



**WINGS**

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**WORLDWIDE  
INITIATIVES  
FOR  
GRANTMAKER  
SUPPORT**

## **2005 Community Foundation Global Status Report**

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*Researched and written by Eleanor W. Sacks*

### **About this report**

In 1999 the International Programs department of the Council on Foundations and the newly-formed Worldwide Initiatives for Grantmaker Support-Community Foundations (WINGS-CF) sponsored a project to track for the first time the global development of community foundations. This resulted in 2000 in the publication of *The Growth of Community Foundations Around the World*. In 2003, WINGS-CF reshaped and updated the report to focus on international community foundation trends and developments since the previous report. It became the first in a series of three annual reports. The 2005 report and the three previous reports can be found at < [www.wingsweb.org](http://www.wingsweb.org) >.

The 2005 report is based on a survey that was conducted in spring 2005, which requested data up to the end of 2004. In some cases developments in early 2005 are also noted. The report was finalized in **May 2005**.

For more information about the report, how it will be updated in future, or for obtaining a printed copy, contact:

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### **About WINGS and WINGS-CF**

WINGS is a network of over 100 associations of grantmakers and other grantmaker support organizations in more than 60 countries around the world which have joined together to create opportunities to learn from and support one another, develop modes of communication and collaboration, and contribute to the strengthening of philanthropy worldwide. While their working contexts are different, they are linked by the common purpose of strengthening and promoting philanthropy. Within WINGS, constituent groups have formed to pursue their specific interests. The primary example is WINGS-CF, an active network that includes about 60 organizations supporting the development and work of community foundations.

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### Part II

#### Country profiles

Part II containing country profiles is available for download at < [www.wingsweb.org](http://www.wingsweb.org) > or by writing to [wings@efc.be](mailto:wings@efc.be).

## Executive summary

The year 2004 proved to be a watershed year for the global community foundation movement. In the 25 to 30 years since community foundations first appeared outside of North America, the number of community foundations around the world had grown and matured to the point where it made sense, for the first time, to bring community foundation practitioners together for a global meeting. *Community foundations: Symposium on a global movement* was held in Berlin, Germany, in December 2004. At the meeting it quickly became apparent to all involved that community foundations had progressed from being participants in global civil society to being among the creators of global civil society.

The pioneering efforts of the community foundation movement in the United Kingdom to adapt a North American model to its own unique circumstances and traditions had borne fruit. Although the adaptability and flexibility of the model was well known in North America, the UK experience proved that the community foundation model could take hold and be successful in a country where giving patterns and traditions, and the role of the state in supporting the social and economic needs of its people, were vastly different.

Today community foundations are found on every inhabited continent. There are community foundations in most parts of the developed world, and in many developing countries and regions around the globe. The modern community foundation, which was born out of a particular tradition of philanthropy in North America in the early twentieth century, has been adapted successfully to local cultures, socio-economic circumstances and giving traditions in countries around the world.

Research on global community foundation formation first began in 1999, thanks to a joint initiative of the International Programs department of the Council on Foundations and Worldwide Initiatives for Grantmaker Support-Community Foundations (WINGS-CF), and led to the first report on *The growth of community foundations around the world*, published in 2000. The 2005 Community Foundation Global Status Report is the fourth in a series of what in future will be annual or biennial reports on the status of global community foundation developments.

The research results outlined here have come from a survey conducted by WINGS-CF, whose Secretariat is based at the European Foundation Centre (EFC), and by the EFC's Community Philanthropy Initiative (CPI).

This report confirms that community foundations are one of the fastest growing forms of philanthropy worldwide and that community foundations are increasingly becoming players in global civil society. For the first time the Global Status Report includes stories demonstrating the variations in successful community foundation models and the impacts they have in their local communities and around the world.

***What is a community foundation?*** Community foundations are grantmaking organizations that:

- seek to improve the quality of life for all people in a defined geographic area;
- are independent from control or influence by other organizations, governments or donors;
- are governed by a board of citizens broadly reflective of the communities they serve;
- make grants to other nonprofit groups to address a wide variety of emerging and changing needs in the community;
- seek to build a permanent resource for the community, most often through the creation of endowed funds from a wide range of donors, including local citizens, corporations, governments, and other foundations and nonprofits;

- provide services to donors to help them achieve their philanthropic goals;
- engage in a broad range of community leadership and partnership activities, serving as catalysts, convenors, collaborators and facilitators to solve problems and develop solutions to important community issues;
- have open and transparent policies and practices concerning all aspects of their operations; and
- are accountable to the community by informing the general public about their purposes, activities, and financial status on a regular basis.

***Highlights of global community foundation developments in 2004***

- 1,175 community foundations have been identified in 46 countries.
- The number of community foundations has grown by 5% in one year; the number of countries has increased by 9%.
- 40% of community foundations globally exist outside the US, up from 37.5% last year and 34% in the prior year.
- The number of community foundations in the UK and Canada represents only 42% of the community foundations formed outside the US, down from 47.5% last year and 52% the year before.
- The number of community foundations outside the UK, Canada and the US is 274, which represents a one-year growth rate of 24%.
- Countries in Africa and Thailand in Southeast Asia especially are showing a lot of new activity around community foundation formation.
- Not only are community foundations located in all parts of the world, they have become a global movement that is increasingly interconnected and helping to spread the concept into newer and under-served parts of the world.

# 1 The global movement

## 1.1 Introduction

The 2005 Community Foundation Global Status Report is the fourth in a series of reports on the development of community foundations around the world. It was commissioned and funded by Worldwide Initiatives for Grantmaker Support-Community Foundations (WINGS-CF).

WINGS-CF, a constituency of WINGS, began tracking the international community foundation movement in 1999. The Global Status Report was one of the first projects it undertook as a newly-formed network devoted to providing support for organizations, associations and funders involved in community foundation development. At the time the first report was commissioned, it was becoming clear that the community foundation concept was spreading quickly beyond North America and the United Kingdom and was beginning to have worldwide impact.

The progress reported in six years has been remarkable. The community foundation movement in continental Europe has gone from start-up phase to the point where it is well established and maturing. Community foundations globally are no longer formed in relative isolation. They are now increasingly connected – within countries, across regions and internationally.

The 2005 Community Foundation Global Status Report provides an overview of worldwide developments based on the most current information available from survey data. The report is composed of two parts. Part I is a general overview of what community foundations are; the trends in their development as viewed from a global perspective; a review of community foundation developments by region; and a list of correspondents for the country profiles.

Part II consists of the country profiles, which are based on information collected through a survey. In most cases these profiles are submitted by the local organizations that support the development of community foundations – that is, from the people closest to community foundation activities in their countries and regions.

## 1.2 The community foundation concept

What are the characteristics of community foundations that make them such a powerful force for community betterment and change?

Community foundations are grantmaking organizations that:

- seek to improve the quality of life for all people in a defined geographic area;
- are independent from control or influence by other organizations, governments or donors;
- are governed by a board of citizens broadly reflective of the communities they serve;
- make grants to other nonprofit groups to address a wide variety of emerging and changing needs in the community;
- seek to build a permanent resource for the community, most often through the creation of endowed funds from a wide range of donors, including local citizens, corporations, governments, and other foundations and nonprofits;
- provide services to donors to help them achieve their philanthropic goals;
- engage in a broad range of community leadership and partnership activities, serving as catalysts, convenors, collaborators and facilitators to solve problems and develop solutions to important community issues;

- have open and transparent policies and practices concerning all aspects of their operations; and
- are accountable to the community by informing the general public about their purposes, activities, and financial status on a regular basis.

No two community foundations are exactly alike. They are shaped by their local traditions of charitable giving and the local resources available to meet the needs of their communities. Even in regions where they have been established for the longest period of time, variations in structure and emphasis have developed. Community foundations display all of the attributes listed above to a greater or lesser degree. The adaptability of the concept makes it possible for each country and area to mold its community foundations to fit its unique circumstances.

For example, the mix of donors may vary. In North America, the overwhelming support for community foundations comes from individual donors of moderate to wealthy means. In countries newer to community foundation development, and especially in areas where the resources of individuals may be more limited, local businesses and national corporations, and domestic and foreign foundations, may provide more of the support. Even raising small sums of money locally from a large number of people has been a successful strategy for establishing community foundations in some of the poorer parts of the world. In other areas, national and local governments have played a larger role in providing funding, especially for grantmaking, as they see community foundations as a way to more effectively identify and fund local needs.

Variation in the ways community foundations attract funds is only one example of how they can be successful by adapting the concept to meet local needs. A number of examples could be drawn from other functional areas of community foundation operations, such as differences in board composition. As long as community foundations remain true to the basic concept, there can be considerable flexibility in how they are constructed and carry out their mission.

The creativity and ingenuity communities have displayed in developing variations on the community foundation concept are a testimony to the power of the idea and its effectiveness. As more and more community foundations are developed around the world, it appears that every country, region and community will find a way to take the concept and make it their own.

#### **Giving small amounts for big causes**

**Batangas, Philippines.** In Ervin Quizon's house in the Riverside Subdivision there is a *tiby* - the Batangueño counterpart of a piggy bank fashioned out of a Coke can. Ervin regularly drops coins in the *tiby*, and his parents and siblings also do the same as members of Pondong Batangan, a community foundation formed in 2000 under the Archdiocese of Lipa. Families with dependents working or living overseas are among over 300,000 members of Pondong Batangan, developed as the anti-poverty program of the archdiocese, initiated by then-Lipa Archbishop Gaudencio Rosales for Batangueños in need. Ervin's sister Gayle, an office employee in Dubai, United Arab Emirates, has no objections that small amounts out of her PhP15,000 (US\$270)<sup>1</sup> monthly remittance to her family go to the *tiby*, even though she still has to repay debts incurred in order to get to Dubai.

Such small contributions from so many families have raised well over PhP1m (US\$200,000). Of this, around PhP3.5m has been given to local community activities and over PhP2m funds projects. As of 2004, a total of five major projects in 19 parishes had been supported, including those related to advocacy, catechesis and micro-finance.

<sup>1</sup> For all amounts in local currency, conversion information was added for euro (€) or US Dollars (US\$). The exchange rates used are approximate average exchange rates for 2004 provided by < [www.oanda.com](http://www.oanda.com) >.

### 1.3 Community foundations and global civil society

In 2004 it became clear for the first time that community foundations were not merely one component of global civil society, but were becoming a movement that is helping to create and shape global civil society.

At first glance, this observation may appear to be a paradox. The outlook of community foundations is primarily local. They focus their efforts in the defined geographic areas where they are based. They work to build community and improve the lives of the people in the areas they serve. Their boards of directors or trustees are composed of local citizens, and their actions are accountable to the local community. As organizations that promote community giving, encourage citizen action, and support nonprofit institutions through their grantmaking, community foundations play a key role in creating civil society in their local areas. Given their local mission and local focus, how can community foundations be actors in global civil society?

