

## Support Matters

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## Developing the 2010 GSR

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## About WINGS

WINGS is a global network of grantmaker associations and philanthropic support organisations. WINGS strengthens, promotes and provides leadership on the development of philanthropy and social investment around the world. WINGS gives voice to the many cultures of giving and provides its members and other participants with information, knowledge, and peer exchange.

Our vision is of a strong, global philanthropic community that strives to build more equitable and just societies around the world.

[www.wingsweb.org](http://www.wingsweb.org)

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# 1. About the GSR 2012 Update

For the past 10 years, WINGS Global Status Report on Community Foundations has tracked the development of community foundation worldwide, serving as a key reference for the field. While community foundations themselves refer to these reports for sound information, it has also been a useful resource to foundations, donors, researchers, and others interested in the field.

The 2012 update will continue with this tradition, following developments in the community foundation sector, which now counts with new important actors. To this end, we focused on the role of support organisations and key developments in the field. We explored new issues and collected data for the analysis of three main themes: the role of support organisations, significant trends, and issues to address. We are also portraying four initiatives from both organisations already included in the 2010 report and new ones.

This is just the beginning of a major, and much needed, discussion to be addressed in a broader report in 2014. Recent changes in the community foundation field demand a more complex debate about how it is understood and its definitions for a truly global profile to be done.

## Content

This is a limited update of the Global Status Report; a full update and comprehensive report will be published in 2014. The current update focuses on support organisations for community philanthropy - we completed a special survey of 12 support organisations for this purpose. In this edition, we showcase four examples, and will add more as we approach 2014. You may contact WINGS through our website if you would like your organisation to be featured or would like to suggest an organisation.

We also describe some of the trends in the field, specifically what is happening about youth in the context of community philanthropy, developments in Africa, and an important initiative to develop community philanthropy by the Aga Khan Foundation and the C.S. Mott Foundation. We finish with the issues of growth, definition, and evaluation, yet to be addressed.

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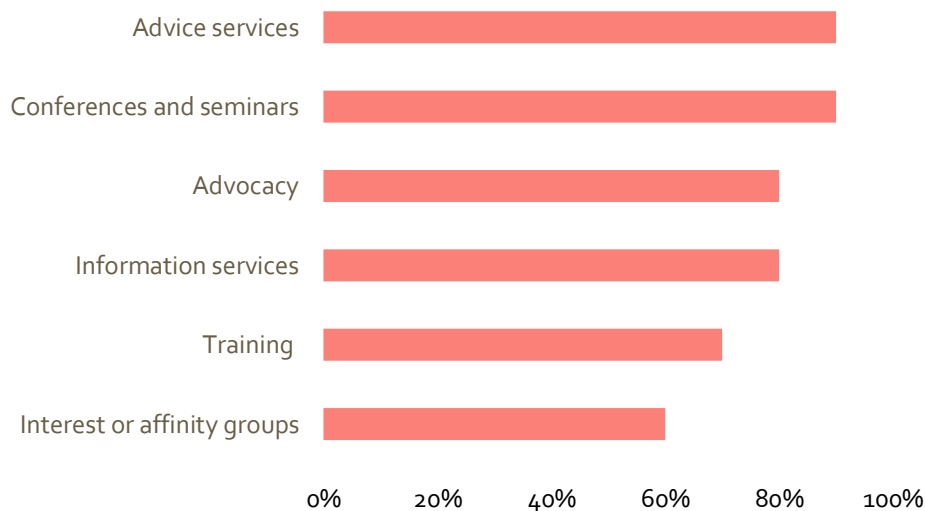
## 2. Support Matters

Barely two decades ago, there were few community foundation support organisations worldwide. Today, they are on six continents. The number of WINGS members that currently support community foundation development stands at 79.

Community foundation support organisations – national, regional and global – help promote and professionalize the field. Recently, Maggie Jaruzel Potter from the C.S. Mott Foundation wrote an article in which the message was in the title: ‘Support organisations offer great roadmap for community foundation field’<sup>1</sup>. The title was drawn from a quotation by Felicia Jones, executive director at the Black Belt Community Foundation in Alabama, who said: ‘Support organisations gave us a great roadmap for how to create a community foundation the right way from the very start.’

Although community foundation support organisations use a variety of names (associations, councils, forums, federations, networks, partnerships and others), they are remarkably consistent in the services that they provide. A WINGS survey conducted in late 2012 found that nearly all support organisations perform six functions:

### Services Provided



There is evidence that these services create a good climate for the growth of community foundations, for example through the development of a favourable legal and fiscal

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<sup>1</sup> <http://www.mott.org/news/news/2012/20121122-Community-Foundations-Support-Organizations-Article6>

climate. In the 2010 Global Status Report on Community Foundations we were able to show that the best predictor of in-country growth of community foundations is the presence of support organisations to provide services for them. We will investigate this finding much more deeply in the Global Status Report for 2014 and make a special feature on it.

