

ANGUILLA

Anguilla Community Foundation

History

The Anguilla Community Foundation (ACF) was formally established in May 1999 to provide grantmaking support to NGOs on the island nation of Anguilla, which is located in the British West Indies. It is the result of interest over time, the encouragement of local residents and visitors to the island, and the relocation of a former CEO of a stateside foundation. Support came from Victor Banks, the Minister of Finance. A feasibility study was completed by Carrolle Perry Devonish, former CEO of the Philadelphia Foundation, on the possibility of organizing a community foundation. A local Steering Committee was formed by the Office of the Finance Minister and included key decision makers on the island.

The Anguilla Community Foundation is the only community foundation on this overseas territory of 12,000 residents. The Foundation drew on friends and former colleagues to enrich the work and direction of the Anguilla Community Foundation, including international visitors.

ACF has just completed raising the challenge of US \$32,500 to meet its challenge grant from the WINGS Global Fund for Community Foundations. In total, it raised more than the US \$32,500. This means that the Foundation now has raised more than US \$500,000 in its Endowment Fund over the past nine years.

Current situation: Facts and figures

Geographic area served:	Country-wide
Population size of service area:	12,000
Total sum of grants made in 2007:	
Total number of grants made in 2007:	
Total sum of the income/ donations in 2007:	
Single largest source of income in 2007:	
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	US \$500,000

Operations and staffing

The Anguilla Community Foundation currently has one part-time paid staff person. The staff person works in every aspect of the foundation: administrative, fundraising and program. The work of the Foundation is divided about 75 percent to 25 percent, between staff and volunteers, who are primarily the Board members.

Community foundation income

Income categories

The Foundation has concentrated on raising the funds for endowment challenge from the WINGS Global Fund this year. It will continue its ANGUILLA CARES effort in the months to come. The Foundation has received a new fund of US \$75,000 to create a named fund in honor of a long time Anguilla resident. It will support scholarship for students interested in veterinary medicine. The Foundation continues to hold its annual classical music concert, which raises money for the Endowment Fund.

Purposes

- Endowment fund
- Local grantmaking
- Scholarship funds

Permanent funds/Sustainability

ACF has an endowment fund now worth over US \$500,000, due in part to the matching funds raised to meet the WINGS Global Fund challenge grant.

Environment for philanthropy

Local attitudes

Community philanthropy is a challenge. There has been little organized philanthropy on the island. There is corporate giving from local businesses, including banks, hotels and the telephone company. In addition, groups raise local money. In fact there is someone or a group going from door to door raising money for emergency health care, church activities and events – almost constantly. Most NGOs are not staffed; volunteers raise funds for special issues. There are no tax advantages to those who give, as there are in the US, so fundraising is a challenge on such a small island.

Legal and tax environment

There are no legal or tax incentives for giving to the community foundation. There are few incentives, except making this a better island, but it is a difficult place to raise money. The community foundation has raised the bar, however. In March 2004 the foundation received a contribution of US \$100,000 for education from a local attorney who is handling the trust of a deceased expatriate. This gift had a major impact on the Foundation. Another recent small gift of appreciated stock was the first gift of stock. Both these gifts attracted attention and added to the appeal of the community foundation, but fundraising still is slow going.

Changing attitudes and the national or regional environment

The Anguilla Community Foundation created the Anguilla Cares campaign in an effort to encourage local Anguillans and residents to give to the community foundation. This year the campaign is going into the workplace to encourage workplace giving and boost local support: this is expected to make a real difference to the fundraising effort. Residents will probably not give large amounts, but it will help to raise local contributions and also create awareness and an atmosphere for giving. In addition the

Foundation is looking for ways to target visitors to Anguilla, many of whom are repeat visitors who love the island and come back year after year.

Current challenges and future developments

The future of the Anguilla Community Foundation and the growth of community foundations in the region look hopeful. Yet it remains a difficult challenge that will take time and energy. There are few ways to encourage support for administrative needs and the ability to add staff and resources. This is a real stumbling block. In addition, contact with other foundations in other regions is needed.

The Association of Caribbean Community Foundations, which was formed by five of the community foundations in the English-speaking Caribbean, ceased operations in 2007 due to lack of funds for operating expenses. New resources have been secured and plans are currently underway to revive the Association, but perhaps with a broader member base, consisting of all types of grantmakers in the Caribbean

The Board of ACF is exploring new leadership for the Foundation because of the decision of the director to retire. Changing leadership will bring new energy and opportunities to the Foundation, although the issue of administrative support is ongoing.

International links

The Executive Director regularly attends international meetings, such as the Council on Foundations Fall Conference for Community Foundations and the Council's Philanthropy Summit in Washington, DC this year.

Additional resources

For more information, see: www.anguillacommunityfoundation.com

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BRAZIL

Community foundations

History¹

Interest in the community foundation concept has been growing for some time in Brazil. There are at least four separate organizations and/or initiatives underway now to promote community philanthropy through community foundations or community foundation-like organizations.

The first community foundation, Instituto Rio, was established in 1995 with technical assistance from the Synergos Institute and small grants from the Ford, Avina and Inter-American Foundations. Instituto Rio concentrates its grantmaking in the *Zona Oeste* (West Zone) of the city of Rio de Janeiro, which contains not only a growing commercial and industrial sector, but also some of the poorest sectors of the city. Instituto Rio grew slowly at first, due to local unfamiliarity with the model and how to adapt it to the philanthropic context in Brazil. With the donation of \$700,000 in 2005 from the publisher Geraldo Jordão Pereira, who was also a dedicated board member, Instituto Rio obtained a permanent endowment that will ensure its sustainability in the future. Instituto Rio is now a vibrant community foundation having significant impact in its community.

Another community foundation was established in 2005 in the area of Great Florianópolis on the east coast of Brazil south of Rio de Janeiro. The area is relatively prosperous. The driving force behind the development of ICOM – Instituto Comunitário Grande Florianópolis was a local activist who was familiar with how successful community foundations operated in other parts of the world. The goal of the founding board of directors was to mobilize and educate donors, and to support the work of the local NGO sector in order to promote sustainable social development. It began by mapping the local NGO sector to identify the organizations working in the community – the number of nonprofits, as well their assets and needs – and by establishing key partnerships with the nonprofits, other grantmakers, support organizations and universities in their area. In 2007 it launched two major initiatives: a Community Social Investment Fund; and a project to provide training and technical support to NGO leaders.

Due to early concerns about whether intermediary organizations, such as community foundations, could be developed in Brazil, in 1999 IDIS (Institute for the Development of Social Investment) took another route to promote local philanthropy; it developed the Community Philanthropy Organization (CPO) model. CPOs differ from traditional community foundations in that they do not do fund raise or make grants themselves. Instead they identify community priorities and act as brokers and catalysts for bringing together community and individual resources in conjunction with government money to tackle priority needs in their communities. As a result of this effort there is now a better understanding of the need for the creation of an endowment fund and making grants to local organizations. Recent research by IDIS shows that the potential for the development of community foundations has increased greatly in Brazil.

¹ The Overview section of the Brazil Country Report was compiled by Eleanor W. Sacks from the County Reports submitted by IDIS and the two community foundations, from the W.K. Kellogg Foundation website, and also from personal communication with Andres Thompson of Kellogg Foundation about their interest in establishing community foundations in Northeast Brazil.

The W.K. Kellogg Foundation and its Program Director for Latin America and the Caribbean have had a long standing interest in community foundations. This has led to their efforts to promote the community foundation concept in Northeast Brazil, an area of sparse population and high rates of poverty. According to the Kellogg Foundation, “[t]he nine states of the Northeast constitute the region with the greatest concentration of rural poverty in Latin America.” In April 2008, the foundation made a grant to Formação – Centro de Apoio à Educação Básica, a local non-profit partner of the Kellogg Foundation, to “improve the economic, political, social, and cultural situation of youth and poor families in the area of Baixada Ocidental, Maranhão, northeast Brazil, through the creation and development of a community foundation.”

Reports from the three community foundation/community philanthropy organizations currently operating in Brazil follow.

Instituto Rio - Ponte para o Investimento Social

History

The decision to set up Instituto Rio grew out of discussion and mobilization among a group of people in Rio de Janeiro City interested in establishing the concept, and spreading the idea, of the community foundation. Led by Cindy Lessa, then the Synergos Institute's Country Director for Brazil, the group brought together 12 people who continue as the Institute's board members to this day. With small grants from the Ford Foundation and Avina Foundation, and technical support from the Synergos Institute, the foundation's organizational model was designed and a Board constituted.

The second stage was to found the Institute legally: project selection protocols were drawn up, the investment philosophy was defined and the Board was formally sworn in. The Board comprises leaders from various social sectors in Rio de Janeiro whose work accords with the values and ideas proposed by Instituto Rio. All Board members, both businessmen and representatives of social organizations, are leading national figures in their fields.