It is a conclusion that is not based solely on the growth in numbers or the widespread acceptance of the community foundation concept in most parts of the world, although these certainly play a part. It is based on evidence of the increasing interconnectedness of community foundations, the global issues they face, and the learning and experiences that are being shared worldwide, not just at the local, national, regional or even transatlantic level. Even though a community foundation's primary mission and focus is local, as this report will show, community foundations are increasingly coming together to address common issues and work together to meet their own and global needs. It is also often the case that donors, especially in the more developed countries, have international interests and are asking their local community foundations to do more than address local issues. The community foundations which serve these donors' communities are also routes for them to contribute globally, as can be seen in responses to natural disasters.

The increasing interconnectedness of community foundations worldwide was brought home to participants of *Community foundations: Symposium on a global movement*, which took place in Berlin, Germany, 2-4 December 2004. Community foundation practitioners saw clearly that community foundations were now part of a worldwide movement, and the meeting helped to bring them even closer together.<sup>2</sup>

The Symposium was the first global gathering of community foundation practitioners, organizations that support the growth of community foundations, and researchers on community foundation issues, who met to consider the role of community foundations in a global context. The Symposium was not designed to focus on day-to-day operational issues, although much discussion of these issues did take place outside of the sessions. Instead the participants focused on the larger issues and questions about the future of community foundations in a global context, such as:

- the global trends that will shape the work of community foundations now and in future,
- the role community foundations play in building community and promoting civil society,
- the effects of local traditions and culture on the structure of community foundations from country to country and region to region, and
- the role of supportive environments in advancing community foundation development, including the role of organizations that support the development of community foundations, and legal and regulatory environments.

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<sup>2</sup> For more information about the Symposium, including the plenary addresses, many of the presentations, and early outcomes, see the Symposium website: < [www.cfsymposium.org](http://www.cfsymposium.org) >.

### **An environmental grant that opened the floodgates**

**Vancouver, Canada.** The Vancouver Foundation has played a crucial role in helping to protect the environment in its local area. Twelve years ago the Alouette River in Greater Vancouver, British Columbia (BC), was in desperate condition. The once vibrant waterway on the west coast of Canada was little more than a trickling stream. The wild salmon, whose annual spawning runs are estimated to have numbered as high as 500,000 at the turn of the twentieth century, had been extinct for decades. Pollution from surrounding floodplain developments was causing dangerously high coliform bacteria counts in the summer.

While many factors were contributing to the river slowly dying, the main cause was the Alouette Dam. Built in 1925 to help supply the Lower Mainland's growing power needs, the dam reduced the river's downstream water flow to just two cubic feet per second, a reduction of well over 99% from its original flows.

A long time resident of the area who was also a former BC Hydro power engineer, joined the Alouette River Management Society (ARMS) in 1994 to lobby for increasing the amount of water released below the dam. Two years later, ARMS was invited to participate in a pilot project that brought BC Hydro and community groups together to see how the health of the river could be improved. Research and negotiation resulted in water flow being significantly increased and the results have been dramatic. People enjoy coming to the river again and, for the first time since the 1920s, chinook salmon have come back and are spawning. The Alouette has even been designated a BC heritage river.

But a crucial part of this change was a long-term grant commitment through the Vancouver Foundation which funds the Watershed Watch Salmon Society. The Foundation administers the Van Dusen Foundation, a fund dedicated to helping community groups participate in water-use planning and which is the source of the grant. Vancouver Foundation especially values the role of Watershed Watch because it works with dozens of community groups like ARMS, and aboriginal groups, all over the province.

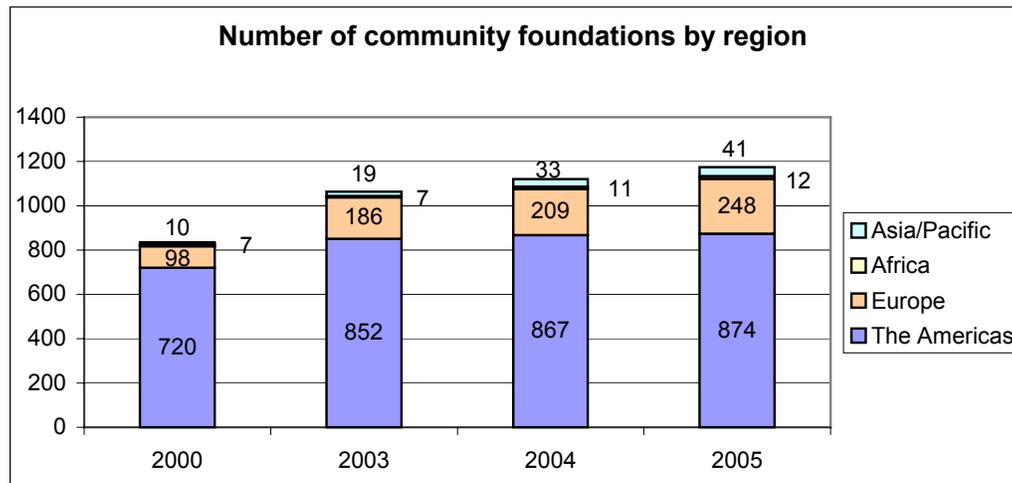
A second aim of the Symposium was to promote more research on, and critical evaluation of, community foundation issues. The Symposium broke new ground in inviting academic and other researchers to participate. Research presentations were integrated into sessions with practitioners: researchers gave their perspectives on practitioners' topics and practitioners commented on the research.

The decision was made early on in the planning process to limit the number of participants to about 175, so that discussions could be at a high level. Care was taken in the applications process to ensure global participation, by region and by type of organization. Priority was given to younger community foundation practitioners who were positioned to become leaders in their local areas, nationally and internationally.

One of the truly remarkable aspects of the Symposium was how quickly the participants followed up on the contacts they made in Berlin and how seriously they took the commitment made to take what they had learned at the Symposium and use it to advance the community foundation movement in their countries or regions. Reports of community presentations, newspaper and journal articles, letters to the community and even new affinity groups soon came back to WINGS-CF, coordinator of the Symposium.

The Symposium was a watershed event for the community foundation movement, which generated much excitement and interest among the participants. The meeting's funders and planners are working now on ways to facilitate and continue the learning and connections made in Berlin.

## 1.4 Highlights of global community foundation development in 2004



- 1,175 community foundations have been identified in 46 countries.
- The number of community foundations has grown by 5% in one year; the number of countries has increased by 9%.
- 154 additional community foundations have been identified as being in formation.
- The number of community foundations in Canada continues to grow, but the numbers reported in the UK and the US are in a steady state.
- 40% of community foundations globally exist outside the US, up from 37.5% last year and 34% in the prior year.
- The number of community foundations in the UK and Canada represents only 42% of the community foundations formed outside the US, down from 47.5% last year and 52% the year before.
- The number of community foundations outside the UK, Canada and the US is 274, which represents a one-year growth rate of 24%.
- Germany and Australia show the greatest growth in numbers, growing by 33% and 47% respectively in one year.
- Countries in Africa and Thailand in Southeast Asia especially are showing a lot of new activity around community foundation formation.
- Community foundation practitioners from 33 countries around the globe came together for the first time to participate in Community foundations: Symposium on a global movement, 2-4 December 2004 in Berlin, a recognition of the increasingly global nature of community foundation development and of how far the community foundation movement has progressed in the last 30 years.
- Not only are community foundations located in all parts of the world, they have become a global movement that is increasingly interconnected and helping to spread the concept into new parts of the world.
- Community foundations are beginning to have significant impact worldwide as their numbers and resources increase.

## 2 Global trends

### 2.1 Growth of community foundations

The United Kingdom pioneered the spread of community foundations outside of North America in the 1980s. One of the distinguishing characteristics of the community foundation movement in the UK is the role the national government has played in providing support for community foundations. In the specific case of the Community Foundation for Northern Ireland (1979), government funds were made available for start-up as well as for grantmaking. When more pilot sites started experimenting with the concept in the mid-1980s, there was a government grant to Charities Aid Foundation to assist with start-up funding in some areas. National and local authorities later involved community foundations in the re-granting of government funds for local needs. The UK has long experience with charitable trusts, dating back to at least the twelfth century. Over the course of the twentieth century the development of the welfare state resulted in broad agreement between government and the charitable sector about complementary roles. While the community foundation concept was novel and seemed initially not to fit easily with UK patterns of giving, in fact some of the early development and leading donors (individuals and companies), began to build a climate in which the adapted model was seen as constructive and fitting well with ideas of community development and local regeneration.

The role the government played in the UK in promoting and supporting the community foundation model was part of establishing a new and successful pattern for community foundation development. The UK also was where the Charles Stewart Mott Foundation first began to help develop community foundations outside the US, by providing challenge grant funds for a community foundation endowment program, and by supporting the creation of a national member-based support organization for community foundations.

The success of community foundations in the UK gave funders and others the confidence and understanding that community foundations could be adapted and developed outside the North American context. This was especially important for the formation of community foundations in continental Europe and elsewhere after the fall of communism, when the need to build and support the third sector was recognized as an essential element in making the transition from totalitarian regimes to democracies and market-based economies. In some cases, community foundations emerged as a model as a result of contact with those in North America and the UK. In other contexts funders were looking for ways to build local resources for community needs that would be long-term and sustainable, and contribute to formation and strengthening of civil society at the local level, and promoted community foundations as able to achieve these aims. The Charles Stewart Mott Foundation was a leader in support for the concept, and has a track record of long engagement with a number of countries and of facilitating the development of national support organizations – the kind of input that was effective in backing up the UK development.

Community foundation formation in the 1990s experienced a burst of activity on many fronts. The first community foundation in post-Soviet Europe was the Healthy City Community Foundation formed in 1994 in Banska Bystrica, in what is now the Slovak Republic. Community foundation development in Mexico began in earnest in 1995, although a number of community foundation-like organizations existed before that time. The first community foundation in Germany was established in 1996; the first in Russia in 1998; the first in Italy in 1999; and the first in South Africa in 1999.

From the handful of community foundations that existed outside of North America and the UK in the early 1990s, the number grew to about 80 in 1999; in 2003 the number was 180; in

2004 it grew to 221; and in 2005 reached 274. This corresponds in the last year to a growth rate of 24%. In the six-year period since WINGS-CF first began to track the numbers of community foundations formed globally, the numbers have grown by 243%.

Remarkable growth in the 1980s and 1990s also occurred in areas where community foundations have a longer history. Following the creation in 1921 of the first community foundation in **Canada**, The Winnipeg Foundation, another 35 community foundations were formed by the 1980s. More than 55 were started in the 1990s, and today there are altogether 144 community foundations in Canada. Seven were established in 2004 alone, and another 25 are estimated to be in formation.

The number of community foundations in the **UK** has had a similar trajectory, beginning in the 1970s. In 1991, when the national membership association, now called Community Foundation Network (CFN), was formed, there were 15 established and 14 aspiring community foundations. Today there are 57 community foundations, and CFN estimates that 90% of the population has access to a community foundation in their county or region.