A further important feature is the connection between support organisations. One of the ways that the community foundation field has been able to make such rapid progress over the past decade has been cross-fertilization of learning from different parts of the world. For example, Felecia Jones describes her meeting with Janet Mawiyoo from the Kenya Community Development Foundation:

‘Even though Janet is in Nairobi and I am in Selma, my grantmaking story is more similar to hers than that of some other community foundations in the U.S. because of the types of poor and rural communities in which we work,’ Jones said. “We have a whole lot in common and can share with each other what works and what doesn’t. I cherish our relationship.’

It is clear that peer-to-peer networking and learning opportunities provided by such organisations as the Global Fund for Community Foundations and by WINGS itself have immense value. A survey of WINGS members reviewed the usefulness of such connections and 90 per cent said that they were either ‘very useful’ or ‘quite useful’.

WINGS intends to investigate the value of support organisations systematically in the coming year by working with selected members to evaluate the value of different intermediary services. We would be most interested to hear from WINGS members who would like to take part in this special study.

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## 3. Case studies

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### CAF - Supporting community foundation development in Russia

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Charities Aid Foundation (CAF) - Russia is part of a global network aimed at supporting individuals, companies and charities, facilitating giving for a greater impact. CAF provides tailored solutions for individual and company donors to give more effectively worldwide through its global network. CAF is a pioneer in effective giving in Russia, providing advisory services, fund-holding and grantmaking facilities. Its NGO and Foundation School projects, for instance, build the capacity of both non-governmental organisations, and donors, helping them give more strategically.

As part of its efforts to optimize giving, CAF brought the community foundation model to the country, and co-founded the first Russian community foundation - Togliatti Community Foundation - in 1998. In the following year CAF began organising national conferences on the subject, and in 2000 it started conducting research and issuing publications on community foundations. CAF also supported, in 2003, the formation of Community Foundation Partnership, a network of community foundations aimed at the creation of favourable legislation for the sector; the national promotion of the community foundation model; the attraction of resources; and the creation and dissemination of information. Furthermore, in the next two years CAF plans to conduct a large-scale study on the activities of Russian community foundations. Still, the lack of international practices on the field remains a challenge for its development.

One of CAF Russia's successful stories is the "Evaluation of Social Wellbeing in Local Communities", a joint project with the North-West Federal District Community Foundation Alliance participants. Using an evaluation methodology based on the Canadian "Vital Signs", data were collected for a number of indicators that characterize the state of a community.

The methodology allows organisations to plan their activities based on the evaluation results. Additionally, the results can be used for development of target programs in a territory. In Archangelsk, for instance, the results were used to develop recommendations on adjusting the priorities of youth programmes and including a new programme area related to Pomorye's youth policy. The methodology was replicated and used in Permsky Krai, and it was also adapted for rural territories. This resulted in the creation of a map representing the current problems and points of growth for the territory known as "The Social Potential Map". It is important to cover rural areas, as one-third of the community foundations working in Russia today are being developed in rural areas.

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According to CAF's database, there are 45 community foundations working in different spheres of activity today in Russia. In addition, their community development work, they often act as centres for the consolidation of various non-government organisations, as well as charitable projects and programs. In light of this, CAF supports the concept of "Alliances", which stimulates community foundations' interaction with other charitable projects and organisations working in an area. This helps funds improve their position as leadership organisations, while accumulating different professional resources.

The main difficulties funds face (according to their own estimates) are an unstable legal environment, strong dependence on changes in political affiliation and, as a result, dependence on changes in powerful elites. Also, Russian community foundations as a rule do not have endowments, and therefore experience difficulties in supporting their own activities - only three funds have endowments. And as Russian legislation imposes restrictions on building up endowments for certain types of organisations, the sizes of the endowments are also limited. Adding to the problem is funders' lack of willingness to provide core funding. Initiatives to improve the scenario are taking off, as models and a legal basis for building up local joint capital are currently being developed in 2 regions (Samara and Penza).

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#### Comunalia - A vision for Mexican community philanthropy

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Community foundations have come a long way since the Mexican Center for Philanthropy (Cemefi) held the first seminar looking into local development and funding in 1993. The promotion and strengthening of community foundations in the country has been advancing since then, and the creation in August 2011 of Comunalia (Alianza de Fundaciones Comunitarias de México/Mexico's Community Foundations Network) is further proof of this development.

The first community foundation in Mexico was founded in the mid-1990s, and most of Comunalia's 16 members were set up at the end of the 1990s and early 2000s. In 2009 these organisations from all over Mexico saw the need and opportunity to work together, and started discussions in a collective effort to join forces and improve their work through unity and representation. The network was formalised during a meeting in Guadalajara three years after the initial discussions, and Comunalia is now an association with operations funded exclusively by its members.

Comunalia's main purpose is to strengthen and give visibility to the work of its members, increasing their impact and therefore contributing to a sustainable, equitable and participatory development in Mexico. The intention is to stimulate the replication of the community foundation model in the country and build partnerships with other actors (government, academia, civil society, etc.). The network arrives in a very favourable

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moment for community philanthropy in Mexico, when its potential and results are increasingly recognised.