The present phase, which began in 2002, with support from the Inter-American Foundation, involved Instituto Rio's setting up a fund and beginning to support projects in western Rio de Janeiro City, the region that is the focus of its activities. After setting up Brazil's first permanent fund – the Vera Pacheco Jordão Fund – by a donation from Geraldo Jordão and his publishing house, Editora Sextante, Instituto Rio embarked on a second stage, consolidating its proposed activities. The permanent fund afforded the west zone a perennial source of funding, because the funds are invested and only the interest is applied to supporting projects. The Instituto Rio has consolidated its role by supporting projects, intermediating actions and capacity-building for organizations in the west zone, with a view to becoming an effective bridge to social investment.

Current status: Facts and figures

Geographic area served:	Western Rio de Janeiro City (“Zona Oeste”)
Population size of service area:	2,116,000 inhabitants
Total sum of grants made in 2007:	USD \$142,000
Total number of grants made in 2007:	39 projects
Total sum of the income/ donations in 2007:	USD \$1.1 million
Single largest source of income in 2007:	Individual businesses
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	US \$175,000

Activities and impact

Example 1. One recent story, which is rather significant and typical of Instituto Rio, involved our former CEO, Geraldo Jordão Pereira, also our largest donor, who died this February. The more he donated and involved himself in Instituto Rio's work and activities, the more his conscience demanded of him. This reached a point where, in one of our last conversations, he said he felt he was collaborating and participating very little and should give more of himself to the organization. That is, the more donors give

and get involved with social work, the more they want to give and involve themselves in the organization's work.

Example 2. Another story centers on Instituto Rio's current capacity-building activities. In 2007, when we introduced a new capacity-building endeavor, we perceived clearly how important this kind of activity is. Just transferring money to local organizations was not enough. We were certain that we had to go beyond that and create conditions for dialogue and exchange among our partner organizations. Indeed, Instituto Rio's goal is to create an environment of mutual trust and acknowledgement for all those involved in this process, so as to help strengthen a local community network.

Operations and staffing

The executive, administration and financial management staff are paid professionals. Right after it was set up, Instituto Rio had paid employees, and at present its professional staff comprises:

- Executive Director, who is a sociologist and lawyer with 25 years' experience in social work;
- Technical Advisor, a lawyer also responsible for institutional relations;
- Technical Assistant with experience in administrative and financial management; and,
- Social Assistant, responsible for the process of overseeing and monitoring the projects we support.

The Instituto Rio also draws on a network of advisory organizations that provide specific capacity-building services in relation, for instance, to Social Project Diagnosis, Planning, Evaluation, Results and Impacts; Gender; Fundraising; and other specific subjects.

Community foundation income

Income categories

2007

- Individual families: 70%
- Corporations: 25%
- International Foundations: 5%

Purposes

The donations received by Instituto Rio in the course of 2007 were very varied. Most were directed to the Vera Pacheco Jordão Permanent Fund. Around USD \$700,000 were earmarked specifically to increase the fund. Another USD \$280,000 went to operating costs. Finally, another USD \$120,000 were for specific programs.

Permanent funds/sustainability

About 30 percent of the funds raised were for Instituto Rio's endowment. At present, such funds make up the base for covering Instituto Rio's operating costs. In fact, at the moment, all Instituto Rio's operating costs are being covered by these funds. Instituto Rio's strategy is to increase the amount so as to ensure future sustainability.

The forecast is that Instituto Rio will reach financial break even – that is self-sustainability – when its permanent funds reach a value of USD \$20 million, because the 5 percent to 10 percent fee levied on social project funding alone will ensure the organization’s institutional sustainability. Also relations between Instituto Rio and the 60 social organizations in western Rio de Janeiro now constitute a solid base for Instituto Rio’s future sustainability.

Environment for philanthropy

Local attitudes

It is important to bear in mind that in Brazil there is a culture of giving, especially in religious circles, that is intrinsically bound up with a welfare approach, that is, of providing for the neediest. However, the concept of community philanthropy is still unknown to most people and businesses in Brazil. Apart from that lack of knowledge, probably the main challenges to actually implementing the concept of community philanthropy are tax issues. In Brazil, there are no tax incentives for philanthropy, particularly by physical persons.

Instituto Rio’s goal in the region has been to implement certain measures to develop community philanthropy in the region, especially by holding seed events and setting up concrete examples of support for local initiatives. At year end 2007, we calculated that Instituto Rio had supported a total of 95 projects in the last five years.

Legal and tax environment

In Brazil, there are no government incentives for community foundations. The few types of incentives that do exist are not available for this type of social work. This lack of any government incentive is a serious problem for Instituto Rio, because it restricts the possibilities of donations. That is Instituto Rio’s greatest challenge: to introduce a new concept of philanthropy. It is fair to say that the concept of corporate philanthropy is more widespread and accepted in business circles. However, community philanthropy is still a new concept and, therefore, its introduction will certainly demand ever greater efforts by Instituto Rio.

Changing attitudes and the national or regional environment

In order to encourage community philanthropy in Brazil, it is necessary to undertake a systematic process of education for it to spread. Instituto Rio’s present strategy is to hold seed events, with the participation of a mix of business people and community leaders. This kind of action is designed to present and spread this conception of philanthropy where local actions are supported by local funds.

Another strategy that has yielded quite significant results has been to support local initiatives. Over the past five years Instituto Rio has supported 95 projects, and the basic concern of these projects has been the human rights of the most vulnerable strata of the population. With respect for citizenship they have generated impact, particularly among children, teenagers, young adults and the elderly

Current challenges and future developments

Brazil is a country of extreme social inequalities. Historically there is a culture of giving on the basis of traditional charitable work, merely to meet the needs of the poorest. That is the classic situation, where the haves give to the have-nots, to meet a need, but with no prospect of preparing and enabling people to

deal with their own problems. That is one of the great challenges for an organization on the lines of a community foundation. In the future, Instituto Rio will thus have to be capable of extending its action strategy to form citizens at the same time as assembling the human and financial resources necessary for it to meet its historical commitment to improve the conditions of people's lives.

Meeting organizational support needs

In the early years of Instituto Rio's existence, three international organizations supported it with determination:

- Synergos Institute, founded in 1986, fosters philanthropy as a strategy for social change;
- Ford Foundation, one of the largest foundations in the USA, supports social initiatives worldwide;
- Avina Foundation (Swiss), partners with business and community leaders connected with innovative projects in Latin America.

At the operational structuring stage, Instituto Rio received support from the Inter-American Foundation, which guaranteed support for setting up infrastructure and introducing and running Instituto Rio's main programs.

At present, WINGS Global Fund for Community Foundations is supporting development of donation administration software and the Inter-American Foundation is discussing specific support for a program to strengthen local organizations by introducing a series of capacity-building activities.

However, it is in the local network of 60 social organizations in western Rio de Janeiro that Instituto Rio sees its base for community action. Indeed, that network is important because it legitimates programs implemented by Instituto Rio and points to alternative means of operationalizing them.

International links

The Inter-American Foundation is the international cooperation agency that has most supported Instituto Rio, and for that reason has contributed effectively to its growth as a community foundation. The last project approved was a three-year project, which was extended for an additional year and concluded in 2007. At present, Instituto Rio is in discussions for a further three-year period of support, specifically to implement capacity-building programs.

Another relationship that is developing satisfactorily, but is still in the early stages, is with WINGS Global Fund for Community Foundations. Instituto Rio has received support to develop donation administration software in the course of 2008.

A third relationship is with the Fondazione Zegna (Italy), which is ready to set up a small three-year fund in Instituto Rio to support education actions with children and teenagers.

The relationships with international cooperation agencies have been fundamental to underscoring the seriousness of Instituto Rio's proposal. Although there is a great tradition of social work in Brazil, the community foundation model, which is so common in other parts of the world, is practically unknown in Brazil. Such relationships are thus fundamental to giving credibility to Instituto Rio's proposals.

Additional resources

Instituto Rio's annual reports (except for 2007 which is not yet ready), all the e-newsletters and other information on its current work are available, in Portuguese, via the following links:

<http://www.institutorio.org.br/quem/relatorios.htm>

<http://www.institutorio.org.br/conteudo/documentos.htm>

http://www.institutorio.org.br/docs/relatorio_auditoria_2005_2004.pdf

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ICom - Instituto Comunitário Grande Florianópolis

History

ICom - Instituto Comunitário Grande Florianópolis was founded in November, 2005 with the mission to bring together people and resources for the benefit of the community of Great Florianópolis. The goal of a group of local activists was to create an organization that could mobilize and educate donors, and to support the work of local NGOs in order to promote sustainable social development.

Encouraged by one member who had seen community foundations successfully operating in different countries, the group analyzed the concept and operational principles of community foundations. After six months of weekly meetings the group decided to create an innovative community foundation. Its major mission would be to mobilize and coordinate social investments in the Great Florianópolis region. Representatives of different sectors of the local community were invited to constitute ICom's first Board of 15 leaders.