In the 1990s community foundations in the **US** were called one of the fastest growing forms of philanthropy, especially in terms of asset growth. The number of community foundations is stable now due to the wide spread of community foundations all over the US. Asset growth is rising again from the lows experienced several years ago due to a declining stock market. The most recent Columbus Foundation Survey<sup>3</sup> of US community foundations reports that in 2003, the latest year for which figures are available, 645 community foundations had total combined net assets of US\$34.9b, a 17% increase in total assets from the previous year. Gifts also increased by the same percentage. The Council on Foundation's latest estimate of community foundations in the US remains at about 700, the same as for 2003 and 2004.

In the 2004 Global Status Report several countries reported for the first time that they expected the pace of community foundation creation to slow, as most of the areas with the greatest population now had access to community foundations. These countries include Canada and the UK. Canada reports that the areas that are not covered are primarily rural, and it expects that most of the growth will come not from the formation of new community foundations, but through the creation of geographic component funds in existing community foundations. In 2005 Canada continues to report strong growth even though it still expects the

### Responding rapidly to local needs

**Cumbria, UK.** In January 2005, flooding devastated Carlisle and other parts of Cumbria in the Lake District in north-west England. Cumbria Community Foundation immediately launched the Cumbria Flood Recovery Fund Appeal. Five days after the floods hit, the first grants were made. Within a month, over £250,000 (about €370,000) of the fund had been allocated to individuals and voluntary and community groups. The fund's target was to raise £500,000 and, by the beginning of February, pledges and donations received exceeded this amount.

The Cumbria Community Foundation has had significant experience in responding to natural disasters, which gave it added credibility when it launched the flood appeal earlier this year. In 2001 the Foundation first demonstrated its effectiveness in meeting local needs when it created the Cumbria Community Recovery Fund to assist people and communities affected by the outbreak of Foot and Mouth Disease. This disaster nearly destroyed the economic livelihood of the area, as livestock had to be killed and the tourist industry was shut down. That appeal raised over £2m and was awarded Fundraising Campaign of the Year in the UK Charity Awards 2002. The Foundation has been shortlisted again for a UK Charity Award – this time for its rapid response to the Carlisle floods.

<sup>3</sup> Results of the 2003 Columbus Foundation Survey of US community foundation assets, grants, and gifts can be found at: < [www.columbusfoundation.org/gd/gd.aspx?page=38](http://www.columbusfoundation.org/gd/gd.aspx?page=38) >.

growth in numbers to slow. With 90% coverage in the UK, the main areas that have no community foundation development are in parts of London.

**Mexico** continues to be a hub of activity. Centro Mexicano para la Filantropía (CEMEFI) works with 19 community foundations or community foundation-like organizations. Community foundations have created their own association, the Community Foundation Group (under the umbrella of CEMEFI) which has established standards for Mexican community foundations and opportunities for peer learning and a program to support endowment building. Community foundations in Mexico also take part in international exchanges. Mexico was invited to participate in the Transatlantic Community Foundation Network (TCFN) in 2002.<sup>4</sup> The US-Mexico Border Philanthropy Partnership, which also began in 2002, was formed by a consortium of US and Mexican funders. The Border Partnership involves 21 community foundations on both sides of the border and is designed to strengthen their operations and provide a forum for collaboration and sharing of experiences.

The **Caribbean** has also seen the numbers of community foundations grow. The first community foundation in the Caribbean, the Puerto Rico Community Foundation, was formed in 1985 as a project of The Ford Foundation in conjunction with other international funders and local corporate leaders. Since that time the formation of community foundations in island nations has come about largely through the efforts of local citizens and the business community.

Community foundation developments are proceeding more slowly in **South America**. The interest in community foundations is growing, but the numbers of foundations of all kinds is not large, and the concept is being carefully introduced and adapted. Brazil has at least one community foundation formed along traditional lines, and other community philanthropy organizations that may transform into community foundations. A new effort to establish community foundations is just beginning in Northeast Brazil. The model is also being explored in Argentina.

Community foundations are firmly established and spreading in **Western Europe**. They have attracted significant support from individuals, businesses, local funders and governments receptive to the concept. The movement in Germany continues to grow at a rapid pace. In Lombardy in northern Italy, where they have been seeded by the Cariplo Foundation, about 70% of the population has access to a community foundation. Community foundations appear poised to spread to other parts of the north and to the south as other savings bank foundations and others have taken notice of Lombardy's success.

There are parts of Western Europe where interest in the community foundation concept has been slow to emerge. These primarily are countries that either continue to maintain a comprehensive social welfare state or have a strong tradition of religious charity. However, in the Netherlands a university-based team of researchers introduced the concept several years ago and has been involved in helping to form community foundations. Eight community foundations have been established, but it is still too early to gauge how successful this effort will be. As governments retreat from providing adequate resources for social needs, it is possible that the community foundation model will find support in areas of Europe where it has not yet taken hold.

The picture is somewhat more complex for **Central and Eastern Europe**. Poland and Russia have been highly successful in introducing community foundations. Poland now has 21 community foundations. The first community foundation in Russia has amassed an endowment over €1m, and the more mature community foundations there are beginning to

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<sup>4</sup> For more information on TCFN see section 2.3.

offer their donors attractive options for giving, such as tailored fund management and grantmaking services.

Many countries that were part of the Soviet sphere of influence, but had remained independent states after the Soviet era ended, received initially support from international funders, including the Mott Foundation, the Soros foundations, and governmental development agencies such as the United States Agency for International Development (USAID), often as part of broader programs to help build democracy and civil society.

Because they were not as tightly bound to the Soviet regime, and still had a collective memory of life before communism, these countries were able to make the transition to a market economy and democracy relatively quickly, if not without struggle. A number of these countries have now successfully “graduated” from the foreign-funded programs that helped them establish new democratic institutions, transform their economies, and build a third sector. Community philanthropy organizations in some of these transitioning countries in Central and Eastern Europe have experienced some rough patches as they begin to stand on their own.

As the large international funders withdraw from these countries, they are taking the lessons learned from their efforts in Central and Eastern Europe and carrying them into other areas where they see greater need. Funders are now focusing their efforts on areas that were more closely tied to the Soviet regime, that is, the former Soviet republics, and areas that, due to their specific circumstances, are finding it more difficult to make the transition. There is community foundation activity now in some of the former Soviet republics, and these efforts are beginning to make headway.

The **Middle East** presents a mixed picture. Unfortunately, The Beit Shean Community Foundation, which was established in 2000 in the rural Beit Shean region of Israel, ceased operations in July 2004. The Jerusalem Foundation is a well-established community philanthropy organization in Israel with many community foundation-like characteristics. It is a non-political, non-sectarian, independent foundation, whose mission is to rebuild the city and improve the quality of life for all of Jerusalem’s residents, regardless of ethnic or religious background. The vast majority of its funding comes from abroad, although the percentage of donations from Israeli sources increased significantly in 2003. Interest is growing in Egypt in community foundations: there are already a number of endowed charitable foundations in Egypt that focus on single issues, and the concept is under consideration by civil society researchers.

The interest in community foundations in **Africa** is becoming more widespread and community foundations are being formed in new areas. Community foundations in Kenya, Zimbabwe, and Mozambique were all started with significant financial and technical support from international funders. All now are developing strategies that focus on building assets from local sources. Interest in community foundations is high and continues to grow as more and more people learn how effective the community foundation concept can be in furthering community development. New community foundations are being formed in Ghana and Uganda. Angola is also exploring the model.

The five-year community foundation initiative in Southern Africa, sponsored by the Southern African Grantmakers’ Association (SAGA), ended in 2003. Its purpose was to test the concept in ten selected communities, spanning urban, suburban and rural environments. At the end of the program six community foundations had been formed in the pilot areas. Interest is growing in the community foundation model. A new initiative, begun by a South African government-chartered finance corporation, aims to establish six new community foundations in South Africa in 2005, with technical assistance from SAGA. More are planned.

**Asia and the Pacific** is a region where the interest in community foundations is generally high and growing, thanks in part to efforts by international funders and intermediary organizations to promote the concept, and by the positive role community foundations have played in other parts of the world. India now has three “western-style” community foundations and two support organizations that are promoting the development of community foundations. The Ford Foundation is also playing an active role in providing technical assistance and financial resources to develop community foundations in India.

Meetings to introduce participants from Thailand and Indonesia to the community foundation concept were first held in 2003 and Friendship to Community Foundation, a local initiative, was formed. A national effort to create community foundations in Thailand was begun in 2005. A survey of nonprofits and foundations in the Philippines identified four foundations with community foundation-like characteristics, and an effort to promote and support the development of community foundations in the Philippines is also underway.

Community foundation development in Japan has proved difficult for both cultural and economic reasons. At least one community foundation is known to exist, dating back to 1991. Community foundation development in Japan has been slowed by the long economic stagnation, as well as by restrictions on the types of assets that community foundations can accept, and legal restrictions that limit investment options. South Korea has one national community foundation.

Australia has been developing community foundations at a rapid pace in recent years, especially in rural areas, due to the support of a local private foundation, the national

#### **Adapting endowment strategies to local conditions**

**Russia.** In 2005 four Russian community foundations started building endowment with the aid of CAF Russia’s Challenge Grant program for endowment development. They each adopted a different strategy based on local conditions.

**Togliatti Community Foundation**, the first and largest Russian community foundation, currently has an endowment that exceeds €1m. Their endowment building was facilitated primarily by specific fiscal regulations in Samara oblast that provide a 4% discount from profit tax for companies that give 7% of their net profit to charity. This scheme is especially attractive to local medium-sized banks that do not have huge profits. They sign a 25-year deposit agreement with the community foundation: the endowment funds will be invested in those banks for a long period and the foundation will use only the interest for grantmaking and administrative costs. The scheme is transparent and open which ensures trust and sustainable relationships, and the transparency is important for the tax authorities.

**Pervouralsk Community Foundation** cannot rely on any tax incentives, but it works with all major local enterprises that agree to provide fixed donations annually. The community foundation estimates that it needs around US\$20,000 a year for its unrestricted grant pool and anything over that amount is being put into long-term bank deposits.

**Tyumen Community Foundation** is building endowment through investing in real estate and soon will have its own premises and also property that can be rented out to generate extra income.

**Tchaikovsky Community Foundation** chose an unusual scheme of endowment building. They decided to establish a credit union, in cooperation with other local businesses, which provides loans to local small enterprises. Using endowed funds in this way may seem more risky, but ensures a faster return on investment, and the credit union meets the great demand for short-term financial resources in the community.

The fact that community foundations in Russia have been able to establish endowment even without tax incentives shows that communities understand the benefits of long-term assets, which provide for long-term stability.

government, certain state governments as well as some public companies. The number of established community foundations increased by nearly 50% in one year, going from 17 reported in 2003 to 25 in 2004. New Zealand also is seeing the number of community foundations rise. The first was formed about ten years ago and the number has now grown to seven. Development is being supported by a local private foundation.