Comunalia is present in 13 Mexican states: Baja California, Chihuahua, Estado de México, Guanajuato, Jalisco, Morelos, Nayarit, Oaxaca, Puebla, Querétaro, Quintana Roo, Sonora and Tamaulipas. Its members work on a number of issues, ranging from education, culture, local development, health, environment, housing, ecotourism, capacity building, communication and employment, to citizen participation, philanthropy and social responsibility. Their constituencies include all of those facing social disadvantage - children, youth, women, men, indigenous peoples and people with disabilities.

As a national network with international projection, Comunalia has contributed to the empowerment of Mexican civil society organisations, and to the formation of alliances across sectors. The network is also working towards public policy and strengthening a culture of co-responsibility in Mexico. Among Comunalia's objectives are: 1. Strengthening Mexican community foundations, motivating unity, organisational development and resource mobilisation; 2. to represent organisations to foment growth, visibility and networking; and 3. help the country's transformation towards a more equitable and participatory society.

Comunalia's stated values are:

- **Commitment:** to its social responsibility towards the needs of communities;
- **Innovation:** individual and collective creativity are stimulated in the search for the best strategies to successfully achieve goals;
- **Congruence:** actions are the product of collective decisions, according to principles that uphold the network;
- **Transparency:** actions should reflect in society in an honest and just way;
- **Respect:** all differences between members, partners and beneficiaries are considered;
- **Unity:** members' work is constantly connected;
- **Equity:** social change is promoted through participation and representation without distinction among the network members;
- **Subsidiarity:** the strengths and opportunities represented by the network are integrated.

Over the next three years, a program funded by The Inter-American Foundation and Mott Foundation will “develop a trained cadre of 40 emerging community foundation leaders, enhance Comunalia members' grantmaking capacity for grassroots initiatives through a challenge grant program requiring local matching, strengthen the institutional capacity of Comunalia members through technical assistance, and help consolidate Comunalia as a viable member support organisation. The contributions of the Mott and Inter-American

foundations, totalling approximately \$800,000, are expected to leverage an additional estimated \$1.6 million mainly from Mexican national and local sources.<sup>2</sup>”

Comunalia has also established a partnership with Fundación Bertelsmann for a peer exchange between its members and similar organisations in Spain and Portugal. The organisations were paired up to share worries and ideas, to get to know each other’s work more deeply and learn from it. Organisations could get practical ideas for their projects and realise they are not alone, but part of a global community foundation movement.

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### TUSEV - Gaining ground in Turkey

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In December 2011, TUSEV launched a project on development of philanthropy infrastructure in Turkey with a co-funding from C.S Mott Foundation and Turkish Philanthropy Funds. The aim of the project is to encourage organised philanthropy and culture of giving for social good and to support the infrastructure for philanthropy in Turkey.

Such an approach is difficult in Turkey for a number of reasons. First, most people prefer direct giving as the most effective form of philanthropy as opposed to giving to civil society organisations (CSOs). What is known as community philanthropy is limited to the practices of mutual aid and solidarity, which are at the end lacking planning, structured choice, engagement and potential to meet long-term needs. Second, most companies do not have a defined policy or practice in making grants to CSOs. Rather than forming foundations and designing grant programs, companies are more likely to provide in-kind support of services, technical support or goods, or sponsor a specific activity. Third, the idea of a fundraising and grantmaking foundation remains underdeveloped. Only seven foundations out of 4500 run grant programs along with their own operations. Fourth, there is an underdeveloped infrastructure of philanthropy in terms of the legal and fiscal legislation, a small number of CSOs benefitting from the international and private sector funds, and limited amount of public funds available for the CSOs. Finally, tax legislation creates significant limitations on benefits for both CSOs and their donors.

To meet these challenges, TUSEV has developed a strategy to:

- Produce resources (handbooks, reports, brochures) to encourage a better understanding of the current giving environment and practices;
- Raise awareness among companies, foundations and individuals as well as public sector on strategic philanthropic giving and community foundations;

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[http://www.mott.org/Globals/Grants/2012/201100417\\_Mexican%20Community%20Foundation%20Development](http://www.mott.org/Globals/Grants/2012/201100417_Mexican%20Community%20Foundation%20Development)

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- Promote peer learning and experience sharing among donors;
- Help foundations and companies design giving or grantmaking programs;
- Create a network of key players that may have an influence on the local and national philanthropic landscape;
- Advocate and convene stakeholders around the claim for a more enabling legal and fiscal environment for philanthropy, and
- Expand the community foundation model beyond Bolu, which, at present, is the only one in the country.

TUSEV has initiated a support program for future community foundations. Under the support program, the local groups who are willing to explore the model and likely to establish a community foundation in their prospective cities are offered technical assistance for conducting feasibility study, developing an organisational strategy, creating a fund development plan, designing a communication strategy, establishing governance structures, managing legal, fiscal and administrative processes and setting up a grant mechanism. A feasibility study is currently underway with the intention of stimulating community foundation development in seven different areas of the country.

