

EXPANDED ABSTRACT

The action plan in foundations: public support for its preparation and impact measures

Objectives

The article focuses on the study of the resources available to measure the impact of Spanish foundations, and more specifically on the accountability of these entities, and in particular on the publication of the action plan, as well as on the role played by public authorities in this process.

The aim of our work is to compile current practices, both in Spain and in different countries, around the action plan, and the role and type of organization of the bodies responsible for its monitoring and supervision. We will also propose technical efficiency measures based on the information contained in the action plan.

We intend to explore the main strengths and weaknesses of the current system that obliges Spanish foundations to elaborate an action plan, in order to make various proposals that may serve to improve the usefulness of this requirement and that, therefore, may be taken into account by public authorities for future reforms of regulatory regulations, and by the foundation sector as a whole.

Methodology

The mandatory requirement that foundations have since 2012 to produce the action plan according to a standard model has made researchers wonder whether this will contribute to its generalization or, on the contrary, whether it will act as a deterrent. In this respect, it should be mentioned that according to a study carried out by the European Foundation Centre (EFC), which showed a comparison of the legal framework of foundations in thirty European countries, Spanish legislation is the only one that contemplates the publication of an action plan. One third of the countries do not require any information on activities or budgets, and in the rest of the countries (18 of the 30 countries studied) at least one report on the activities performed is requested, and in a few cases a budget or a programme of the activities to be implemented is required.

On the other hand, it should be said that in view of the research carried out, it is in Anglo-Saxon countries where foundations are most widespread. They receive greater attention from both regulators and supervisors, who are concentrated in a unique, independent authority outside of government. In addition, these countries are the most extensive in research in different areas, both on foundations in particular and on nonprofit organizations in general. In this sense, both the British and American models, to varying degrees, prove how intense regulation, if good in terms of clarity, reliability, fairness and ope-

rating margin, does not restrict a strong and powerful sector. On the contrary, it orders and encourages it because it gives guarantees and strength. In both cases, they are historically consolidated and socially accepted sectors that are highly regulated and, at the same time, enjoy great autonomy.

Results

The protectorates, which are publicly responsible for safeguarding the functioning of foundations, are characterized in Spain by their high number and dispersion. Initially there were 63, and since 2015, with the implementation of the Unique Protectorate, their number has been significantly reduced, and currently there are 26 protectorates. It can be said that the information on Spanish foundations is scattered throughout the country, and it is difficult for so many different units to have an adequate knowledge of the problems of foundations. The current law on foundations also provides for the creation of a Superior Council of Foundations, a consultative body yet to be created. Among other responsibilities, it is expected to plan and propose the necessary actions for the promotion and encouragement of foundations, carrying out the necessary studies for this purpose.

This means that it has not been possible for us to compare and update the percentage of foundations that currently comply with the obligation to publish their action plan, due to difficulties with the sources of information, which are scattered throughout Spain.

Thus, when we requested information from the Unique Protectorate to assess the evolution that Spanish foundations are having with respect to the obligation to publish and deposit the action plan, we were informed that access to it should be under a very specific request and relating to very limited samples, such as copies of a few action plan deposits from certain foundations. There is therefore evidence of the limitation of consultation that exists about information that is of a public nature. As a result of this request for information and following the guidelines received, data was obtained regarding the number of action plans deposited in 2016 and 2017, which amounted to 2,219 and 1,862 respectively. Finally, it was not possible to compare the percentage of foundations that do not comply with the obligation to present an action plan at the time this article was written (February 2019).

After this analysis, it is more than evident that preparing the groundwork for any research in the Spanish foundational sector supposes an enormous effort. Foundations make their annual accounts publicly available on their own website, but not all of them. However, the Institute for Strategic Analysis of Foundations, as a research and foresight instrument of the Spanish Association of Foundations, has already made significant and essential contributions to progress in knowledge of the sector. In this sense, and in order to carry out this work, the electronic database included in the website *fundaciones.es* has been used.

On the basis of the above-mentioned database, provided in excel format by the Spanish Association of Foundations for the period 2008 to 2014, we have calculated two technical productivity indicators:

one for income and one for users. The first varies between 78,000 euros and 104,000 euros. These values indicate the average income that a Spanish foundation can obtain for each employee hired. In the case of technical productivity according to users, the value obtained for each of the years presents a greater dispersion than that of the previous index, fluctuating between 1,200 and 9,300 annual users attended per contracted worker.

Practical conclusions and original value

In Spain, with the data included in the action plan, very complete efficiency measures can be considered. In this respect, a study of technical productivity, based on income, number of users and number of workers, can provide important organizational advantages, since it contains the measurement of the actions performed by a foundation: social impact achieved and cost of the investment made to reach that impact. With the current technological possibilities, the protectorates should be facilitating and dynamizing the publication of information that would be useful for the foundational sector. However, after the analysis carried out, it is evident that conducting empirical research on the Spanish foundational sector represents an enormous effort.

Supporting the proposal made by professionals and academics, it is considered necessary to implement the regulatory development of the Protectorate and Unique Registry and, in addition, to undertake a concentration process that corrects the current dispersion of supervisory authorities. This would facilitate the saving of resources, specialization and a real approach to a sector such as the foundational one that is characterized by its complexity, emulating the Anglo-Saxon models that have proved successful. Alternatively, a network of State Registries could be established, acting as a coordinator of the existing protectorates and registries, and providing reliable and unique information on the institutional, operational and financial situation of the sector. This would contribute to the requested transparency in the management and financing of foundations, making known directly the objectives and results of this type of entities in the development of their activities, as well as the means used to achieve them. The function of guardianship and control to be exercised by the protectorates could focus their attention on making controls and revitalisation in accordance with the results obtained and actions carried out. The system would be much more contemporary, since the traditional concept of a foundation as patrimony assigned to an aim is changing, moving towards that of operations under the parameter of purposes or objectives, and results.

In short, Spanish foundations need an organizational culture in line with current trends, and a responsibility aimed at obtaining social benefits and improving management performance, all supported by public mechanisms that facilitate and evolve in the same way.

KEYWORDS: Foundations, action plan, accounting, impact measures, efficiency, protectorate.