In China the community foundation model is being explored by at least two academic researchers, one based in Hong Kong and the other in Beijing. China hopes to find support for establishing a number of community foundation pilot projects.

As the numbers of community foundations multiply outside their traditional base, the adaptability of the concept is being proven over and over again. The more examples there are of successful community foundation models in different parts of the world, the more the interest in community foundations grows. The country profiles offer more information on the work done by community foundations through their grantmaking and on the levels and nature of funding they are attracting from donors, as well as much more detailed accounts of their general development and the contexts in which they are operating.

## **2.2 Growth of grantmaker associations and support organizations**

One sign of the growing maturity of the global community foundation movement is the continued growth of support organizations. These provide their members or constituents with current information on issues of importance, promote the interests of community foundations to government bodies, create opportunities for networking and peer-to-peer learning through conferences and other meetings, offer technical assistance programs to increase the effectiveness of organizations, and help promote the community foundation concept through publications and presentations.

The US has many different types of organizations that support community foundation development. The first member-based support organization for community foundations was an association formed in 1949. This association later evolved into the Council on Foundations. The Council's first annual conference solely for community foundations was held in 1985. A separate research and development organization, Community Foundations of America (CFA), was formed in 1999 by a group of the larger community foundations to deliver specialist products and services, such as marketing tools and technology platforms. In February 2004, the Council's Leadership Team and CFA agreed to more closely coordinate their work through an operating agreement that is anticipated to result in more effective use of resources and strengthened support to the field.

Additional support organizations for grantmakers have been formed regionally in the US. The largest of the Regional Associations of Grantmakers have programs focused on the needs of their community foundation members. In some states community foundations have come together to form their own statewide associations to address the legal, political and grantmaking concerns of their members.

The formation of organizations worldwide to support the development of community foundations began to take off in the early 1990s. Community Foundation Network (CFN) in the UK, formerly known as the Association of Community Trusts and Foundations (ACTAF), was formed in 1991. Community Foundations of Canada was created in 1992. These have until recently been the only national member-based support organizations, formed by and for community foundations, and devoted entirely to community foundation issues.

Efforts to support community foundation development within broader organizations soon followed in Russia (1994), Southern Africa (1997), Mexico (1998), Poland (1998), Australia

(1998), and Brazil (1999), among others. The European Foundation Centre's Community Philanthropy Initiative (CPI) was set up in 1997 to strengthen and increase community philanthropy across Europe by building the capacity of community philanthropy organizations, including community foundations.

In 2001, due to the enormous increase in the numbers of German community foundations, a group of national funders, including the Bertelsmann Foundation, the Klaus Tschira Foundation, and the Körber Foundation, in cooperation with the Association of German Foundations (Bundesverband Deutscher Stiftungen), helped to set up the Community Foundations Initiative (Initiative Bürgerstiftungen) in Berlin to promote the establishment of new community foundations, professionalize the work of existing ones, and publicize the community foundation concept. At the end of 2004 the Initiative came under the umbrella of the Bundesverband, in order to more closely integrate its activities with the activities of the Bundesverband's Community Foundations Affinity Group. Aktive Bürgerschaft, an organization founded by several enterprises of the Cooperative Banking Group in 1997 to promote citizens' participation in Germany, began to support the development of community foundations in 2002.

Associations of grantmakers in other parts of the world are showing an interest in promoting community foundations. The Association of Foundations in the Philippines was introduced to the concept in 2000 and undertook a research study to determine whether there were any community foundation-like organizations already in existence in the country. As a result, in 2004 it determined that four existing foundations in the Philippines could be classified as community foundations. Drawing these foundations together has been the start of a community foundation movement there. A new organization, Friendship to Community Foundation, was formed in Thailand in 2003 for the purpose of promoting the concept and providing technical assistance to newly forming community foundations.

A milestone for the development of the international community foundation field came in October 1998 when a group of organizations that support the development of community foundations came together to discuss issues of mutual concern. Shortly thereafter this group joined with another association of support organizations, the International Meeting of Associations Serving Grantmakers (IMAG), to form Worldwide Initiatives for Grantmaker Support (WINGS). WINGS-CF now operates as a constituent group within WINGS, focusing

### Charity balls attract donors

**Nidzica, Poland.** Nidzica is a small and ancient town 160 kilometers from Warsaw, which received its city rights in 1381. It is home to the Nidzica Community Foundation, founded in 1999 by a group including 17 private individuals. The Foundation covers four communes, Nidzica, Janowiec Kościelny, Janowo and Kozłowo, with a total population of about 40,000 residents.

Since 1999 a distinctive activity of the community foundation has been its annual charity ball, designed to address the needs of its upper class donors. The Foundation invites renowned singers, and popular television hosts, actors or bands. Each of the balls creates bonds with donors, stimulates the fashion for making donations, and attracts the media. Prize draws and auctions of works by local artists take place during the balls. Town mayors and even voivodes (chiefs of the local representation of central government) have become patrons of the balls. They are good occasions to present the grant programs of the Community Foundation to donors, since funds are raised for specific community purposes during the event. The Community Foundation's ball has become more popular than the traditional New Year's Eve ball in Nidzica. In the last two years each ball raised over 30,000 złoty (€6,600).

The Foundation believes that organizing charity balls is worth popularizing and replicating in Poland. It has organized a training session for new community foundations in order to share its experience and provide useful tips on organizing similar events.

solely on organizations supporting community foundation development. WINGS can be characterized broadly as a support organization for support organizations.

WINGS-CF was incubated by Community Foundations of Canada during its first three years. It has developed into a mature network, with a global committee structure and working groups to address issues common to all organizations that support the development of community foundations. It is now integrated into WINGS and based at EFC (for the period 2003-06). There have been three global meetings of the WINGS-CF network, in 1998, 2000 and 2002. Due to its excellent reputation and global scope, WINGS-CF was asked by the Ford and Mott foundations to coordinate the community foundations Symposium in Berlin in December 2004, even though it fell outside of its core mission of providing resources, networking and learning opportunities for support organizations. Representatives of support organizations who were in Berlin convened for a WINGS-CF face-to-face meeting.

Increasingly, support organization personnel are being asked to share their experiences and expertise with funders and local initiative groups around the world, and this interaction has helped speed up the development of community foundations in new areas. The strength of community foundation movements in countries outside the US means that countries and community foundations no longer have to look to the US for information and advice. The Charities Aid Foundation's Russian office (CAF Russia), for example, has become a point of reference for much of Central and Eastern Europe. Community Foundations of Canada also has been especially active in helping to promote community foundations globally.

### **2.3 Peer-to-peer networking and learning opportunities**

The last several years have seen an increasing number of opportunities for community foundations to come together across national borders to discuss issues of common concern.

The Council on Foundations has always included non-US community foundations among its members and invites representatives of community foundations from other countries to attend its annual Fall Conference for Community Foundations. For a number of years, the Council has promoted international attendance through a scholarship program funded by the Charles Stewart Mott Foundation. Community Foundations of Canada and the EFC's Community Philanthropy Initiative also have welcomed community foundation practitioners from other parts of the world to their meetings.

Three exchange programs have been created to bring community foundation staff members together across borders. Two are transatlantic and one crosses the border between Mexico and the US.

The Transatlantic Community Foundation Fellowship (TCFF) was initiated in 1999, and its first class of fellows was selected in 2000. TCFF is jointly sponsored by the King Baudouin Foundation of Belgium and the German Marshall Fund of the United States, with additional support from the Mott Foundation. In 2003 the TCFF program was renewed for another three years. Each year TCFF selects five US and five European senior staff and trustee members of community foundations to participate in this peer exchange program. Fellows spend three carefully structured weeks at a host community foundation on the other side of the Atlantic to learn about the social, cultural and economic circumstances affecting the development of community foundations in a country other than their own and to contribute their experience to their transatlantic counterparts. Further plans for TCFF after the 2005 program are under consideration.

In 1999 the Bertelsmann and Mott foundations came together to establish the Transatlantic Community Foundation Network (TCFN). The network provides a platform for the exchange of experience and expertise among community foundations on both sides of the Atlantic. It

seeks to identify good practices and share them with emerging and existing community foundations. In addition, its goal is to foster this form of philanthropy in countries where the concept is still new. Membership is limited: currently there are 44 members of TCFN, drawn from staff and board members of community foundations in Canada, the US, Mexico, and Europe. TCFN carries out its activities through working groups on topics of interest to all community foundations and publishes its reports on the TCFN website: < [www.tcfn.efc.be](http://www.tcfn.efc.be) >. The first stage (1999-2002) was successfully completed, and the second ended in May 2005. The foundations, together with the TCFN Advisory Committee, are considering plans for a third phase, including the dissemination of products for community foundations from Phase 2 (a tool for organizational review, marketing material, and guidance on, and examples of, work community foundations can undertake beyond their primary grantmaking role).

The US-Mexico Border Philanthropy Partnership, funded by Mexican and US foundations and managed by The Synergos Institute, began in 2002. Its purpose is to bring together community foundations on both sides of the US-Mexico border to “improve the quality of life along the border region”. It does this by increasing community philanthropic activity, improving the organizational capacity and programs of border community foundations, promoting collaboration among the 21 border community foundations and their funding partners, and engaging local philanthropic leaders.

These international programs have proved highly successful. However, thus far peer networks and exchange programs primarily have benefited only a limited number of community foundations in the North, although the picture is beginning to change.

As the number of community foundations grows, another sign of the maturation of the worldwide community foundation field is the trend towards community foundations forming their own national and regional affinity groups, and creating their own opportunities to learn from one another. Affinity groups are not as formally structured as membership organizations, yet they may evolve into membership organizations over time. National associations of community foundations are now developing in Mexico, Germany, Russia, Poland and the Slovak Republic, among other countries. The Southern African community foundations came together in 2004 to form their own association, SACOFA, the Southern African Community Foundation Association.

Support organizations are also seeing the benefit of international exchanges. WINGS-CF developed its own peer matching program to share information and learning, and to help WINGS-CF organizations link with their colleague organizations in the network: this is now called WINGS-CF One-2-One. It pairs two support organizations. Two representatives from

#### **Building community in rural areas**

**Dingle, Ireland.** The town of Dingle is situated on the scenic Dingle Peninsula in County Kerry in southwest Ireland. The area is one of the most popular tourist attractions of Ireland. Its beauty and ruggedness are contrasted by its remoteness: many older men live alone across the peninsula, often in very basic living conditions. The remoteness and loneliness create mental health problems, and the incidence of suicide is above the national average for their peer group. A local initiative began, Dochas Dingle (which translated from the Irish language means “Hope for Dingle”), to alleviate these problems. One initiative was the setting up of a chess club in one of the local pubs, which creates a social outlet for some of the men each week. Another, supported by the Community Foundation for Ireland, involves the provision of laptop computers and training in Word, email, etc, which has meant that some of the men can now keep in contact with family and friends elsewhere in Ireland and abroad.