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### The LIN Center - Community development in Vietnam

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The Lin Center is one of a new generation of community philanthropy support organizations. Although not currently a member of WINGS, the Center is performing similar intermediary functions as WINGS members do but at a very local level. The Center serves grassroots not-for-profit organizations and individual and corporate philanthropists in and around Ho Chi Minh City. In addition to providing direct support to local NPOs, LIN is also a means by which donors can effectively contribute their knowledge, energy and resources to support them. Underlying these purposes is also a desire to promote an approach to local development that is both more carefully thought out and more responsive to community needs.

It was set up in 2007 by Dana Doan, who had worked in the non-profit sector in the US and wanted to volunteer when she first went to Vietnam in 2002. She found, however, that there was no central repository of information on the local non-profit sector. Her further experience of the sector showed that non-profits were very interested in capacity building but had no access to the expertise to do it. There was also no means of linking them to donors, so one of the great needs was a channel of communication - 'learning how to meet donors and how to talk to them.'

Based on these and her own experiences of 'trying to volunteer and not knowing where to go, trying to donate but not knowing who to trust or who to give to,' she was persuaded with some reluctance to set up such an entity herself. A fourteen-strong board (ten on the Board of Governance, four on the Board of Advisors) was formed consisting of Vietnamese professionals.

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### **How it works**

LIN provides support in the form of small grants (up to 30 million VND) to locally initiated not-for-profit organizations, introductions to skilled volunteers who can serve as mentors and technical advisers; and workshops and information to help build organizational capacity.

On the other side, it offers services to individual and corporate donors that include volunteer placement services, donor advice and hosting donor clubs (LIN lays more stress on human resource assets than on capital assets). While using both volunteering and grantmaking, they are really trying to promote the greater engagement of donors with the organizations they support either through direct involvement as volunteers or mentors or through more thoughtful giving.

To this end, LIN's activities are underpinned by a continuing process of encouragement and education. It carries out studies with local research institutes of local issues and hosts events that raise awareness of these among donors and NPOs. In its calls for proposals, it challenges its NPO partners to address these issues through projects. Through these, people learn about the issues. They then present the top three proposals to a gathering convened by LIN and let those who have attended vote on them. The whole process is aimed at bridging the gap between NGOs and community members and donors. 'It brings them a step closer to understanding each other,' says Dana Doan, 'and building longer-term relationships.'

### **Successes so far**

LIN has helped connect a lot of people - NPOs to NPOs, and NPOs and donors and volunteers. The fact that, although they are still quite small, there is actually a functioning organization that helps people navigate the non-profit sector. They are able to direct people who have some really basic requests and those people feel they are no longer knocking on doors that don't get answered.

### **Some challenges**

While local NGOs responded very favourably to the original LIN concept, they struggled, and still do, to see the value of skilled volunteers, which LIN views as a crucial part of what it offers. When they started, the idea of voluntary work was generally unknown in Vietnam and it has taken a lot of spadework to implant the idea even to the limited extent that it has currently taken hold.

While there is a strong tradition of giving in Vietnam, it is generally charitable giving often on a one-off basis. 'They had given but they hadn't given in a way that we were trying to promote that they give.' There is little sense of helping to build the organizations they invest in.

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From the other side, too, LIN's NPO partners are uniformly well-intentioned, but they haven't been under pressure to improve their effectiveness or to provide more comprehensive services. They, too, have tended to attack the symptoms of a problem rather than its causes. Dana Doan cites the example of alcoholism. It's a big problem in Vietnam but there is no NGO which addresses it. Instead, they deal with its effects, like domestic violence.

Probably the biggest difficulty LIN - and any other Vietnamese civil society organization for that matter - labours under is the rather harsh political climate. Civil society has been reported in official party organs as 'bad' for Vietnam. The sector is bedevilled by regulation and bureaucracy. If you fall foul of these things, the state can simply close you down or make your life so difficult that effective operation becomes impossible. Because of this, says Dana Doan, 'we don't do as much as would like to do'. 'We self-regulate,' she adds, to keep on the right side of the law.

This leads to a lot of unnecessary work - translating, for instance, the articles of incorporation of every single foreign donor they receive funding from. All this of course makes more overhead cost for LIN.

Another difficulty is the shortage of people who can train NGOs and donors. LIN wanted to introduce a donor advisory service, but didn't have enough donor advisers. LIN is undertaking a more strategic capacity building initiative for NGOs this coming year with funding from Irish Aid. In consultation with the NGOs she knew, she drew up a list of trainers from the whole of Vietnam. There were only 18 of them.

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## 4. Regional Analysis - Africa Is Rising

The year 2012 saw a major publication on community philanthropy in Africa. 'A Different Kind of Wealth', published by the Global Fund for Community Foundations attempted to lay a baseline for the African community foundation field and to contribute towards a new African narrative that derives from both within and outside the continent.

