their own activist heartstrings, and upwards, from their Boards, whose demands require that they exhibit a story that emphasizes the professional elements of their work— and they tensely negotiate the conflicting demands of these two stakeholders. The conflicting logics of the two worlds (the grantors and grantees) impinge on the interface between the two parties, but more clearly, generate internal conflict within foundation staff themselves.

As I have demonstrated, the grantmaking process contains a series of interactions and negotiations that have considerable impact on what nonprofit organizations are funded and what sort of work is executed. The study of third sector organizations is still fragmented, and this work suggests a number of new directions for investigation. It also adds a cautionary note to thinking on nonprofit work generally. Further, it explores interesting tensions between identities, and suggests that work on the interactions and interfaces between social movement discourses and professionalization is a fruitful avenue for further study. As Olas observes, "Money by itself doesn't do anything. You have to unite all the elements in order for people to be successful."

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Appendix: Grantmaker family tree. Grantmaking organizations are bolded