ICom started its public activities in June 2006 with a volunteer executive director, one intern and a small grant from AVINA Foundation. Office space was donated by a local university. The major activity developed in the first year was a mapping of local NGOs in order to identify how many organizations operate in the community as well as assess their assets and needs. As products of the mapping ICom published a printed Guide to Local NGOs and an online/interactive map of organizations available to inform potential donors and to increase contact and partnerships among local NGOs. The mapping also provided information about the profile of local organizations and their major needs.

The first year of ICom was also devoted to establishing key partnerships with other organizations in the community. ICom developed relationships with the local volunteer center (Voluntarios em Ação), other grant-making organizations such Fundação Mauricio Sirotsky and Instituto Guga Kuerten, universities (UNISUL and UNIVALE), and supporting organizations (OAB and IDES).

In 2007 ICom expanded considerably the number of projects and the amount of resources mobilized. Two major activities were launched: the first Community Social Investment Fund, which raised funds from six different local funders to support a program of youth social entrepreneurship and the Projeto Fortalecer, which provides training and technical support to local NGO leaders.

Current status: Facts and figures

Geographic area served:	Region of Great Florianopolis, composed of 9 cities in the State of Santa Catarina, Brazil
Population size of service area:	About 800,000 people
Total sum of grants made in 2007:	USD \$150,000,00*
Total number of grants made in 2007:	43
Total sum of the income/ donations in 2007:	USD \$327,248.04*
Single largest source of income in 2007:	W.K. Kellogg Foundation
Is there an endowment? Yes/No.	ICom has a reserve fund which will become an endowment
If Yes, the size of the endowment:	USD \$ 13,823.53

* Currency exchange rate: February 21 2008, R\$1.00 = USD \$1.70

Activities and impact

Example 1. The Community Fund for Youth Social Entrepreneurship was the first fund launched by ICom. It was formed from donations by companies and individuals – matching a challenge grant from the WINGS Global Fund for Community Foundations. The goal of the fund is to invest in the development of social entrepreneurship among youngsters in the region of Great Florianópolis. Approximately 200 youngsters will be encouraged and trained to identify, propose and implement social projects to improve their communities.

The fund provides technical support and grants to 10 local NGOs, which already have experience working with youngsters in the region. These organizations receive small grants for operational support and funds to invest in the projects proposed by the youngsters.

The Community Fund is an **innovation in the local community** in several aspects.

First, in the **design of the investment plan**. Partnerships with organizations, which added technical quality and accountability, were established with Ashoka (for methodology and technical support) and with BDO Trevisan Auditors (for independent auditing), offering to local donors a new frame of reference in terms of quality and transparency of social programs.

Second, ICom conducted an **innovative process of fund raising** which aimed to involve different profiles of donors. Companies, families and individuals of the community were approached with the investment plan proposal and an invitation to be part of a Board of Investors, which meets regularly to monitor the investments of the Fund.

Out of the first 10 potential donors approached, 6 agreed to participate in the fund. Some of them are new donors and some decided to donate for the first time as individuals and families, and not through their businesses.

The third innovative aspect of the Community Fund is the **high engagement grant-making**. ICom works closely with the NGOs to make sure they have the conditions necessary to perform well and have positive results. Visits and regularly meetings with NGOs leaders provide ICom with on-going information about the development of the social program.

In sum, the Community Social Investment Fund was a new strategy presented to local donors and offered them the opportunity to combine their resources for a greater social impact. However, many challenges

and resistances remain. We hope that the result of the first Fund will provide evidence of the potential of this kind of strategy for social investment and the potential benefits for the local community.

Example 2: “Projeto Fortalecer” is an initiative created and led by ICom aimed at strengthening the institutional base of local NGOs. In its first round, 32 NGOs were selected to participate in the program, which includes seminars, workshops and individual technical support. At the end of the program, each NGO is expected to implement an Institutional Development Plan.

ICom has identified the need for such a program and obtained funds from a local foundation. In order to design the best approach to help the NGOs, ICom called key local organizations such as foundations, the center of volunteers, universities and technical partners. Therefore, ICom is leading an innovative way of working in the region, stimulating networking among grantmakers and grant seekers, as well as supporting the improvement of knowledge and effectiveness of the NGOs.

Operations and staffing

ICom has a volunteer Board of Directors, consultants and paid staff. The 5 directors are also members of the Board and meet once a month to discuss strategic issues. Day-to-day operations of ICom are conducted by the CEO, who was hired in the second year of operation, an administrative assistant also hired in the second year, and one intern (a college student of Social Work). Funds and programs are managed by consultants, who are hired and paid by project funds, under short-term contracts. Staff members were hired through the support of grants from AVINA and the W.K. Kellogg Foundation.

Community foundation income

Income categories

Source	Amount (Brazilian Reais R\$)	Amount (US Dollars)	Percentage Breakdown
<i>Families</i>	50.000,00	29,411.76	9%
<i>Corporations</i>	95.000,00	55,882.35	17%
<i>Individual contribution</i>	10.000,00	5,882.35	2%
<i>Local Foundations</i>	136.430,00	80,253,00	24.5%
<i>International Foundations</i>	264.891,00	155,818,00	47.5%
Total	556.321,00	327,248.04	100%

Purposes

Purposes		Amount (R\$)	Amount (USD)*	Percentage Breakdown	
Specific Programmes	Community Fund	235.000,00	138,235.29	42.2%	70.4%
	Programme to Strengthen NGOs	86.430,00	50,841.18	15.6%	
	Mapping of NGOs	20.000,00	11,764.70	3.6%	
	Vital Signs Project	50.000,00	29,411.76	9%	
Operating Costs	Operating Costs	114.028,00	67,075.30	20.5%	
Organisation Development	Organisation Development	30.000,00	17,647.05	5.4%	9.1%
	Learning and Sharing	20.863,67	12,272.76	3.7%	
Total		556,321.67	327,248.04	100%	

Permanent funds/sustainability

Endowment funds are a new concept in Brazil and many donors still resist the idea of “immobilizing” resources in face of pressing social needs. ICom is working to introduce the concept of sustainability, and demonstrate the need for long term social investment through different strategies. We developed a sustainability model which is based on the contributions of 10 percent of each investment fund created at ICom to a reserve fund denominated Community Permanent Fund. At the moment the Permanent Fund has USD \$13,823.53 or 4.05% of the total income in 2007.

The goal in five years is to turn the Community Permanent Fund into to an endowed fund which could provide long term sustainability to ICom and to investments in the community.

Environment for philanthropy

Local attitudes

Community investments in the region of Great Florianópolis tend to be widely dispersed (small donations for a great number of NGOs), episodic (one time donations) and with low levels of donor involvement. Moreover, most donations are done by companies (through CSR programs or their own foundations), and not by individuals and families.

Another important factor which negatively impacts community investment is the general perception that local NGOs lack management capacity and accountability.

ICom is working on both fronts: to improve the technical and management capacity of local NGOs and increase the visibility of their work at the community; but also to mobilize donors to become more committed and involved in their community investments.

The concept of community foundations is new to southern Brazil and just beginning in the country. At the local level there are no formal organizations dedicated to mobilize and bring together donors for community investment. Therefore, in its first two years ICom faced a three-fold challenge:

- 1) Disseminate the concept of community foundations and demonstrate the benefits of this kind of organization at the local and national levels;
- 2) establish, and fund, the organizational basis for its operation; and
- 3) mobilize local donors.

Legal and tax environment

In Brazil there are no special incentives for community foundations. In general, incentives for giving in the country are limited and not widely used. According to accountants, the incentives are not easily accessible and most of the time the tax benefit is not worthwhile.

ICom has the qualification of OSCIP (Civil Society Organization of Public Interest) given by the Ministry of Justice which allows its donors to obtain a specific fiscal benefit.

After noting that information about existing incentives to giving was not available to local donors, ICom decided to publish a folder with a summary of major fiscal benefits for social investments in the local community. The content of the folder was prepared by the regional Council of Accountants and the Bar

Association of Santa Catarina (OAB-SC). The Federation of Industries of Santa Catarina (FIESC) has agreed to publish the material and organize a series of events to disseminate the information among the business community of Great Florianópolis. Training workshops at the Regional Council of Accountants will also be offered in order to prepare accountants to encourage their clients to donate more to the community.

We believe that information, plus technical assistance by qualified accountants and financial advisors, will increase the level of community investment.

Changing attitudes and the national or regional environment

We believe that bridging organizations like ICom have an important role to play in creating a more supportive environment for community investments in Brazil. In general, donors and NGOs are divided by a gap of trust, communications, beliefs and practices which hinder the environment for community investment.

We believe that several strategies are needed to overcome this gap. At the local level ICom is working to help the community get to know itself and its assets (through projects like “Vital Signs”), to strengthen the structure of the NGOs to allow them to make a more effective social impact (“Fortalecer” Program), and stimulating the NGOs and social investors to work together summing up resources and expertise in a more participative philanthropic effort.

We believe the outcomes of these initiatives will diminish diffidence and encourage a higher level of community investment.