The report tells an important story about a new generation of local philanthropic institutions in Africa, some seeded with money from outside the continent, others entirely home grown - and all seeking to draw on local resources and tap into different forms of wealth, which include cash and property but also include other, less tangible, forms of social capital such as trust and credibility.

Using information collected from the Global Fund for Community Foundations grantmaking processes and from its broader engagement with the African community foundation field, this report has five main findings:

### 1. Asset rich or asset poor?

Most of the organisations in this cohort are small from a financial perspective ('asset poor') so perhaps not worthy of the attention of the broader development field, and yet they have much to offer in terms of community development, social capital and social justice (and so, in that sense, are 'asset rich'). The importance and value of such organisations is that local people are shaping them to develop stronger, more resilient communities that are trusting, open and equitable. Very few other types of organisations can do this.

### 2. Diverse yet connected.

These organisations come in all sorts of shapes and sizes, but they are bonded in their values and practices. Organisational shape matters less than organisational culture. These organisations not only reflect their local context and history but also local peoples' concerns to build on the strengths of that culture while addressing some of the weaknesses.

### 3. The need for a new African narrative.

Two messages are not yet fully understood - firstly, about the significance of the emergence of community philanthropy organisations and the kinds of assets they are building and, secondly, around the fact that they tend to identify as a distinct group, despite their apparent differences. There is therefore a need to build a new African narrative that can explain these developments and which can stand alongside the standard global community foundation narrative, which derives from the United States and the formation of the Cleveland Community Foundation in 1914.

#### **4. Learning from previous efforts to support this work.**

Attempts to stimulate community philanthropy have often failed to grasp the key nature of the field and as a result these have tended to fail. However, with the first established African community foundations and community grantmakers now maturing, there are strong examples of success from which to learn.

#### **5. Moving the field forward.**

The report concludes with some key recommendations on how to develop the field further, including providing support to individual institutions and their networks, engaging with other stakeholders in philanthropy, development, government and the private sector, and investing in the knowledge base.

## 5. Issue Analysis - Youth

Demographic transition has been an issue in different countries for different reasons over the past years. Developed countries in Europe and North America are seeing their population age and live longer than any other generation. On the other hand, countries in North Africa and the Arab Region are going through a period of “demographic dividend”, with a large young, working-age population. We will see cases of two organisations dealing with youth issues in each side of the spectrum, showing what communities can do to give young people a solid basis and opportunities to unleash their potential.

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### Global Fund for Community Foundations

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More than half of the grantees of the Global Fund for Community Foundations (GFCF) work with young people. As a result, in 2010, the GFCF decided to set up a new programme targeted at community foundations working with young people. The key framing question was: ‘What is the distinctive value that community foundations bring to bear in engaging with young people that is different from that of other types of youth development organisations?’

Two years on, with grants to some 30 organisations, a global peer learning event, two webinars and some resource materials, interesting results have begun to emerge. It appears that community foundations are particularly interested in engaging young people as decision-makers or leaders rather than in other roles. The GFCF has seen some specific outcomes and developments, which include:

- A strong interest in YouthBank: YouthBank offers a unique way of involving young people in grantmaking within their local communities and it has proved particularly popular among community foundations. A webinar on the subject proved very popular and led to produce a written resource on YouthBank, Getting to Grips with YouthBank<sup>3</sup>. In September 2012, three community foundations from Brazil, Moldova and Romania joined others in a workshop organised by the Community Foundation for Northern Ireland (which has recently received support from the Mott Foundation to establish a YouthBank Support Model<sup>4</sup>).
- Pushing new boundaries in the education sphere in South Africa: a peer learning

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<sup>3</sup> <http://www.globalfundcommunityfoundations.org/information/getting-to-grips-with-youthbank-yce-toolbox-2.html>

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[http://www.mott.org/sitecore/content/Globals/Grants/2012/201200399\\_International%20YouthBank%20Support%20Model.aspx](http://www.mott.org/sitecore/content/Globals/Grants/2012/201200399_International%20YouthBank%20Support%20Model.aspx)

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t<sup>5</sup> in Cluj, Romania, in November 2011 also resulted in a new and exciting international collaboration between the Community Foundation for West Flanders and West Coast Community Foundation with the MyMachine piloted outside Belgium for the first time, in South Africa. The inventors, designers and builders of Scrappy, the recycling robot recently revealed their final product, the culmination of a project that brought together a primary school, a university and a community foundation to work in a partnership the likes of which had never happened in South Africa before.

- The power of the local: The Nitra Community Foundation (Slovakia), which has been working successfully with young people for a number of years, used a grant from the GFCF to produce a film that follows the Young Nitra Philanthropists<sup>6</sup> over the course of a year.
- Meeting young people in online spaces: And in Brazil, the Florianopolis-based community foundation ICom (Instituto Comunitaria Florianoplis) has developed an online game<sup>7</sup>, *Conecta*, which provides an opportunity for young people from all walks of life to engage in their communities. Conecta already has 200 gamers playing.