As most of the participants do not have landline telephones (and some do not even have electricity or water in their homes), this has been overcome by using Bluetooth technology and mobile phones. The early success of this project has raised the possibility that it will be replicated elsewhere in remote rural areas.

each organization visit the other's offices for seven to ten days (and in several cases thus far a reciprocal visit has followed up to a year later). At the beginning of 2002 Community Foundations of Canada and the Institute for the Development of Social Investment (Brazil) piloted the new program. Later in 2002, matches took place between Philanthropy Australia and Community Foundation Network (UK), and between Charities Aid Foundation Russia and the Centro Mexicano para la Filantropía (CEMEFI). Later in 2005, the Association of Foundations in the Philippines will be visiting Philanthropy Australia.

An exciting development has been the realization of a global network of community philanthropy organizations focused on a single issue. Foundations for Peace, which first convened in October 2003, is "a peer-led global network of independent, indigenous funders" working across the boundaries in conflict societies to promote understanding and resolve conflicts. The Community Foundation for Northern Ireland took the lead in initiating the network with funding from the European Union. Network members are drawn from different types of community philanthropy organizations. The network includes a second community foundation, the Greater Rustenburg Community Foundation in South Africa, and six other members that are based in Israel, the Balkans, India, Sri Lanka and Nepal.

The Berlin Symposium took the global community foundation movement to a new level. Not only did it bring together community foundation practitioners and community foundation researchers from around the world for the first time. Those who attended found the mix of practitioners and researchers stimulating, and say they have started to think about their work in entirely new ways. The experiences related and the issues discussed challenged community foundation practitioners to rethink how they do their business at home and energized them to think anew about their core mission and how they operate. The connections made at the Symposium developed into plans for further networking and collaborations even before the meeting ended. Two new affinity groups are planned: one for lawyers interested in community foundations and another for researchers/evaluators of community foundations. The meeting led to more direct foundation-to-foundation interactions and sharing at the global level. A number of support organizations were stimulated to think about the issue of standards for community foundations in their areas. A group of funders and WINGS-CF members and staff is now working on ways to capitalize on, and further, the global connections and learnings begun in Berlin.

## **2.4 The developing role of funders**

National and international funders are a powerful force in spreading the community foundation concept. Without their support, it is certain that the community foundation movement would not have traveled as far and as fast as it has.

Community foundation funders cover a broad spectrum. Private foundations have played the largest role, especially some of the major foundations with international interests. The Mott and Ford foundations have been consistent in their support for community foundations over the long term and have been leading the way. Many national and regional foundations have also been active in their own areas. Other funders include national governments, government-funded entities devoted to international development, and local authorities. In addition, corporate foundations and corporations with social responsibility programs have played a key role in some areas. This is especially true in countries that are rich in natural resources, such as Russia and South Africa, where companies that extract natural resources realize they have a responsibility to improve the quality of life in the regions where they operate. Funders responded to the fall of communism in Central and Eastern Europe with grant programs that tackled the problem of integrating the newly forming democracies into western political and economic structures. A major part of these efforts were programs that sought to build and reinforce civil society structures. The Open Society Clubs initiated by George Soros are a good example of these early direct efforts.

Sustainability of the nonprofit sector has been a key consideration for the funders of community foundations in all parts of the world. Instead of continuing to fund a multiplicity of local organizations directly, funders, including foundations, bilateral and multilateral agencies, have turned to encouraging resource development at the local level. As countries “graduated” from being a focus area for post-communist development efforts, international aid agencies, like USAID, and some foundations, such as the Soros foundations, made the decision to move on to other areas. An exit strategy for some funders was to support the development of community foundations as a way to provide sustained support for the local nonprofit sector after their departure.

In some areas an additional strategy has been the formation of independent foundations, often supported by a number of funders, and in some cases designed to close after a limited number of years. One example is the Baltic-American Partnership Fund established in 1998 by USAID and the Open Society Institute (a Soros foundation) as a public-private partnership. The Fund supports the development of community foundations through the Baltic-American Partnership Programs it has established in each of the three Baltic States. Another example is the Trust for Civil Society in Central and Eastern Europe established in 2000 by a consortium of large international funders. While not focused directly on community foundation development, the Trust’s stated purpose is to “support the development and long-term stabilization of civil society in Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic and Slovenia”, and it will support work by community foundations if it fits with their program guidelines. Both of these entities are structured to provide transitional support and are designed to close down after ten years.

The success of funders’ strategies and support for community foundation development in the UK, Central and Eastern Europe, Mexico, parts of Africa and elsewhere in the world, has led them to use similar approaches as they move their focus to countries in other parts of the world that are poorer and less developed. They have provided direct support for community foundations through programs for endowment building and local grantmaking, funded organizations that support the development of community foundations, and established programs for international exchange, all of which have served to accelerate community foundation development.

An indicator of the success of community foundations globally has been the entry of the World Bank into the field. The Community Foundations Initiative (CFI) was established in 2003 as a joint World Bank/Council on Foundations initiative to explore ways to integrate the community foundation concept into the Bank’s development strategy. Based on the promising results and progress achieved in its first two years, this program entered its second phase in March 2005 for an additional three years. Financial contributions to support the Initiative come from the Ford and Mott foundations and from the Bank. The strategic goal of the second phase is to mainstream community foundations into World Bank operations. In the first phase, the World Bank initiated work on community foundations in Moldova and Thailand, while work to support pilot community foundations in a number of countries (such as the Philippines, India, Kenya and several others) is considered for the second phase. A proposal to establish a Global Fund for Community Foundations was prepared by the Community Foundations Initiative in close cooperation with WINGS-CF, and a funding request was submitted to the Development Grant Facility, an internal grantmaking body at the World Bank. If successful, the Global Fund would start to operate later in 2005 and provide a combination of technical assistance and moderate seed funding to community foundation initiatives in developing and transforming countries. Closely linked to the CFI work at the World Bank is a proposal submitted by Community Foundations of Canada to the Canadian International Development Agency (CIDA) for coordinating technical assistance provided to the pilot community foundation projects around the world initiated and supported by the World Bank.

### 3 Reflections

At the same time as the numbers of community foundations and the areas where they can be found have grown dramatically, the community foundation movement has become increasingly interconnected globally. The Internet has made nearly instant communications and international networking a reality, so that lessons learned are being shared rapidly across national boundaries. Community foundations have gone from being formed in relative isolation to taking part in learning opportunities around the globe.

Organizations that support the development of community foundations continue to advance. They no longer focus their efforts primarily on establishing new community foundations. As the number of community foundations grows, they are developing or extending programs to strengthen existing community foundations, identify practices that work in their contexts, share these practices with members of their networks and others, and provide more sophisticated tools and services for their members.

Funders are no longer working alone. They are coming together to pool their resources and have greater impact. The Ford and Mott foundations, for example, were the major funders of the Berlin Symposium; the Open Society Institute (the Soros Foundation) and USAID formed the Baltic American Partnership Fund; the Bertelsmann and Mott foundations established and funded the Transatlantic Community Foundation Network. Funders are taking the lessons learned in Central and Eastern Europe, Mexico and Africa, and spreading the concept to new areas, such as Southeast Asia, and the former Soviet republics, including those in Central Asia. Government development agencies, such as USAID, have adopted the concept as a means for community development, although it remains to be seen if their efforts will form community foundations that can stand on their own. The World Bank has taken notice and sees the potential of community foundations as part of local development strategies.

Community foundations and their support organizations report that they face a number of challenges in developing community foundations at the local level. Perhaps the greatest challenge is the need to promote the concept and have it gain acceptance among a wide audience. It is difficult to spread the concept in areas where it is totally new or where there are only a few community foundations that can serve to demonstrate its effectiveness. Local people must be convinced of the value of community foundations, and that they can be adapted to fit local circumstances and traditional patterns of giving. Community foundations

#### **Working together for greater impact**

**Viljandi, Estonia.** Viljandi County Community Foundation and the Viljandi Folk Music Festival have started to work together to support the cultural heritage of Viljandi County and have found other benefits from this cooperation.

The region covered by the Viljandi County Community Foundation has a distinctive culture and language (Mulgi), different from the rest of Estonia. Folk music festivals, launched in Viljandi in 1993, have today evolved into a four-day-long folklore festival, the largest of its kind in Estonia. In the summer of 2004, the festival team and the community foundation combined their efforts to promote the development of heritage music in Estonia. The festival team needed additional financing for folk music instruments for students beginning their studies at the Viljandi Culture Academy and also to pay for children to take part in ETNO camp. Viljandi County Community Foundation found four volunteers who, during the festival in 2004, collected the equivalent of more than €400, enough to buy the instruments and pay the fees for the camp. This success has led to the continuation of joint activities during the 2005 festival and as well as being a good example of collaboration, and showing the role of a community foundation in supporting local heritage and culture, has also raised the profile of the Foundation throughout the country, because of the enormous popularity of this festival throughout Estonia.

have enjoyed success where they are supported by prominent local people, especially those who are visible and well respected, and who can act as community foundation champions. It is very difficult for funders and others to establish community foundations from the top down. Without enthusiastic support from local people and the willingness to do the hard work of building community foundations it is almost impossible for community foundations to gain acceptance and achieve sustainability.

As community foundations are adapted to the local culture and traditions of giving and become successful and increasingly mature organizations, there is within national networks a growing tendency toward less experimentation and greater consistency in their structure and function. This has led to the exploration of community foundation standards as a means to help define and further the field.

The community foundation concept has found widespread acceptance due to its ability to adapt to local conditions, create long-term assets for communities, serve a multiplicity of donors, and support civil society. The country reports show that interest in community foundations globally is high and that the number of community foundations will continue to grow because of the positive ways they impact their communities.

The Berlin Symposium brought home to the participants that they are part of a global movement that is increasingly interconnected. They are able to share experiences and learn from each other in an immediate way. They now can come together to meet the needs of their own communities through shared learning, and also work together to help respond to the needs of communities around the world.

Several weeks after the Symposium was held in Berlin, Indonesia and a number of other countries in the region were hit by a severe earthquake and devastating tsunami. A group of community foundations that participated in the Symposium came together with others to raise funds for disaster relief. This effort was led by the International Community Foundation (ICF) in San Diego, California. It partnered with the UN Foundation to establish the UN Tsunami Disaster Relief Fund at ICF. The UN Foundation agreed to match ICF contributions on a 1:2 matching basis with a matching cap of US\$200,000, for a total fundraising goal of US\$600,000. More joint efforts by community foundations to tackle global problems are certain to follow.

## 4 Review of community foundation developments around the world

Fuller descriptions of community foundation developments are contained in the country profiles in Part II of this report. Part II is available for download at < [www.wingsweb.org](http://www.wingsweb.org) >.