Current challenges and future developments

As a new community foundation in a country with no tradition of this kind of organization, ICom has faced many challenges. However, ICom gained legitimacy and trust in the local community by adopting principles and practices based on transparency, technical quality of social investment and commitment to collaboration. Indicators, such as the growth in the number of projects developed and in the amount of resources raised, show that ICom has been successful in this first phase.

The year of 2007 was marked by the accelerated growth of ICom – growth in the total amount of funds raised, in the number of projects and the partnerships established with different organizations. Similar to what has happened to other organizations, this rapid growth has had positive and negative consequences. The negative aspect derives from the complexity to manage an ever changing organization which frequently has new demands. Although in 2007 we engaged in a deliberate effort to establish processes and administrative routines, the diverse nature of activities demanded constant adaptation.

On the bright side ICom’s growth demonstrates that it is playing an important role in the community. Moreover, that there is a demand for organizations which propose new forms of social investment, and that community foundations have the potential to fill this gap.

ICom is up to facing many challenges, particularly regarding its financial sustainability. Nevertheless we believe that our efforts to gain legitimacy both with donors and local NGOs will pay off, and that unexplored opportunities for social investments will be identified.

Meeting organizational support needs

From the beginning ICom received key support from many individuals, organizations and networks. The original motivation to create a community foundation in south Brazil stemmed from the CEO's fellowship as a Synergos Senior Fellow, which provided the opportunity to learn from community foundations operating in countries such as the Philippines, Mexico, United States, South Africa, Italy, Germany and England. Senior Fellows, such as Juraj Mesik, Peter Hero, Shannon St. John, Emmett Carson, Gaynor Humphreys, and many others were a priceless source of inspiration and support. Cindy Lessa, at the time Synergos country director in Brazil, was a devoted supporter of ICom.

It is important to mention also the support from AVINA and Kellogg foundations, which on top of the financial resources to fund initial operations (a risk-loaded enterprise!!), were committed to support ICom in other ways.

The grants provided by the WINGS Global Fund for Community Foundations provided important resources for projects, but also added visibility and legitimacy to ICom in front of other stakeholders. Some of ICom's Board members, for whom the concept of community foundations is still unclear, were surprised by the international recognition provided by the Global Fund. Moreover, the challenge grant provided a leverage which was essential to the success of ICom's first round of fund raising among local donors.

The importance of having support from international and other local organizations should not be underestimated when creating a community foundation in a country with no tradition of this kind of organization. To be successful a community foundation must rely on existing networks and be able to create new ones. ICom was able to link a strong local network, brought by its founding members, to an international network of individuals and organizations committed to community investment. This link has generated legitimacy and respect at the local level and created many opportunities for learning and sharing.

International links

Besides the Synergos Senior Fellowship, the CEO had the opportunity to attend the biennial conference of Community Foundations of Canada in 2006 and the Fall Conference for Community Foundations of the Council on Foundations in 2007. Moreover, both Juraj Mesik of the World Bank and Shannon St. John have visited Florianópolis.

These events were a priceless opportunity to learn (new ideas and what not to do) and to establish partnerships with other community foundations. For example, ICom has learned about the Vital Signs report from Community Foundations of Canada and is about to publish the first version of the report in Brazil.

Additional resources

Most of the materials published by ICom are available only in Portuguese. They can be downloaded from the ICom website: www.icomfloripa.org.br

Correspondent: Lucia Dellagnelo, CEO, Instituto Comunitário Grande Florianópolis (ICOM)

Institute for the Development of Social Investment (IDIS)

Community Philanthropy Organizations (CPOs)

History

In 1999, IDIS, the Institute for the Development of Social Investment with support of the Kellogg Foundation and the Inter-American Foundation, developed the Community Philanthropic Organization (CPO) model. The CPO is a revised version of the traditional community foundation; a key difference is that it is not itself a grantmaker. It does not gather or distribute funds, but acts as a broker and catalyst for all parties in the community that have funds or influence or other resources. A full list of CPOs is given below.

Cultural reasons explain the low number of community foundations in Brazil. Individual charity plays an important role in establishing and maintaining local human services organizations, such as day care centers, elderly nursing homes, sheltering for homeless, attention to AIDS patients, and others. Those organizations are generally linked to churches. This model of giving leads donors to prefer to make direct giving to institutions. They do not see the reason for an intermediate organization to make a moral or religious act that belongs to them.

The circumstance described above also explains why IDIS decided to support the CPO model. It serves as a bridge between the current model based on individual giving and a community foundation that we consider as a collective giving; the strategy became a very successful one. At this moment, after a couple of years, community leaders acting as a CPO discovered the value of local philanthropy, the possibility of acting on priorities set by them, the leverage that philanthropic money gains in partnership with government money. As a consequence a better understanding is happening for the creation of an endowment fund and the distribution of grants to local organizations.

Currently, we see a great potential for the development of community foundations. Although some cultural links with charity persists, IDIS released a new study of giving sponsored by the Inter-American Foundation, which aimed to develop a profile of Brazilians who give. The study showed that 74 percent of those surveyed are donors and the majority gives locally. The study showed also that these “local” donors give in a manner based on their moral, ethical or religious beliefs, without giving attention to the benefit it could be generating in the local community. Therefore, the local giving still require attention to benefit from having an organization such as a community foundation, serving as a catalyst and facilitator to develop solutions to important community issues.

Even though Brazil could benefit from the model and there are encouraging elements to implement the model, we still have in the country a culture of not giving through an intermediary organization, not recognizing the value added on the process.

Complete list of CPOs

Community philanthropy organizations (CPOs)

CADISC - Centro de Apoio ao Investimento Social, Penápolis, SP 2002

GATIS - Gestão e Articulação do Investimento Social, São José dos Campos, SP 2001
DESS - Instituto para o Desenvolv. do Empreendimento Social Sustentável, Santa Bárbara do Oeste, SP 2003
IDELI - Instituto de Desenvolvimento de Limeira, SP 1996
Viva Guarulhos, SP 2001
ACES - Associação Comunitária do Espírito Santo, Vitória – ES 1994
FEAC - Federation of the Welfare Entities of Campinas, SP 1964
Fundação Semear, Novo Hamburgo - RS 1996

CPO staffing

The CPOs are overseen by boards of volunteers. Paid staff are limited to a general manager, and office support personnel.

CPO income

Income

CPOs are not community foundations in a strict sense. Their income is a result of fundraising for specific activities, such as campaigns, events, conferences. CPOs are funded by local donors, especially by businesses.

Purposes

The majority of the income goes to the programs and a small amount goes to pay operational costs.

Permanent funds/Sustainability

Not applicable for CPOs.

Environment for philanthropy

Local attitudes

Brazil has a long tradition of community philanthropy that comes from the time of the colonial period. Because of the lack of any fiscal incentives, giving for community needs is a personal activity. It is not heralded; it is not known. As a consequence, its size and benefit to the community is also unknown. IDIS is making a great effort to identify the size and importance of community giving through specific studies and research, such as the one mentioned before on individual donors. This study found that the average amount donated by each donor in a year is R\$388.00 (circa US \$237.00), which is approximately the same amount found in a similar study conducted 8 years ago, after making the necessary correction for inflation.

Legal and tax environment

There are no legal or tax incentives for giving to charities. The Brazilian federal government has established itself as a strong competitor for private giving, by providing incentives to corporations to fund some government priorities such as culture and children. Money flows for projects of government interest, replacing public funding that is lacking for those areas.

Changing attitudes and the national or local environment

A more supportive environment for philanthropy could be brought about by studies and research that demonstrate the primary importance of individual giving for community needs. Also, lobbying in the Congress for community foundation-type organizations is a must.

CPO activity and impact

Example 1. The Guarulhos CPO, called Viva Guarulhos, does not gather or distribute funds but acts as a broker and catalyst for all parties in the community that have funds or influence or other resources. It involves more than 100 local organizations and some 45 companies. They are committed to raising key human development indicators in their municipality of 1.2 million people. Viva Guarulhos addresses housing problems as a priority. Although the issue belongs to local government's sphere of responsibilities, Viva Guarulhos decided to bring business leaders and community leaders together to fund technical studies that were then given to local government to show how to implement housing projects for poor people.

Example 2. IDELI discovered that local citizens and businesses were not using a particular tax incentive useful for funding activities to protect children's rights. After a successful campaign, donations reached almost 90 percent of the giving potential for the community fund.

Current challenges and future developments

Major challenges facing CPOs

Brazil has a government that describes itself as leftist, with a strong tendency to view the government as responsible for handling public services such as health, education, sanitation, or housing. In some ways, it is not friendly to a legal framework that encourages giving for civil society organizations by offering some fiscal benefits for donors. To give such a benefit to individuals would represent a loss of resources for their own programs. Changes could come in 2010 with presidential election. Also, the concept of community foundations is not known. A long process of education and promotion of the idea is necessary, especially with representatives in Congress.