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#### Vital Youth - Community Foundations of Canada<sup>8</sup>

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Recognising the importance of data in improving effectiveness and identifying trends, Community Foundations of Canada collects data that is part of a set of common indicators on behalf of community foundations participating in Vital Signs, a program measuring the vitality of Canadian communities. More than 30 community foundations participated in the program in 2012, either by providing report cards with information collected or acting on the findings of previous reports. Those findings consistently portrayed issues disproportionately affecting youth, and in 2012 these issues were the focus of a national Vital Signs report. The goal of Vital Youth and the Vital Youth Dialogue is to be a catalyst for community conversations, moving beyond reporting on national youth issues to engaging youth in a creative, forward-thinking conversation.

As in many countries around the world, Canadian youth is facing challenges posed by economic, demographic and social changes unknown to previous generations. They are the most hit by unemployment in the face of economic crisis (50% of job losses during the recession were among 15-24 year-olds) and their path is full of uncertainties - the

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<sup>5</sup> <http://www.globalfundcommunityfoundations.org/latest-news/2011/12/6/gfcf-hosts-global-peer-learning-on-community-foundations-and.html>

<sup>6</sup> <http://www.globalfundcommunityfoundations.org/information/a-year-of-young-nitra-philanthropists.html>

<sup>7</sup> <http://www.jogueconecta.org.br/>

<sup>8</sup> Information and statistics presented are based on the Vital Signs Report 2012 ([http://www.vitalsignscanada.ca/files/vitalyouth/2012\\_VitalYouth%20Research%20Summary.pdf](http://www.vitalsignscanada.ca/files/vitalyouth/2012_VitalYouth%20Research%20Summary.pdf))

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linear path of previous generations from high-school, to higher education and then employment is no longer an option to many young people. Even though opportunities and education for youth in Canada are still better than in many countries, there is a growing gap between affluent and low-income, as well as rural and aboriginal, communities.

The resulting scenario shows staggering dropout rates in the territories, and a large group of vulnerable young people postponing post-secondary education or not doing it at all, partly due to increasing tuition fees (these rose by 238% in Nova Scotia, and 275% in Alberta between 1991 and 2007). That impacts on an already unfavourable job market - youth unemployment is double the national average - where they also face competition from “retired”, and consequently more experienced, people going back to work. Moreover, poverty is also a pressing issue - households headed by under-25s had the 2nd highest poverty rate in the country - triggering a whole set of problems, including health and housing. It is not surprising that only 38.8% of eligible young people voted in May 2011.

There is a need to generate employment, promote health and well-being, and increase youth’s sense of belonging, bringing opportunities to those worse off. The report identified critical factors for youth engagement to succeed, including community support, which involves: activities and youth programmes; leadership and community involvement promotion through sports; targeted grants and partnerships; youth-friendly spaces; and a safe environment. It is important that the community act now, to unravel all the potential represented by the most vulnerable youth.

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## 6. Funders organize: the Aga Khan and the C S Mott Foundations

Over the past two years, the Aga Khan Foundation (USA) and the C S Mott Foundation have embarked on a programme to develop the field of community philanthropy. A report published in 2012, 'The Value of Community Philanthropy'<sup>9</sup>, suggests means of transforming the relationship between donors and beneficiaries to improve the effectiveness of development aid.

The consultation involved meetings in Washington DC, Johannesburg and Dhaka designed to examine the value of community philanthropy as a means of contributing to the sustainability of civil society and supporting the effectiveness of development aid.

At the start of the consultation, the general trend did not appear to bode well for such a development. Most foundations now favour a top-down approach, deploying large amounts of money in big grants to solve big problems with specific hard outcomes as the desired results. The consequence is that a focus on 'soft outcomes' in 'community' has largely disappeared from the mainstream agenda of large foundations.

During the consultation, however, it became evident that, as local neighbourhoods across the world face up to the challenges of climate change, economic recession, retreat of the state and mounting inequality, there is an upsurge of citizen engagement. This has spawned social enterprises, social movements, protest groups, women's funds and hybrids that defy easy categorization.

As part of this local people are forming a new generation of community foundations shaped by their own context and driven by their desire to have their own independent assets. Examples include the Community Foundation of South Sinai, Amazon Partnerships Foundation in Ecuador, and Ilha Community Foundation in Mozambique. Some of these have been on the frontlines of democracy building, as in the case of Waqfeyat al Maadi Community Foundation in Egypt, and in changing mindsets, as with the Dalia Association in Palestine.

The trend is not restricted to the developing world: a new generation of community foundations in the US is also pioneering this participatory approach. Examples include the Black Belt Community Foundation in Alabama and the Foundation for Appalachian Ohio. Although many of these developments are new and small, and take a variety of different organisational forms, what makes them important is that local people are both taking the lead and contributing their own money in favour of an inclusive and equitable society. They are 'activist foundations'.