### 4.1 The Americas

#### North America

##### Canada

Community Foundations of Canada (CFC) reports that there are now 144 community foundations in Canada, seven more than last year, with combined assets of CAN\$2b. There are at least 24 community foundations in development. However, CFC feels that this rate of growth for new community foundations will not continue, as all the major cities now have community foundations, and most of the new growth is in areas that are primarily rural. It is expected that much of the future development in rural areas will take the form of geographic component funds or other forms of partnership with existing community foundations, rather than new community foundations. The establishment of community foundations in French-speaking Quebec is particularly noteworthy. Four community foundations now are operating there, in a culture where philanthropy is being reborn. CFC is a strong national membership organization, devoted solely to community foundation issues, which promotes the concept and provides technical assistance and networking opportunities. It also plays a leading role at the international level in helping to promote community foundations around the world. CFC maintains a number of regional offices across Canada to bring its services closer to its members.

##### Mexico

Community foundations in Mexico are present in 13 out of 32 states in the nation. The Centro Mexicano para la Filantropía (CEMEFI) is working with 19 community foundations, although a few are community foundation-like organizations, or foundations on their way to becoming community foundations. There has been a lot of interest surrounding community foundation development in Mexico, both nationally and abroad. CEMEFI has sponsored workshops to promote the concept and bring the Mexican community foundations together. Under the CEMEFI umbrella, an association of community foundations known as the Community Foundation Group has been formed to promote and support community foundation development in Mexico. The Group recently established standards for community foundations, and this has helped to clarify the community foundation concept in Mexico. In addition, the Group has established indicators to measure the individual performance of its members, as well as a project for endowment building among Group members. The rate of community foundation formation is still increasing, although with a more complete idea of how to build a community foundation and the benefits it brings to the community. Individuals, as well as local and international funders, are supporting the creation of community foundations in Mexico.

The US-Mexico Border Philanthropy Partnership was established in 2002. It is managed by The Synergos Institute and receives support from nine national and regional funders from Mexico and the US. It brings together 21 community foundations on both sides of the border to build and strengthen these organizations and encourage cross-border collaboration.

## United States

The community foundation field in the United States, with its more than 700 community foundations, continues to expand in asset size, if not in numbers. Recent scandals in the nonprofit world mean that, for the first time in 35 years, US grantmaking foundations – including community foundations – face the risk of eroding public trust and stricter governmental regulation. Competition for assets from commercial gift funds also has been seen as a challenge and helped the community foundation field come together to focus on issues that will help to differentiate community foundations from other charitable giving options. Community foundations, as a group, are looking to present a more consistent view of what they are and how they can serve donors and their communities.

The Council on Foundations led the effort to develop National Standards for US Community Foundations, which were approved by the community foundation field in 2000. Efforts are currently under way to collect and disseminate effective practices to bring all community foundations up to a consistently high level of operations and to meet and exceed the National Standards. The Council's Community Foundation Leadership Team, composed of representatives of US community foundations selected by the field, is also developing basic training courses. These courses cover the core knowledge needed by community foundation staff and board members to meet and exceed the National Standards. The Leadership Team is also addressing issues for US community foundations that include legal and legislative advocacy, marketing, technology, and financial services. The Leadership Team has launched a strategic planning process that will conclude in late 2005 with a new vision statement and priorities for the field.

Community Foundations of America (CFA) was formed in 1999 by a group of the larger community foundations to conduct research and develop products and services, especially in the areas of technology, relationships with financial institutions and accountability tools. In February 2004, the Council's Leadership Team and CFA agreed to coordinate their work more closely through an operating agreement that is anticipated to result in more effective use of resources and strengthened support to the field.

## **The Caribbean**

### Anguilla, BWI

The Anguilla Community Foundation continues to grow and prosper. Even though the island has a year-round population of only 13,000, it is a resort island that is visited by many wealthy individuals. The Anguilla Community Foundation has been working to adapt the community foundation model to local traditions of philanthropy. In March 2004 it received its first large bequest from an Anguillan, who was living in the US, to focus on education needs on the island. The community foundation's executive director, the former CEO of The Philadelphia Foundation in the US, has been active in promoting community foundations in the region, and was instrumental in the formation of the Association of Caribbean Community Foundations in 2003.

### St. Lucia, BWI

The National Community Foundation of St. Lucia (population: 162,500) was launched as an independent foundation on 1 August 2002 by an act of the St. Lucia Parliament. The Foundation was created at the initiative of the National Insurance Corporation, the government corporation under the Ministry of Finance responsible for administering old age pensions and social security benefits. The foundation has received substantial support from the National Insurance Corporation, through transfer of its scholarship program to the

foundation and other donations, and from corporations, foundations and individual donors on the island. It was a founding member of the Association of Caribbean Community Foundations.

### Tortola, BVI

The British Virgin Islands Investment Club was formed in 1992 to develop and facilitate opportunities for the economic and social benefit of the wider BVI community which has a population of 22,000. The club consists of community leaders and business people determined to ensure that all British Virgin Islanders share in the territory's economic development. The BVI Investment Club owns substantial shares in corporations that benefit the islands, such as communications companies. It has also been involved in land development. As part of its mission, on its tenth anniversary in 2002, the BVI Investment Club launched the BVI Investment Club Foundation, which is one of the founders of the Association of Caribbean Community Foundations.

### Jamaica

Jamaica reports two community foundations: The Grace & Staff Community Development Foundation and the Walkerswood Community Development Foundation. Grace & Staff was established in 1979 by Grace, Kennedy and Company (the largest commercial food company in Jamaica) and its staff to serve the inner city community adjacent to the company's headquarters. Its funding comes from the company, staff and other donors. The company matches staff contributions two-to-one. Even though it has close ties to the corporation, the integration of staff as donors and in program development gives it many community foundation-like characteristics.

Walkerswood was more recently established as a community foundation (1999). It is an offshoot of Walkerswood Caribbean Foods, which has its roots in a cooperative farm and the self-help movement of the 1940s. The foundation was established to serve a rural farming community, which has used farm produce (hot peppers) to build an agricultural business for the community's economic development. The community foundation receives support from local leaders in the community, as well as other donors.

### Puerto Rico

The Puerto Rico Community Foundation (PRCF), the oldest community foundation in the Caribbean, was established in 1985. It was created with significant funding from five large overseas foundations, and donations from corporations operating on the island. It receives much of its funding for its grantmaking programs from US federal government agencies and local government funds. It also receives substantial funding from local foundations and corporate giving programs. More recently its fundraising strategy has begun to focus on individual and family donors. PRCF has a large staff to handle its substantial grantmaking program. The foundation has attracted attention throughout the world, not just in the Caribbean and Latin America, and is now a point of reference for how to harness resources for the benefit of local communities.

### US Virgin Islands

The three community foundations located in the US Virgin Islands (population: 125,000) each have different outlooks and focus their grantmaking in different ways. The Community Foundation of the Virgin Islands is the largest of these community foundations, with an endowment of over US\$3m. It is based on the island of St. Thomas and funds projects throughout the three islands. The St. Croix Community Development Foundation, as its name suggests, focuses primarily on programs that will help improve the local economy on St.

Croix. Both the Community Foundation of the Virgin Islands and the St. Croix Foundation are founding members of the new Association of Caribbean Community Foundations. The St. John Community Foundation is a smaller foundation that focuses its grantmaking on local projects on the island of St. John.

## **South America**

### Brazil

Due to the difficulty of raising endowed funds in the local area, the Institute for the Development of Social Responsibility has chosen to take an intermediate path to developing community foundations in Brazil. It is involved in establishing local community philanthropy organizations (CPOs) in eight cities. These CPOs are a first step on the way to becoming community foundations, but at this stage they are not making grants. As the concept of community philanthropy becomes more familiar, the expectation is that these CPOs will evolve into community foundations. Several representatives of these CPOs attended the 2004 Community foundations Symposium in Berlin. A community foundation formed along more traditional lines is Instituto Rio in Rio de Janeiro, established with the assistance of The Synergos Institute. After a period of slow growth, it has become more active recently. Instituto Rio has received support from The Ford Foundation and the Avina Foundation. There is another effort to form community foundations along more traditional lines just beginning in five states in Northeast Brazil.

### Ecuador

The establishment of Fundacion Esquel-Ecuador in 1990 coincided with deep social changes on a global scale that affected the development patterns of the countries in the South. The free trade economic model was expanding, while nation-states were experiencing a deep crisis regarding their inability to improve citizen's living conditions under the new circumstances. In addition, local issues increasingly hinged on a context defined by a new phenomenon: globalization. At the beginning of the 1990s, poor people in Ecuador represented about 62% of the population. By the end of the 90s, poverty levels reached an alarming 80% of the total population.

Esquel was founded to confront these challenges together with local citizens. It defined itself as an action organization, with the aim of fighting poverty and strengthening democracy. It was constituted as a nonprofit organization, without religious or political affiliation, but with a strong and defined mission promoting development in the country.

## **4.2 Europe and the Middle East**

### **Western Europe**

#### Belgium

The King Baudouin Foundation (KBF) is an independent foundation established in 1976 that funds projects in Belgium and internationally. Donors can set up funds in the foundation to carry out their charitable purposes. KBF is involved in supporting the community foundation concept internationally and in Belgium. It has established two regional funds, the Community Foundation for Central and South-West Flanders and "A Heart for Limburg" community foundation in the region of Limburg. KBF is open to establishing more regional funds in other parts of Belgium. However, KBF believes that the idea should come from local groups of

people, that is, from the bottom up, not top down. KBF has been one of the organizers and funders of the Transatlantic Community Foundation Fellowship, established in 2000, which has been providing opportunities for community foundation senior staff and board members on both sides of the Atlantic to participate in international exchanges.

### France

The national Fondation de France was established in 1969, based on The Cleveland Foundation model in the United States. Although it has many unique features, it acts in many ways like a national community foundation for France. Donors can set up funds through the foundation to benefit local communities, and its own grantmaking is carried out through regional panels of local citizens.

### Germany

The German community foundation movement continues to grow at a remarkable pace. The first community foundation was established in 1996 in Gütersloh, the home of the Bertelsmann Foundation. The Bertelsmann Foundation is one of the leading promoters of community foundations in Germany and internationally. German community foundations also benefit from the support of several other national foundations, member-based associations of grantmakers, and Aktive Bürgerschaft, a support organization which began to support community foundations in 2002. By the beginning of 2005, at least 84 community foundations had been established in Germany, 21 more than reported for the previous year. This represents a remarkable growth rate of 33% in just one year. German community foundations tend to follow an operational approach, which means they identify needs and run their own programs to meet the needs, but several have made or are making the transition to the more typical community foundation model, in which community foundations serve donors and their communities by making grants to support programs run by other nonprofits.