Support Organization: Institute for the Development of Social Investment (IDIS)

History and purpose

The Institute for the Development of Social Investment (IDIS) was established in 1999 “to promote and organize private social investment as an instrument to develop a fair and sustainable society” in Brazil. One basic principle is that wealthy individuals and businesses in Latin America need to share the responsibility for investing in social development, thus promoting a sustainable society. A second principle is that traditional philanthropy should be replaced by the idea of private social investment, giving emphasis to the role of social entrepreneurs that strategically give and monitor their investments. Thirdly, IDIS believes that such efforts require technical assistance based on existing best-known practices.

Through the promotion and structuring of private social investment, IDIS seeks to systematize different models of social intervention that contribute to reduce social inequalities in the country.

IDIS acts in two ways: by developing proactive initiatives and by meeting the demand for technical support of companies, foundations, institutes, families, individuals and communities. Both the initiatives and the consulting services depend on the establishment of partnerships, which are imbued with the values of joint learning, transparency and co-responsibility.

In its community work IDIS’s objective is to contribute toward the social development of communities using its own innovative community development methodologies, aiming to make better use of local resources for greater social benefit. IDIS’s technologies are based on the assumption that the management of private resources of a community for public purposes can be improved if the actors of the community organize and if local talents and resources are employed to meet the social demands of the community.

Structure and organization

IDIS is a nonprofit organization led by a Board of Directors. It has a staff of 28. Staff members are diverse, coming from different professional backgrounds and employment experience. IDIS income results from fee-for-service (two-thirds of the income) and grants for specific programs and projects (one-third of the income).

An alternative model to promote community philanthropy and community development is Social Networks. One example of this kind of program is the REDINs Program. Recognizing that the current Early Childhood Education (ECE) situation in the cities of Americana, Limeira, Penápolis, Santa Bárbara d’Oeste, Santos and São José dos Campos, where there is a lack of vacancies in kindergartens and pre-schools and the education quality could be better, and also being aware that ECE is a decisive moment in a child’s formation, IDIS developed a new initiative of Communitarian Social Investment: The REDINs Program – Networks for Early Childhood Education. This program, financed by Bernard van Leer Foundation, is based on two pillars:

- the formation of inter-sectorial social networks, which will perform detailed pinpointing of the cities, identify local holdings, elaborate projects and mobilize resources to increase ECE access and quality;
- and professionalizing individuals involved in ECE.

Recent accomplishments

1. Extension of the DOAR Program for:
 - a. Training on leadership and cause related marketing for 60 community leaders
 - b. Survey on giving in 4 communities
 - c. New publications to promote community philanthropy released

2. Development of Social Networks in 31 cities in Brazil to promote community development through philanthropy. Through the process we:
 - a. Organize into a network representatives from the three sectors;
 - b. Leverage local talents and resources;
 - c. Train people for the role of agents of social development;
 - d. Make the construction of a collective community project feasible, which includes:
 - i. definition of the focus;
 - ii. identification of the community's needs;
 - iii. diagnosis of the community assets (talents and resources) to meet the needs;
 - iv. strategic planning to define objectives and design projects;
 - v. strategies for the management, monitoring and evaluation of the projects;
 - vi. generation of models of Private Social Investment in the community.

Current challenges/future developments

IDIS wants to persuade the international organizations that promote the community foundation idea of the value of the Brazilian effort to build CPOs and Social Networks as an alternative, given their difficulty in building endowments. They believe that these are models that are gaining acceptance in a culturally diverse setting like Brazil and would like to see a debate about the topic.

Additional resources

The IDIS website is: www.idis.org.br

Correspondent: Marcos Kisil and Márcia Woods, President Director and Director, Institutional Development, IDIS

MEXICO

Community foundations

History

CEMEFI introduced the community foundation model in Mexico in 1993 through the organization of a workshop on this topic given by Suzanne Feurt, who came as a representative of the Charles Stewart Mott Foundation. She detailed the experiences of these types of foundations in the U.S. and their different ways of operating. In that same year, CEMEFI explored the possibility of promoting the creation of a Community Fund for Philanthropy, although the project was abandoned in favor of establishing not one fund, but many community foundations in Mexico. In 1995, the International Youth Foundation, the W.K. Kellogg Foundation, the Rockefeller Foundation and the John D. & Catherine T. MacArthur Foundation, along with important Oaxacan entrepreneurs and CEMEFI, provided support for the establishment of Oaxaca Community Foundation, the first to be established in Mexico. During these years similar efforts began in other cities around Mexico.

1998 was an important year in the development of Mexican community foundations. In that year CEMEFI participated in organizing the first IMAG (International Meeting of Associations Serving Grantmakers), which was held in the city of Oaxaca with more than 50 organizations from around the world in attendance. IMAG later evolved into WINGS (Worldwide Initiatives for Grantmaker Support), which includes within it WINGS-CF which assists organizations devoted to supporting the development and strengthening of community foundations.

Following this experience, in this same year CEMEFI decided to formally launch a project for the promotion of community foundations in Mexico. CEMEFI invited to participate in this process those of its members that were foundations, or related foundations, which shared certain common characteristics with community foundations (Cozumel Foundation, Córdoba Fund, Chihuahua Business Foundation, San Luis 2020 Foundation, Vamos Foundation), as well as new community foundations that had arisen by that time (Oaxaca Community Foundation, Morelense Community Foundation, Bajío Community Foundation, Celaya Regional Community Foundation and Leon Foundation). To this day the group has become an affinity group that operates with support from CEMEFI's institutional infrastructure, and continues to meet in workshops. Despite very diverse origins and dates of establishment, methodologies and development models, the community foundations that have thus far been established share a common vision of being organizational and institutional structures at the service of a geographically defined community, through resource mobilization, donor services and professional grantmaking (financial and other sorts of resources).

In 2002, the community foundations participating in this process decided to carry out a diagnostic process, as well as a strategic planning process. As a result, the group decided to formalize into an affinity group under CEMEFI's institutional umbrella, creating an advisory committee to follow up on the Group's decisions.

Current situation: Facts and figures

Number of community foundations formally established in total.	17
Number of community foundations established in 2007.	None
The number of community foundations at early stages of development.	2 (included in the 17 above)
Percentage of country's territory covered by community foundations.	Community foundations have a presence in 13 states out of a total of 32.
Percentage of population that has access to a community foundation.	44.5%
Total number of people with access to a community foundation.	45,989,652 (total population in the states served)
Is the rate of community foundation formation steady/increasing/ decreasing? Explain why in the box below:	Increasing interest and consolidation

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. In 2007, CEMEFI published a Handbook on how to start a community foundation in Mexico, considering the Mexican context: social, economical, political and above all cultural environment, as well as legal and fiscal framework. The Handbook includes the experiences of Mexican community foundations, as well as lessons learned from community foundations abroad. Currently, there are five community foundation initiatives being assessed and located respectively in the following states: Nuevo Leon, Tlaxcala, Michoacan, Quintana Roo and Coahuila.

Total sum of grants made by community foundations in 2007	\$139, 483,528.35 MX / US \$12,992,131
Total number of grants made in 2007.	We don't have the exact number of grants, but we do have the number of benefited organizations: 464
Total sum of the income/donations in 2007.	US \$18,170,123 (approximately)
Single largest source of income for community foundations	Corporate donations
Total sum of endowments at the end of 2007.	US \$25,038,599 (approximately)
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Fundación del Empresariado Chihuahuense, A.C. – US \$20,766,511

Complete list of community foundations

The link to the list is: <http://www.cemefi.org/spanish/content/category/5/23/31/>. The website is in Spanish and the list is organized by regions in the country. The list provides their contact information, links to their websites when they have one, as well as their main programs and region served

CEMEFI currently identifies 17 community foundations. Not all of the community foundations listed are formal members of the Community Foundation Group, although most of them participate in some of CEMEFI's or the Group's activities as "invited guests" when they are interested.

Fundación del Empresariado Sonorense, A.C.

Board President: Pablo Bórquez Almada

Contact name: Marco Iván Márquez, State Coordinator

Address: Guerrero 1008 L-1 Ote, CP 85000, Cd. Obregón, Sonora

Telephone: +52 (644) 413-9873 and 415 887

Contact Email: marcoivan@fesac.org

Website: www.fesac.org

Fundación Internacional de la Comunidad, A.C.

Board President: José Galicot Behar

General Director: Ma. Antonieta Beguerisse

Address: Blvd. Fundadores No. 2480, Col. Juárez, C.P. 22040, Tijuana, B C

Telephone: +52 (664) 200-2727 and 2728

Fax: +52 (664) 200-27-27

Contact Email: abeguerisse@ficbaja.org

Website: www.ficbaja.org

Fundación del Empresariado Chihuahuense, A.C.

General Director: Adrián Aguirre

Address: General Retana 201, esq. Antonio de Montes, Colonia San Felipe C. P. 31170, Chihuahua

Telephone: +52 (614) 413 2020 / 2037 / 3920 Fax: +52 (614) 413 2020

Contact Email: fechac@fundacion.org.mx

Website: www.fechac.org.mx

Fundación Merced Coahuila, A. C.