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<sup>9</sup> <http://www.mott.org/files/publications/thevalueofcommunityphilanthropy.pdf>

### **A new relationship between donor and beneficiary**

From the perspective of development agencies, the fact that local people contribute their own money is a game changer. It breaks down the hierarchy between donor and beneficiary normally found in development aid relationships. Tewa, for example, which was formed specifically to break down that hierarchy in Nepal, now has 3,000 local donors, which guarantees local ownership of the institution. That local people invest in their own development undoubtedly increases the chances of long-term sustainability. In contrast to many NGOs where donors effectively own them, this confers legitimacy in a way that no amount of external funding ever could.

For the development agency, community philanthropy is an attractive option because it builds on what is already there. There is evidence that an ‘asset approach’ (using what we have to build what we need) is more effective than a ‘needs approach’ (focusing on problems that need to be fixed). Borrowing a metaphor that the Sabanci Foundation uses to define its work, developers should be ‘farmers’ (nurturing the ground and reaping the harvest in the fullness of time) rather than ‘hunters’ (finding the prey and bringing it back home immediately). In sum, community philanthropy enables a new relationship between ‘top-down externally based resources’ and ‘bottom-up internally generated resources’.

### **Moving to the next stage**

Having agreed the uniquely important role that community philanthropy plays in sustaining civil society, and could play in improving the effectiveness of development aid, the consultation moved on to what needs to happen to realize this potential. The main requirement is to join up parts of the field that are presently disconnected, specifically to combine the bottom-up approach of community philanthropy with the top-down approach of international development aid.

People worked on practical ways in which community philanthropy could gain recognition as a valuable, necessary and legitimate feature of development practice. They concluded that there are five prerequisites relating to evidence, legitimacy, partnerships, roles and communications.

### ***Evidence***

To apply clear definitions and use more rigorous metrics and data analysis to demonstrate what works. Such an approach has not been a high priority and this needs to change. One of the reasons that the field of community philanthropy has not established itself properly has been its inability to sell itself in terms understood by economists. Community philanthropy needs to establish itself as an essential requirement of good development, not as a desirable extra.

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### ***Legitimacy***

To mobilize a critical mass of people as part of a process of participatory democracy in favour of the common good. The field has tended to see its own activity as sufficient justification without demonstrating the legitimacy of that activity. It is important to showcase good examples such as the Kenya Community Development Foundation, which has been a shining beacon of propriety in the 14 years of its existence, providing small, strategic grants and advice to organisations like the Makutano Community Development Association, whose legitimacy is ensured by wide community ownership of its actions, guaranteeing the accountability of leaders to the wider community.

### ***Partnership***

To join top-down efforts with the views of beneficiaries so that different interests see what they have in common, particularly by developing horizontal relationships between community organisations to bring the voice of local people to the development table. We can learn from the example of the Community Foundation for Northern Ireland, which has used external money from aid agencies to bring together divided communities while connecting both with marginalized communities and with public authorities and building bridges between them.

### ***Roles***

To find complementary roles for different actors to ensure the sustainability of civil society and the effectiveness of development aid. Community philanthropy offers a means of addressing dependency in communities, which tends to occur when the main actors are development agencies and professional NGOs. NGOs need to rediscover the principle of voluntarism, and funders need to support the development of community philanthropy.

### ***Communication***

To develop constructive engagement using plain language. The consultations suggested that communication should form a key part of an engagement strategy with a wide range of development actors. Much of the field building of community philanthropy has involved the field talking to itself rather than making the right connections with agencies able to bring the field to scale.

### **Developing a programme**

A funder collaborative is currently being formed to take forward these issues. The main outline priorities for the programme are:

- Map successful community philanthropy activities and learn what works about them to strengthen the evidence base of the field.
  - Strengthen the infrastructure for community philanthropy.
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- Support pilot community philanthropy projects that appear to have potential for learning.
- Influence international development donors to support community philanthropy.

## 7. Quandaries and Pointers for Further Work

In this section, we set out some important issues that have arisen in the course of this update that will require further attention in preparation for the 2014 GSR. These concern growth, definition, and evaluation.

### **Growth**

In this limited update of the GSR, we have focused on support organisations. However a survey of the whole field and observation whether there has been growth of the community foundation sector is very much needed. This will be a key feature of the 2014 report.

At the time of the 2010 GSR, there were signs that community foundations were on the point of further growth, particularly in Africa and Asia. Investigations by various agencies, including the Global Fund for Community Foundations, TrustAfrica and the Working Group on Philanthropy or Social Justice and Peace suggest that this is indeed the case. At the moment, we do not have the data to quantify such growth.

### **Definition**

As the field has grown in different localities, particularly in Africa, Asia and Latin America, organisational development has not proceeded according to a standardised model. It has been driven by the needs, interests, and ambitions of local people in a range of different contexts. People work with community philanthropy in ways that fit with their cultural imperatives rather than following an organisational form developed somewhere else.

Having said that, it appears that this new generation of community foundations do have some common characteristics, and are an integral feature of the emergence of what might be called ‘new public philanthropies’. These include women’s funds, human rights funds, and peace funds, as well as new generation community foundations. Such institutions play important interstitial roles in society, harness the power of small grants, build constituencies among people who are oppressed and marginalized, and negotiate the territory between such marginalized groups and governments.