### Ireland

The Community Foundation for Ireland (CFI) was established in 2001 and is the only community foundation in the Republic of Ireland. It came about because the government and NGOs were looking to the future and trying to find new mechanisms to raise independent funding for the community and the voluntary sector. Ireland had experienced significant economic growth since 1994 onwards and for the first time in its history had a considerable number of individuals with independent wealth. In recent years, net immigration on the back of this strong growth has seen the population of the Republic grow to four million people. The founders of CFI were a mixture of businesses, NGOs, employer organizations and government. The Foundation was initially funded entirely by business contributions. The Foundation is one of the leading advocates for philanthropy, which is at a very early stage of development in the Republic. In 2004 the Foundation established its first county committee and is well advanced to launch another two.

### Italy

Italy is another country in western Europe where community foundation development has been successful, due especially to the Cariplo Foundation's initiative in Lombardy and the Venice Savings Bank Foundation's effort around Venice. There are currently 15 established community foundations, all in the north of Italy. Lombardy, where the Cariplo Foundation is based, now has coverage of the entire region, except for Milan, which means that about 70% of the population of that region has access to a community foundation. However, this equates to less than 15% of the whole country. It seems likely that community foundations will spread to other parts of Italy. Other savings bank foundations are interested in the concept; cooperative banks may also move in this direction. Interest in creating community

foundations is also increasing in the southern part of Italy. A new tax law was approved in March 2005 that has increased incentives for giving. A national association of grantmakers has been established. AssiFero, the Association of Italian Grantmakers, is expected to provide technical assistance for community foundations, but it has not yet begun to do so.

### Netherlands

The community foundation concept was first brought to the attention of the Vrije Universiteit (VU) in Amsterdam in the year 2000. The VU found the concept interesting enough to start an experiment attempting to introduce the concept in The Netherlands. A few interested private foundations were found for financial support and the project started in September 2001. Between 2000 and 2004, a group of university researchers began projects in 10 to 15 different cities, which are now in different stages of development. Eight community foundations have been officially established. Attitudes towards community philanthropy in the Netherlands range from “not interested” to a little more favourable. The main obstacle to community foundation development is the fact that community philanthropy is unknown in the Netherlands, and is generally considered unnecessary.

### Portugal

At least one community foundation-like organization has been identified in Portugal. The Fundação CEBI-Foundation for Community Development in Alverca was transformed from a social welfare organization in 1995. It developed on its own and only in 2001 connected with other community foundations in Europe. Activities are underway in Portugal to identify other community foundation-like organizations and promote the development of community foundations.

### United Kingdom

The first community foundations in the UK were established in the late 1970s. The movement started to build in the 1980s when the Charities Aid Foundation persuaded the national government to assist with some seed funding and then joined efforts with the Mott Foundation to create a competitive challenge grant program that proved endowment building was feasible in the UK, and did much to raise the profile of community foundations. By 1991, when the national membership association, now called Community Foundation Network (CFN), was formed, there were 15 established and 14 aspiring community foundations. With the formation of Community Foundation Network the community foundation movement began to take off. There are now 57 community foundations in the UK. Nine out of ten UK residents now have access to a community foundation where they live. Grants from national government, local authorities, and charitable foundations have provided community foundations in the UK with the majority of funds for operating costs and flow-through grantmaking. Most of the community foundations are building endowment, with individuals and companies as the main donors. Through the lottery-funded Fair Share Trust, initiated in 2003 and managed by CFN, community foundations and their partners will be distributing £50m to fund community programs in specific areas over ten years.

## **Central and Eastern Europe**

### Bosnia and Herzegovina

The Community Foundation Simin Han was established in Tuzla in February 2003 and registered in July 2003. It is the first and only community foundation in Bosnia and Herzegovina, and was founded primarily with support from the Freudenberg Stiftung in Germany to aid recovery after the Balkan war of 1992-96. The Simin Han area went through

significant changes during the war and experienced high rates of migration of the local population, who either left or went abroad. About 80% of its inhabitants are registered refugees from the neighbouring Republic of Srpska. The vision of the Foundation is to create a self-sustainable, self-organized and self-conscious community that focuses on the needs of local young people.

### Bulgaria

Bulgaria has been through three stages of community foundation development. The earliest attempts to establish community foundations in Bulgaria began with a Mott Foundation program in 1997-98 to transform a few of the Open Society Clubs (which were initiated and funded by the Open Society Fund-Sofia, a Soros foundation). The second stage began in 2000 when the Civil Society Development Foundation (CSDF) attempted to promote the concept. In general, these early efforts were not successful: only two of the Open Society clubs are still operating as community foundations and are having difficulty raising funds, and one from the CSDF effort is still functioning. A new program, facilitated by Counterpart-Bulgaria with funding from USAID, is supporting the development of six community foundations in a number of Bulgarian cities. Currently, there are eleven community foundations in Bulgaria, with several more in the planning stage.

### Carpathia

The Carpathian region includes parts of Hungary, the Slovak Republic, Poland, Romania and Ukraine. The Carpathian Foundation was formed in 1999 to address the issues facing this mountainous region of Eastern Europe that is characterized by its isolation and high levels of poverty. The Carpathian Foundation was founded along the lines of a community foundation with international support from major foundations and governmental development agencies. It has established “Friends of the Carpathian Foundation - United States”, through the German Marshall Fund of the United States (GMFUS), to help build an endowment. It is targeting individuals in the region, individuals from the region living abroad, local businesses and international funders.

### Croatia

Community foundations in Croatia are still in the formative stage. Initiative groups have been working in three communities (Rijeka, Hvar, and Osijek) over the past two years to develop community consensus and a commitment to developing community foundations. In all three communities, NGOs were the initial leaders of these efforts, although working groups now include local government, business and media representatives as well. All of these groups learned about community foundations through exposure to the development of community foundations elsewhere in Central and Eastern Europe. The hope is that the first community foundation(s) will be formally registered this year. Funding is an ongoing problem, but the initial plans are that funding will come largely from Croatian resources. The restrictive Law on Foundations and Funds, which requires proof that a foundation has all the resources needed to accomplish its goals in order to register, is a barrier to registration.

There are now additional initial efforts to explore the feasibility of community foundations in two other locations – Zagreb County and Medjimurska/Karlovac Counties. The Academy for Educational Development (AED) runs a USAID-funded civil society development program in Croatia called CroNGO. CroNGO is aimed at increasing the ability of civil society to contribute to Croatia’s economic, political and community development. Community foundations are not a direct part of its program, but the development of community foundations will further CroNGO’s goals. CroNGO has provided two years of grant support to three organizations to form and lead community foundation initiative groups in Rijeka, Hvar and Osijek.

## Czech Republic

The first and only community foundation in the Czech Republic, the Community Foundation of Ústí nad Labem, was formed in 1998 by transforming a local nonprofit social service agency. It recently changed its name to the Community Foundation of Euroregion Labe. The community foundation has been very active, maintaining an international presence and participating in the Transatlantic Community Foundation Network. There has been growing interest in community philanthropy and the community foundation concept in the Czech Republic. In addition to the Community Foundation of Euroregion Labe, 16 foundations have been identified as being formed along community foundation lines, and may eventually become full-fledged community foundations.

## Estonia

Community foundation development in the Baltic States has benefited from the support of the Baltic-American Partnership Fund, a joint project of the Soros foundation and USAID. The first two community foundations in Estonia were established in Viljandi County and Järva County in 2002-03, as a result of a pilot project supported by the Baltic-American Partnership Program Estonia. The founders of the first two community foundations are leading community activists and local businesses. A third community foundation was formed in early 2005 in the Peipsi Region. The Viljandi Community Foundation is now fully functioning as a community foundation. Järva Community Foundation recently conducted its first round of grantmaking.

## Latvia

In 2003 the Baltic-American Partnership Program Latvia helped establish community foundations in two Latvian cities: Talsi and Lielvarde. Both the Talsi Region Community Foundation and the Lielvarde Community Development Foundation are fully operational. They have successfully raised funds and made grants, and their stories have inspired at least three other communities to start community foundations of their own. BAPP Latvia is working with local initiative groups in Valmiera, Aluksne and Madona. To increase the visibility of community foundations, the Talsi Region Foundation, together with the NGO Center in Riga, organised a conference on community philanthropy development in the Baltic countries in February 2004: "New Opportunities for Community Development in The Baltics – Community Foundations". This was the first conference about community foundation issues in the Baltic region and was attended by representatives from Latvia, Lithuania and Estonia, as well as CAF Russia and the Ekopolis Foundation from Slovakia.

## Lithuania

Lithuania now has six registered community foundations. The first community foundation was established at the initiative of American Lithuanians in 1998, in a small village called Papile (Naujoji Akmene Region in Western Lithuania). It remains small and is run by volunteer staff. The Baltic-American Partnership Program Lithuania helped established two more community foundations: Samogitia Community Foundation, covering Telsiai County, in March 2002; and the Utena Regional Community Foundation, covering Utena County, in September 2002. The six community foundations cover one-ninth of the country's territory and a quarter of the country's population.

## Poland

Poland has a very active community foundation movement, which received its initial impetus from the Community Foundations Development Program, the first program organized and managed by the Academy for the Development of Philanthropy in Poland (ADPP). Beginning

in 1998, through a combination of technical assistance and a challenge grant program, ADPP was able to facilitate the formation of 12 community foundations in Poland. Currently, there are 21. The first was the Snow Mountain Community Foundation established in 1998. Polish community foundations receive significant support from local authorities and businesses, and also support from individuals. The 21 community foundations operate in areas inhabited by over 3.5m residents, which amounts to almost 9% of the total population.

### Russia

It took CAF Russia four years of sustained effort to get the first community foundation up and running in the city of Togliatti in 1998. The creation of the first community foundation caused a chain reaction and has resulted in the establishment of 19 community foundations since that time. Along with CAF Russia, support for establishing community foundations has come from international funders and development agencies. Today the community foundation concept has become more popular. Togliatti now has an endowment of over €1m. As community foundations have grown, they have begun to introduce new forms of donor services, such as family foundation management, employee giving, funds that focus on particular issues, and designated funds. Increasingly donors trust community foundations and are giving through them to support the causes they care most about. Community foundations are also attracting funding from the major national corporations such as YUKOS Oil Company or SUAL Holding, which are interested in creating community foundations in areas where they have a corporate presence. The community foundations have formed an affinity group – the Community Foundation Partnership. Community foundations now cover about 10% of the Russian population, and the coverage is steadily growing.

### Slovak Republic

The first community foundation in Central and Eastern Europe, the Healthy City Community Foundation of Banska Bystrica, was formed in 1994. The Slovak Republic has had a major program to promote the establishment of community foundations, overseen by the Open Society Foundation (Slovak Republic), and there are currently twelve. Ten of them are members of the Association of Slovak Community Foundations, which was formed in 2003, and the remaining two are expected to join shortly. The Association puts members in contact with one another on a daily basis and increases learning. Each member has established a Donors Club. The involvement of individual donors, who are not high-net-worth citizens, is important in Slovak Republic, especially in poorer regions that lack corporations, have high unemployment and are experiencing a brain drain. Since there is little chance to raise large amounts from corporate sources, foundations concentrate on small donors. The Donors Clubs initiative helps systematize this. Based on the information provided by members of the Association, it appears that 30% of the area of Slovak Republic is now covered by community foundations.