General Manager: Laura Valdés

Address: Apolonio M. Avilés 895-6 esq. con Isidro López Col. Los Maestros C.P. 25265 Saltillo, Coahuila

Telephone: + 52 (844) 430 9903

Email contact: informa@fmercedc.org

Website: www.fmercedc.org

Fondo Córdoba, A. C.

Executive Director: María Obdulia Díaz

Address: Av. 1 núm. 2620 Local 65, Plaza Fundadores, Colonia Fraccionamiento San José. C. P. 94560, Córdoba, Veracruz

Telephone: +52 (2717)165577

Email contact: fondo_cordoba@yahoo.com.mx

Website: www.fondo-cordoba.org.mx

Fundación Comunitaria Oaxaca, A. C.

General Director: Jaime Bolaños Cacho Guzmán

Address: Guerrero 311-2, Colonia Centro, C. P. 06800, Oaxaca de Juárez, Oaxaca

Telephone: +52 9515 168065 / 66 Fax: +52 9515 168065 / 66

Email contact: fundoax@prodigy.net.mx

Website: www.fundacion-oaxaca.org

Fundación Comunitaria Cozumel, I.A.P.

Executive Director: Octavio Rivero

Address: 50 Av. Norte, between Juárez and Calle 2 Norte S/N Col. 10 de Abril, CP 77622, Cozumel, Quintana Roo

Telephone: +52 (987) 8723744 Fax: +52 9878 723788

Email contact: fcozumel@yahoo.com.mx

Website: www.fcozumel.org

Fundación Comunidad, A. C.

Executive Director: Andrea García de la Rosa

Address: Avenida Vicente Guerrero #409, 3rd floor, Col. Tezontepec, Cuernavaca, Morelos C. P. 62250.

Teléfono: +52 (777) 364-6541

Email contact: fundacion@comunidad.org.mx

Website: www.comunidad.org.mx

Fundación Comunitaria Morelense, I.A.P

Legal Representative: Jorge Vicente Messeguer Guillén

Av. San Diego 501, Col Vista Hermosa, CP 62290, Cuernavaca, Morelos

Tel.: +52 (777) 3 164951 / 164951 Fax: +52 (777) 3 164867

Email: funcomun@prodigy.net.mx

Fundación Comunitaria Puebla, IBP

Executive Director: Oscar Hernández

Address: Calle 13 poniente núm. 2324, despacho 302, Colonia La Piedad, C. P. 72160, Puebla

Telephone: +52 2222 316939 Fax: +52 2222 312846

Email contact: fucompue@prodigy.net.mx

Website: www.fundacioncomunitariapuebla.org

Fundación Merced Querétaro, A. C.

General Director: Jannette Salinas

Address: Cerro de la Estrella 133, Col. Colinas del Cimatario, C.P. 76090, Santiago de Querétaro, Querétaro.

Telephone: +52 (442) 2233623 and 2481735

Email contact: info@fundacionmerced.org

Website: www.fundacionmerced.org

Fundación Comunitaria Querétaro, A. C.

Board President: Aurora Niembro

Address: Prol. Zaragoza 1112, Colonia El Batán, Corregidora, Santiago de Querétaro, Querétaro. C.P. 76901

Telephone: +52 (442) 183-2831 and 183-2832

Contact Email: fundacioncomunitaria@queretaro.com

Website: www.fundacionqueretaro.org

Fundación León, A. C.

Director: Ma. Guadalupe Chico

Address: Boulevard Adolfo López Mateos 1162 Ote, Colonia Los Gavilanes, C. P. 37270, León, Guanajuato

Telephone: +52 (477) 773-3611 / 763-32-84 and 85

Contact email: lupitachico@hotmail.com

Website: www.fundacionleon.org

Corporativa de Fundaciones, A. C.

General Director: David Pérez Rulfo

Address: López Cotilla 2139, Col. Arcos Vallarta, Guadalajara, Jal 44130

Telephone: +52 (33) 3615 8286 / 8394 Fax: +52 (33) 3615 0437

Email contact: cfundaciones@prodigy.net.mx

Website: www.cfundaciones.org

Fundación Comunitaria Frontera Norte, A. C.

Director : Karen Yarza Sieber

Address: Campos Eliseos No.9050 Piso 4, Fracc. Campos Eliseos, 32472 Cd. Juárez, Chihuahua.

Telephone: +52 (656) 625 2564 / 688 0509 Fax: (656) 688 0505

Email contact: karen@fcfronteranorte.org

Fundacion Comunitaria de Matamoros, A.C.

Executive Director: Miroslava De la Garza González

Address: Calle Lilas y Primera Num. 244, Col. Jardín, 8730, Matamoros, Tamaulipas

Telephone: +52 (868) 813-1287

Email: miroslava@fcmatamotoros.org

Website: www.fcmatamoros.org

Fundación Comunitaria del Bajío, A. C.

Address: Blvd. Torres Landa No. 41-B 1Piso, C. P. 36510 Irapuato Guanajuato

Telephone: +52 462 6245158 Fax: +52 4626 242590

Contact Email: fcabajo@prodigy.net.mx

Webpage: www.fcb.org.mx

Community foundation staffing

Those having the main responsibility for each community foundation are the volunteer Board members. As for professional staff, the number varies from nearly a hundred in the largest community foundation (Chihuahua) to one or two in the smallest. All community foundations have at least one person who is a paid professional staff member. Most of them have volunteers as well, involved primarily in programs. The percentage of volunteers to professional (paid staff) varies.

Community foundation income

Income

Community foundations in Mexico receive donations from a number of different sources. The mix of donors varies significantly from community foundation to community foundation, due to the great variety of models for community foundations, and how they were formed. Most community foundations receive

donations primarily from local sources; a few receive the majority of their funding from foreign foundations. Support from businesses and local government is the main source in some areas, while others receive no business or government support at all.

Purposes

Mainly they are advised temporary funds. At the same time, at least 13 community foundations are constantly building their endowment and assets with unrestricted permanent funds. Most of them also receive grants for specific programs. Operation costs are supported by the Board members in most of the cases.

Permanent funds/Sustainability

Last year the Community Foundation Group finished its endowment building project. Every community foundation has now at least US \$100, 000.00 in their permanent endowment fund. Community foundations are focusing from now on in making efforts and specific campaigns for increasing their endowment, for example, in many cases around 10 to 20 percent of their income might be going directly to their endowment fund.

Environment for philanthropy

Local attitudes

Philanthropy in Mexico is still emerging. Mexico has a strong culture of giving, but not a strong culture of organized philanthropy. There are around 20,000 organizations nationwide, but only less than 6,000 are tax exempt and have been given government authorization to extend tax deductible receipts. Among them, less than 250 are grantmaking foundations. The community foundation sector is young and growing. Community foundations in Mexico today are strategic models of philanthropic action, because they provide inclusiveness of community perspectives and expectations, professionalism in resource mobilization, as well as in grantmaking and having a positive impact through their actions for the benefit of the community.

People in general are concerned about community development, but not much about philanthropy per se. In Mexico there is a culture of solidarity, but not a culture of philanthropy. People are used to giving in emergency situations, but not on a regular basis. People give a lot of resources: time, talent and financial, but giving is not organized and, therefore, major impact is not commonly achieved.

People prefer to give either directly to the poor or to civil society organizations (CSOs) that operate programs that benefit people in need, whom they can see and even relate to. In Mexico it is difficult to get people to give to foundations.

Mexico is still on its way to building the culture of organized philanthropy, in which community foundations have an important role to play in resource mobilization for community benefit.

Legal and tax environment

The legal framework includes tax exemptions and tax credits for donors. There is no specific legislation for grantmaking foundations. Organizations must go through a complex process to become tax exempt and to obtain the authorization to extend tax-deductible receipts for donations, and must renew their

permits each year. CEMEFI and other institutions provide assistance to CSOs and foundations with legal and fiscal issues and advocates for better fiscal conditions for the sector.

Changing attitudes and the national or local environment

In order for a more supportive environment for philanthropy to exist, a change in the culture, through the promotion of a culture of civic participation and social responsibility is needed.

Reflecting on the particular role of community foundations, strengthening of the ones that exist now, and promoting new ones throughout the country, will certainly contribute to this change in culture. Specific actions might include:

- nationwide/regional efforts to spread the community foundation model (and, of course, its proper operation);
- collaboration with foundations/organizations/governments to promote philanthropic culture and community foundations;
- encouragement of corporate social responsibility offering small and medium-sized businesses the service of giving through philanthropic funds opened in community foundations, youth and family programs, etc

Community foundation activity and impact

Example 1. Fundación del Empresariado Chihuahuense is a grantmaking, non-profit institution, which had its origins in 1990, when a flood ravaged the capital city of Chihuahua, Mexico. Many business leaders saw the need to create a community fund to repair and rebuild damaged homes, so they asked the state's governor to levy a tax based on payroll taxes for all businesses in the state. By 1994, the state's business leaders had seen the effectiveness of private philanthropy in addressing the effects of the flood. They again lobbied the state government to renew the levy, through a state's bill. Under the 1994 law, 29,000 business owners working in the state contribute the equivalent of 10 percent of the basic state payroll tax to the Social Trust Fund of the Chihuahua Business Community. This mechanism, plus interest earned and other donations, provide the foundation with approximately US \$6 million annually. Only 5 percent of the funds is spent on administration, and 95 percent is spent on grantmaking and related activities, such as research.