It appears that ‘new public philanthropies’ have five distinctive characteristics that distinguish them from ‘old private philanthropies.’ First, to fund their activities, they raise money from the public rather than relying on an endowment resulting from the accumulation of private wealth. Second, people from the communities that benefit

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from the philanthropy are part of the group of people who are donors. Third, the activities undertaken are shaped by the communities they are working with rather than being developed from outside of those communities. Fourth, the activities undertaken are often designed to correct a sense of injustice caused by some groups in the population being disadvantaged or discriminated against. And finally, their activities are generally about more than money, including technical assistance, convening, and advocacy, and therefore involve a degree of activism by standing alongside the communities they are working with.

This means that a simple formula for what constitutes a community foundation appears to be more and more difficult. Let us take as an example, the United States Council on Foundations' definition of a community foundation:

“A community foundation is a tax-exempt, non-profit, autonomous, publicly supported, non-sectarian philanthropic institution with a long term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area, typically no larger than a state.”

While such definitions have the merit of clarity, in many cases those new types of organisations that are emerging as part of a democratic move for change rarely come in neat packages that permit such easy classification. By trying to capture a phenomenon in a few words it is difficult for people from the outside to assess whether a particular activity fits the definition or not. The fact is that the field is very “untidy” and there are no neat forms of words that capture that untidiness. The Aga Khan Foundation (United States) and the C.S. Mott Foundation addressed this question in their year-long consultation with the field. The results of this consultation suggested that, rather than adopting a theoretical definition trying to find the “essence” of a community foundation, it was more appropriate to adopt an empirical approach. This entails a “definition by characteristics”. The idea behind this approach is to itemize the characteristic features of any phenomenon that, in combination, enable the phenomenon to be observed in the real world.

The advantage of the latter approach is that, rather than being theoretical, the definition is empirical in the sense that it can be verified by comparison with institutions and activities as they actually are. The following list of characteristics was proposed as a result of the consultation to describe the essential characteristics of community philanthropy:

- Organised (an element of formality in relationships)
  - Self-directed (independent from other structures and self-governing)
  - Open architecture (fluidity of organizational form that can develop according to the aspirations of those involved)
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- Civil society (the totality of many voluntary social relationships, civic and social organisations, and institutions that form the basis of a functioning society, as distinct from the force-backed structures of a state - regardless of its political system -, the commercial institutions of the market, and private criminal organizations like the mafia)
- Using own money and assets (for local redistribution, but also as leverage for additional external resources)
- Building an inclusive and equitable society (a clear and explicit value base)

Looking at the list, it is vital to understand that it is the combination of features that adds up to ‘community philanthropy’. The first four items - organised, self-directed, open architecture, civil society - could apply equally well to any non-governmental organisation.

For community philanthropy to be present, these four qualities need to be combined with the fifth item on the list - using own money and assets. This asset-based dimension relates both to attitudes and to the accumulation and mobilisation of a wide range of assets that are both monetary and non-monetary. The final item on the list is about values. An essential quality of community philanthropy is reciprocity based on a principle of solidarity, which are qualities that build an inclusive and equitable society. This means that benefit is public and widespread, rather than private or restricted to certain privileged groups in the community.

### **Evaluation**

At the time of the 2010 GSR, people from community foundations said that they found it difficult to measure the impact of their work, and there was a widespread feeling that there were too few good written up case studies of what had worked well in achieving change. The consultation undertaken by the Aga Khan Foundation (US) and the C.S. Mott Foundation addressed this. It was agreed that the field needed to improve the way it managed information about evaluation. This would include evidence to improve the rigor of the field, metrics and data analysis to demonstrate what works. The consultation concluded that such an approach has not been a high priority up to now, and this needed to change. A particularly important task is to build on various indicator sets developed by the Knight Foundation and the Global Fund for Community Foundations. Once this is done, it would be useful to publish studies that demonstrate the added value of community philanthropy to the field. These should focus on what is different about outcomes when community philanthropy is present compared with when it is not.

It would also be useful to have material on “what works” in intervening to develop community philanthropy. A useful series of hypotheses can be derived from the work of Halima Mahomed and Brianne Peters who studied the Makutano Community Development Association (MCDA) in Kenya. Six external factors relating to the support

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of the Kenya Community Development Foundation to MCDA were critical to its success:

1. Have a shared vision and approach
2. Support local asset development
3. Focus on hardware (resources and organisational development) and software (relationships, power, context, and structural analysis)
4. Regulate pace and extent of support in line with community needs and capacity
5. Recognize that change needs time and requires multiple actors
6. Focus on long-term sustainability

The evaluation challenge for community foundations needs to be based on helping organisations to appreciate the importance of outcome evaluation (of the “right kind” of course - one that values participation and social capital as well as hard numbers and financial and material gains).



Comunalia's 2012 annual meeting

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