### Ukraine

There are at least four community foundations operating in the Ukraine, with more under development. The Princes Benefactors Ostrozhski Foundation reorganized into a community foundation for the territory of Rivne in 2002. The Charity Civic Foundation after King Yuri was established in Ivano-Frankivsk in 2002. The Odessa City Fund was also established in 2002. They were inspired by community foundation developments in neighboring Russia and the Slovak Republic. The Dobrota (Kindness) – Donetsk City Charity Fund, an organization with many community foundation characteristics, was established in 1998 by a team of doctors from Donetsk, who were concerned that the cuts in national funding for health care, education and social services were putting the most vulnerable members of their community at risk.

## Middle East

### Israel

The Beit Shean Community Foundation ceased to operate during 2004. It was established in 2000 in the Beit Shean Valley, a poor rural area near the border with Jordan, with the support of the Jewish Community Federation of Cleveland, Ohio and a nonprofit Israeli organization devoted to social change, and technical assistance from The Cleveland Foundation in the United States.

An older community philanthropy organization in Israel, with many community foundation-like characteristics, is the Jerusalem Foundation. It was established in 1966 by the then newly-elected mayor of Jerusalem, Teddy Kollek. It is a non-political, non-sectarian, independent foundation, whose mission is to rebuild the city and improve the quality of life for all of Jerusalem's residents, regardless of ethnic or religious background. The Jerusalem Foundation draws heavily on giving from abroad, as do many Israeli nonprofits. It has a unique international governance structure, composed of nine international boards, in addition to the local Israeli board, to focus on fundraising for the foundation. In 2003, 9.3% of the donations to the Jerusalem Foundation came from Israeli sources, which represents a 50% increase from 2002.

## 4.3 Africa

### Ghana

Akuapem Community Foundation, the first community foundation in Ghana, which serves the Akuapem Traditional Area in the Eastern Region of Ghana and beyond, evolved out of the Akuapem Forum, which began in October 2001. At the end of February 2005 the Community Foundation was at the point of registration. Akuapem unlike other traditional areas does not have a homogeneous group of people in terms of language, but consists of various linguistic groups. Since 1988, under the decentralization of government administration, the Akuapem Traditional Area spans two local government administrative units, Akuapem North District and parts of Akuapem South District. The idea for turning the Forum into a community foundation began when the coordinator met Dr. Juraj Mesik of the World Bank at a conference. When Dr. Mesik introduced the community foundation concept, and it appeared to be the right fit. An endowment fund was established even before the Foundation was formally registered. Since that time the co-ordinator has also visited and interacted with the Community Foundation Network in the United Kingdom and the Greater Bristol Foundation (UK).

### Kenya

The Kenya Community Development Foundation (KCDF) was established in 1997 with major start-up funding and support from the Ford and Aga Khan foundations. Its mission is to build the capacity of citizen organizations to participate in community development activities and to introduce national philanthropy for development. As a national foundation, KCDF oversees an extensive local grantmaking program that covers the entire country. KCDF has begun focusing on building an endowment from local sources, including individuals and corporations. KCDF now has a solid track record in grant making and has a growing endowment worth more than €700,000.

## Mozambique

The Foundation for Community Development was established in 1994 by the former first lady, Graça Machel, and a broad-based group of local citizens. It is the first grantmaking foundation in Mozambique, and is devoted to building resources to finance community development initiatives. The foundation has received support from international funders, multinational companies and local Mozambican businesses. It has developed a strategy to promote local philanthropy and increase funding from local sources, both individuals and corporations.

## Southern Africa

There are seven community foundations in South Africa. Six were formed under a community foundation development project organized by the Southern African Grantmakers Association (SAGA). Two are well established: The Uthungulu Community Foundation, the first community foundation in South Africa established in 1997, and the Greater Rustenburg Community Foundation dating from 1998. Four others are in their initial stages of development, but fairly advanced, ie they have boards, seed money and pledges, but have not started making grants. They are: Atok Community Foundation (Polokwane), Greater Tshwane (Pretoria), and West Coast Community Foundation (Malmesbury). The Greater Durban Community Foundation is supported by the Durban local government, and it is therefore active, but to a large extent undertakes local government community development activities.

A new association of community foundations, the Southern African Community Foundation Association (SACOFA), was established in September 2004 by representatives of five South African community foundations and one in Lesotho. Its purpose is to act as a forum for greater collaboration and the sharing of experiences, and to represent Southern African community foundations. The Industrial Development Corporation, a self-financing national development finance institution established by the South African government, is embarking on a major community foundation development program, with SAGA providing technical assistance. IDC aims to support the creation of six new community foundations. The first IDC-supported community foundation, the BAWSI Trust, was launched in Stellenbosch in the Western Cape Province in February 2005. It estimates that it serves a community of between 250,000 and 500,000.

## Uganda

The first community foundation in Uganda, the Kanyacheli Community Foundation in Kampala, resulted from a chance conversation in an airplane when one individual who happened to sit next to Maggie Jaruzel of the Mott Foundation was inspired by their discussion about starting a community foundation and subsequently joined four others in creating the foundation. Currently, the foundation is working towards being registered, which should take place in May 2005. The mission of the foundation is to improve the quality of life among impoverished rural and urban communities through grants to NGOs and local communities for community projects. The Kanyacheli Community Foundation's initial strategy is to support pilot projects in three key districts of the country that will be undertaken to address existing community developmental gaps.

## Zimbabwe

The Community Foundation of the Western Region of Zimbabwe (population over 3m), also known as the Western Region Foundation (WRF), is the first and only community foundation in Zimbabwe. It was established in 1998 after six years of planning by the Zimbabwean Organization of Rural Associations for Progress (ORAP). Drawing on a local community savings tradition called Qogelela, ORAP was able to pool contributions from more than

50,000 community members to endow the foundation. Even though the donations totalled only US\$5,000, their contributions gave community members a sense of ownership of the foundation. The foundation continues to receive funds from local individuals and attracts funding from large international foundations as well. It works to improve the quality of life for economically disadvantaged communities mainly in Matabeleland South, North and the Midlands province. It supports, and mobilizes resources for, development initiatives coming from the rural communities.

#### **4.4 Asia and the Pacific**

##### Australia

There is a lot of community foundation development activity in Australia. Australia's first community foundation, the Victorian Community Foundation, was established in 1983. It was followed by the Tasmanian Community Foundation in 1995 and the Melbourne Community Foundation in 1997. In 2000, the Foundation for Rural and Regional Renewal (FRRR) was established, with one of its specific objectives being to support the growth and development of community foundations especially in rural and regional Australia. Funding for FRRR came from the Australian Government's Department of Transport and Regional Services and also from the Sidney Myer Fund, ANZ Bank and The Pratt Foundation. Also in 2000, Philanthropy Australia, the membership association for philanthropic trusts and foundations, made the support and development of community foundations one of its principal objectives. Australia currently has 25 established community foundations and 14 in formation. Growth has been rapid from three in 1997 to 17 in early 2004 and now 25 in early 2005. They can be found in all the states and territories of Australia, with the exception of the Northern Territory, where the concept is under discussion.

##### India

Community foundation-like organizations have existed in India since at least the twelfth century, although they were focused on communities defined by a common religion. India now has three established community foundations formed along modern lines: in Mumbai (Bombay), Ahmedabad, and Pune. The Bombay Community Public Trust was established in 1991 by the directors of the Centre for the Advancement of Philanthropy. The Ahmedabad Community Foundation and the Nav Maharashtra Community Foundation (in Pune) were formed with the support of The Ford Foundation in 2001 and 2003 respectively. Sampradaan – Indian Centre for Philanthropy is researching and promoting the community foundation concept. Both Sampradaan and the Centre for the Advancement of Philanthropy provide training and advice on the establishment of foundations.

##### Japan

There is at least one community foundation in Japan. The first community foundation, the Osaka Community Foundation, was established in 1991 under the relatively strict laws relating to foundations. It was formed with the assistance of the local Chamber of Commerce, which continues to provide support, including in-kind help and a loaned executive. A second was formed by a group of volunteers in Kobe in the wake of the Great Hanshin/Awaji earthquake under the new NPO laws. It has not been established whether the Citizens Fund Kobe is still active.

##### New Zealand

The first community foundation in New Zealand was formed about ten years ago. There are currently seven community foundations throughout the country, mostly concentrated in the

North Island. Other community foundations were established more recently, and most were set up after a national generosity seminar sponsored by The Tindall Foundation, a large family foundation. Support continues to be offered by The Tindall Foundation in the form of grants, professional development opportunities and advice. Philanthropy New Zealand has also included community foundations in its professional development program, which has provided opportunities to learn from established grantmakers.

### Philippines

The Philippine Association of Foundations (AF) became interested in the idea of community foundations in 2000. What drew the interest of AF to the community foundation experience is the notion that these organizations can ensure the sustainability of local development initiatives, especially as foreign donor funds have declined. Since then, with the help of The Synergos Institute, AF has promoted the idea and undertook a research study of foundations in the Philippines to see if any of those that were geographically focused could be classified as community foundations. The survey identified four, two of which were founded in the late 1980s and two in the late 1990s. Muntinlupa Development Foundation was founded by the more affluent residents of one municipality as a way of reaching out to the poorer members of the community. The second was led by the local Archbishop of a province (Pondong Batangan) as a way for people to express their faith through giving for community purposes. The third (Ivory Charities Foundation) was founded by residents of a city who were looking for a meaningful form of involvement in their community in their retirement. Kabalaka (Concern) Development Foundation, in Negros Occidental, started as an NGO, but decided in 2001 to convert to a community foundation after recognizing that it would lead to greater sustainability. Kabalaka is still in the process of conversion.

### South Korea

The Beautiful Foundation, the first community foundation in South Korea, was founded in 2000 as a national community foundation. The purpose of the foundation is to create and promote philanthropy among the general public, as a way to establish a sustainable and systematic culture of giving at all levels of society. It has undertaken a number of giving programs, including the One Percent Sharing program to encourage giving of time and resources from a broad spectrum of people. In addition to making grants, the Beautiful Foundation also conducts research on charitable giving and maintains a fundraising library. Its staff members have participated in international learning opportunities and conferences.

### Thailand

A community foundations initiative is just beginning in Thailand in 2005. There are already interested and well-informed people in several areas of the country (including in the capital Bangkok). A new organization formed in 2003, called Friendship to Community Foundation (FCF), has been established to promote and support the development of these community foundations. Plans are underway to establish a "Social Leadership Institute" within FCF to train leaders from the third sector. The Institute will focus its training programs on "bridging leadership", fundraising, and grant management. In addition, FCF will provide consulting services to local leaders on how to establish a community foundation in their areas.

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