In 1996, Fundación del Empresariado Chihuahuense, A.C. was established as a trust fund in order to continue to serve as a philanthropic institution. The foundation focuses its grantmaking in the areas of health, education, income-generation and promotion of philanthropy. It aims to address the needs of marginalized and vulnerable populations, including indigenous groups, children and youth, and the elderly. It funds primarily construction, re-modeling projects and equipment and vehicle purchase. The foundation requires applicant organizations and institutions to demonstrate strong involvement of their boards, a track record of community work, community participation, and co-financing from other funding sources.

Since 1996, Fundación del Empresariado Chihuahuense has supported projects totalling more than US \$25 million, improving the lives of people in more than 100 communities throughout the State of Chihuahua.

Example 2. Another example of a successful alliance between a donor and a community foundation is that of **Fundación Comunitaria Puebla**, which collaborates with Volkswagen, and manages the company's philanthropic funds.

Current challenges and future developments

Major challenges facing community foundations

The major challenge community foundations are facing at this moment is fund development and endowment building. Leaving a legacy to the community is not a tradition in Mexico. There is no inheritance tax, so people leave their estates to their families. More work needs to be done to establish trust and an awareness of the importance of building assets for future needs. The Community Foundation Group is working on this issue. It has finished a program for endowment building through matching funds, which allowed 13 community foundations to increase or build an endowment, but most of all to create the infrastructure for doing it.

Other current challenges for Mexican community foundations include donor services development, inter-sectorial alliances, increasing and consolidation of partnerships with their grantees and potential grantees.

Community Foundations Group is focusing its efforts in 2008 and 2009 on raising visibility and consolidating alliances: inter-sectorial, intra-sectorial and among each other.

Areas for future community foundations development

- Capital campaigns
- Service to donors
- Continuous institutional development
- Alliance building

International links

Fifteen community foundations (13 of them in CEMEFI's Community Foundation Group) have developed either international links, have international donors or have attended conferences or programs for their strengthening. The ones in CEMEFI's Community Foundation Group have also the international links that CEMEFI provides to them which include projects with international donors, capacity building, visits and/or visitors to/from other countries and collaboration with international entities.

Support Organization: Centro Mexicano para la Filantropía

History and purpose

The Centro Mexicano para la Filantropía (CEMEFI) – Mexican Centre for Philanthropy – was founded in 1988 by a noted Mexican entrepreneur, Manuel Arango. A philanthropist himself, he was concerned about the need to develop the Mexican philanthropic sector. The spirit that motivated Mr. Arango to initiate CEMEFI was his concern that Mexico did not have a support organization to provide services to civil society organizations or help in the promotion and establishment of new ones.

CEMEFI's mission – recently reviewed – is: “To promote and articulate philanthropic participation, commitment and social responsibility among citizens and their organizations, to achieve a society with equity solidarity and prosperity.

Objectives 2008-2012 are:

1. To increase donations of time, experience, talent, and financial resources, specifically those related to long term social investment.
2. To increase civil society participation in the public agenda and public policies through providing information and solid arguments to promote civil society sector interests.
3. To increase the number of corporations' social responsibility practices as well as its quality and impact.
4. To increase performance, impact, quality, effectiveness, transparency and accountability in civil society organizations.
5. To increase civil society sector's strategic knowledge and information to properly promote and advance its causes.
6. To raise visibility and acknowledgement of civil society organizations' impact, through better and more effective communication among them, with society and with government and other key decision makers.
7. To increase membership and provide more and better services based on members feedback and continuous improvement.

CEMEFI's Institutional Commitments are:

- Respect for the human being. We recognize the absolute value of all human beings, independent of their gender, race or social, economic, political or religious situation.
- Promotion of voluntary participation. We recognize that people have rights and responsibilities regarding society as a whole, so we encourage the participation of individuals and social organizations in the development of society.
- Building a more equitable society. We recognize the need to encourage social and institutional relations that favor a society that builds human development with opportunities for all.
- Encouraging a democratic culture.

Community foundations project objective is to facilitate the strengthening of community foundations in Mexico; supporting the development of the institutional and operational structure of those that already exist; promoting their social insertion in the community; and aiding the emergence of new organizations of this type throughout Mexico.

Main activities are:

- Community foundations accompaniment and follow-up; institutional and operational diagnosis.

- Strengthening the institutional framework and operation of the community foundations through specialized consultancy services and capacity-building activities
- Community Foundations Group Development: communication – experiences exchange, research, lobbying.
- Resources and tools development.

During 2007, CEMEFI went through an evaluation process and a strategic planning, which led to changes in the main programs which are now as follows:

1. Promotion and strengthening of donors, grantmakers and foundations.
2. Promotion and strengthening of Corporate Social Responsibility
3. Government and Public Policy
4. Philanthropic Research
5. Effectiveness, quality and transparency of civil society organizations.
6. Communications
7. Membership Promotion and Services
8. Internal change and institutional development

Structure and organization

CEMEFI is a non-profit civil organization, without party, racial or religious affiliations, founded in December of 1988. It has permission from the Treasury and Public Credit Department to give tax-deductible receipts for donations. Its headquarters are in Mexico City although programs and activities are nationwide.

Its governing body is made up of the General Assembly of Associates, the highest authority, which approves the general goals of the Center by ratifying and formalizing the decisions of the Board of Directors. It is made up of 193 associates. The Board of Directors is made up of outstanding individuals in the business and philanthropy fields in Mexico. It meets four times a year and is the governing body responsible for the general operations of the Center. It is responsible for appointing the Board of Directors' Chair and the Executive Committee. A group of Board Members participate in the Executive Committee meeting bimonthly. It follows up on the Board's decisions and the general performance of CEMEFI. The Executive President carries out the agreements of the Board and is responsible for the general operation of the Center.

The operational structure includes a total staff of 23 people in five areas: Executive Presidency, Philanthropy and Social Responsibility Promotion Direction; Effectiveness, Transparency and Membership Services Direction; Research and Public Policy Direction; and Management Direction.

Membership: Currently, 485 civil society organizations and foundations from throughout Mexico are affiliated to CEMEFI, along with 17 individuals and 20 governmental dependencies who receive direct services from CEMEFI.

Because of its individual and institutional members, and its link with national and international organizations, CEMEFI is known to be the most important source of reliable information on this sector.

Income breakdown by Percentage of Total:

Members/ Associates:	21.64
Members/ Affiliated:	2.36
Services:	53.42

Interest:	3.06
National Grants:	8.36
International Grants:	11.15

Recent accomplishments

Among CEMEFI's achievements during its 20 years of operations, the following are the most relevant:

- CEMEFI was recently recognized (2007) as one of the world's 85 best civil society organizations to work with in alliance with the private sector (United Nations World Pact, Financial Times and Dalberg Global Development Advisors)
- Corporate social responsibility promotion and the creation of the standards compliance and award program for corporations named: "Empresa Socialmente Responsable".
- Development of the Index of Institutionality and Transparency for Civil Society Organizations. Implementation of standards compliance process and seal award for complying CSOs.
- Contribution to the more professional performance, transparency and accountability of civil society organizations.
- Legal counsel and successful advocacy for legal and fiscal issues, to promote better frameworks for civil society organizations, including the recently approved and launched specific legislation in favor of the promotion of CSOs.
- Incidence in the legal frame for civil society organizations and the promotion of philanthropy including reforms.
- Philanthropic research and provision of information regarding the philanthropic sector
- Increasing visibility and public acknowledgement of CSOs' added value to society.
- CEMEFI has promoted the incorporation of philanthropy related issues in formal education, has developed courses, seminars, and conferences in collaboration with Mexican universities. Actively participates in research on the sector and has performed several of the main research projects focusing on it.
- Mexican Directory of Philanthropic Institutions.
- Information centre specializing in philanthropy.
- Promotion and help in the establishment of several new support organizations among them: Oaxaca Community Foundation, Asociación Mexicana de Voluntarios (Mexican Association of Voluntarism) and Procura, a fundraising school and support institution.
- CEMEFI has become an international representative of the Mexican philanthropy sector and counterpart with similar institutions in the rest of the world.
- It has also become one of the main representatives of the Mexican philanthropic sector in dialogue with the Mexican government.

Current challenges/future developments

- To promote in Mexico the creation of more foundations and grantmakers, especially more community foundations.
- Promotion of social responsibility and increased civil participation.
- To continue promoting performance standards among community foundations in order to reach the goal of having National Standards for Mexican Community Foundations.
- To keep on promoting transparency and public accountability among CSOs.
- To increase voluntary work and measure its impact.
- To improve sector understanding and visibility of the impact achieved as well as the work and services provided by civil society organizations.

Additional resources

See the CEMEFI website: www.cemefi.org

Correspondent: Bárbara Torres Gómez, Community Foundations Officer, CEMEFI

PUERTO RICO

Puerto Rico Community Foundation

History

The idea of establishing the Puerto Rico Community Foundation (PRCF) was originated in 1983, when the Washington-based National Puerto Rican Coalition (NPRC), one of the leading organizations established by Puerto Ricans in the United States, became interested in the island's issues. A first meeting took place with approximately 90 representatives drawn from non-profit organizations and from the local and US donor community. The US donor community included: the Rockefeller Foundation, Carnegie Corporation, and the Ford Foundation. Also in attendance was a representative of the local pharmaceutical Schering-Plough Corporation.

Further meetings took place between NPRC, Schering-Plough and the Ford Foundation to explore the possibility of setting up a local grant making organization. The Ford Foundation gave a grant to NPRC to conduct an Opportunity Assessment. The results and overview of the Puerto Rican market proved to be favorable for a community foundation to be established.

The CEO of Schering-Plough accepted the chairmanship of the foundation's Development Committee, making it one of the first corporations to actively commit with a contribution. Other key players were: the President of Banco Popular de Puerto Rico, the island's largest bank; who soon thereafter became the first President of PRCF's Board of Directors; and from the Ford Foundation, Homer Wadsworth, former CEO of The Cleveland Foundation, whose contribution was key in defining the composition of the Board of Directors and the first draft of the mission statement. Rafael Fabregas, a certified public accountant who had presided over the Puerto Rico Chamber of Commerce, and was closely identified with several civic organizations, became our first president. Dr. Ethel Ríos de Betancourt, one of the founding members of the Board of Directors, accepted the position of Vice President of Program, later assuming the position of Executive Director, and eventually becoming President of PRCF.

The preparatory work had been funded by seed money granted from the Ford Foundation, and by the commitments from four other US national foundations: Rockefeller, Carnegie, Mott and MacArthur. It also had commitments from thirteen local companies, including two banks and several smaller donors.

The Puerto Rico Community Foundation is the first and oldest community foundation in Latin America and the only one in Puerto Rico. From its inception in 1985, the PRCF was conceived as a vehicle for social change. During the last 22 years it has granted over \$34 million dollars to more than 4,000 community initiatives addressing pressing needs in the areas of education, health, community leadership, housing, economic development, arts, and drug prevention; and has also provided invaluable technical assistance, leadership, capacity-building and advocacy.

Current situation: Facts and figures

Geographic area served:	Island of Puerto Rico
Population size of service area:	4 million people
Total sum of grants made in 2007:	\$1,093,508
Total number of grants made in 2007:	160
Total sum of the income/ donations in 2007:	\$2,354,018
Single largest source of income in 2007:	Local government
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	\$27.6 million

Activities and impact

Two recent stories are worth mentioning, one because of its relevance to the transformation of the island's education system; and the other, which is comprised of stories about two donors, to illustrate PRCF's role in philanthropic education.

Example 1. Citizens' Movement for a World Class Education.

Since 2006, when it publicly launched the Citizens' Movement for a World Class Education, PRCF has been able to draw the attention of the different sectors of the community to join in this crusade to achieve educational reform in order to change Puerto Rico's socio-economic future. With over 715,000 school age children in Puerto Rico and 80% of them attending the public school system, the need for restructuring the system is critical. Nearly 40% of students in the Puerto Rico Public Education System are dropping out of school. The residual aftermaths of this trend are: a high unemployment rate, poverty, increased crime, and a souring local economy.

PRCF developed a Citizens' Pact for a World Class Education, a document that envisions the education the community wants for the students of our public education system. The Pact has six guiding principles (here condensed into five) which envision:

1. Schools able to manage and administer their resources and programs
2. Schools able to create a range of academic opportunities for parents to choose among that are the most appropriate for their child's skills and talents
3. Schools able to continuously enhance their curriculum
4. Directors and teachers' supported in their professional development
5. Schools being held accountable

PRCF understood the importance of presenting our proposal for the scrutiny of the different sectors of the community, prior to a public presentation. But we also knew that to really ignite the process, we had to provide compelling information regarding our education system and its decreasing achievement over the years – going from a system highly recognized by neighboring countries in the Caribbean and Latin America, to a system with the lack of capacity to adjust to the natural evolution of our socio-economic system and our immersion into the global competitive market. The initial response of the general public was outstanding; everyone understood our intention and responsibility in undertaking leadership to transform the education of our Island. Since then PRCF has implemented the following:

- One multi-sectorial Summit for a World Class Education in San Juan

- Two town meetings
- A communications campaign to engage 1 million citizens in signing our Citizens Pact (25% of our population)
- International exchange experience (Finland, Chile and Israel)

Our achievements are:

- 130,000 thus far persons have signed the Citizens Pact
- Over \$1.2 million in non-paid media
- Two labor unions engaged
- Commitment from Governor and aspiring candidate from the other political party
- Over 70 corporations and organizations to undertake a signature commitment
- Approximately \$400,000 raised for the initiative

Example 2. Two Families and \$2.8 Million

Puerto Rico is a very generous community, especially during local crises and emergency situations. However, it has lacked a structured pro-active sense of philanthropy. This perhaps is due to the very low affluent population in the island and to the large number of non-profits that tend to spread philanthropic money too thin to make an impact. It is said that the non-profit sector in the island is composed of approximately 6,000 active community based organizations – over 20,000 non-profits are registered with the Department of State.

Under such a competitive philanthropic environment, PRCF has positioned itself as a philanthropic advisor, increasing its donor advised and designated funds from 28 funds in 2000, to 58 in 2007; while increasing its philanthropic restricted portfolio to approximately \$9 million.

María Lina vda.de Saldaña Fund

This Fund was established 15 years ago to support a wide range of non-profit organizations that support the well being and health of communities. The family also had a private foundation to directly support projects they were committed to. In 2006, this family became concerned about the succession of their private foundation and decided to consolidate their foundation's assets within their fund at PRCF. The original Fund's assets were worth approximately \$300,000. After the private foundation assets, worth \$1.8 million, were transferred, the total value of the Fund jumped up to \$2.1 million. This is the largest personal contribution that PRCF has received. It took a 15-year relationship building process and philanthropic delivery of services to accomplish this.

Stanley and Georgene Pasarell Fund

This couple wanted to encourage children living in the north region of the island, where they also live and have their business, to attend college. The relationship building process with the donors took approximately six months. During this period PRCF was able to develop a plan and advise them on the different ways they could accomplish such a venture. They entrusted \$1 million to PRCF to pursue their philanthropic goal. The Fund generates approximately 10 scholarships for bachelor's degrees (providing support during four consecutive years); and four scholarships for master's degrees. This year, PRCF will implement the first cycle of student scholarships.

Operations and staffing

The PRCF has a paid staff to support its areas: Administration, Program and Development.

Community foundation income

Income categories: 2007 data

Foundations	\$ 169,474	7%
Individuals	\$ 94,752	4%
Corporations	\$ 909,515	39%
Local Government	\$ 1,046,658	45%
US Government	\$ 127,885	5%
Total	\$ 2,348,284	100%

See historical chart attached (Annex 2 – Income by Donor Report).

Purposes

- Foundation money – mainly programmatic and for pass through purposes.
- Individuals – mainly for advised and designated funds
- Corporations – mainly for advised and designated funds; and local pass through (grants)
- Local government – mainly to support our Educational Program
- U.S. Government – to support Community Development Unit, within the programmatic area, to support Community Housing Development Organizations.

Permanent funds/Sustainability

In 2007 only 7 percent of our fundraising went to endowment. However, since 2004, 61 percent of the total contributions have been to support our endowment.

See historical chart attached (Annex 2 – Income by Donor Report).

Environment for philanthropy

Local attitudes

There is no philanthropic culture in the island. As stated above, the affluent segment is very low and there is a huge competition among the non-profits. Local philanthropists see themselves as remediative funders, spreading their giving into multiple non-profits, without a strategic view of their impact. During recent years PRCF has undertaken a philanthropic education process, which involves a relationship management structure – supported by Asset Development and Donor Services. We've also taken our "selling proposition" to another level, where we see ourselves as philanthropic advisors and develop strategic philanthropic plans for our donors.

In 2004, we were able to include PRCF in a higher tax bracket range to benefit our Donors (Law 463 – September 22, 2004). This provided our donors up to a 30 percent tax deduction of their Adjusted Net Income – donors to other non-profits only can deduct up to 15 percent of the donor's Adjusted Net Income.

Legal and tax environment

Corporations: The tax incentives for corporations allow a deduction that doesn't exceed 5% of the net income, computed without the benefits of this deduction. The payments and contributions made in excess of this 5% can carry over for the next five years, but the deduction amount is still the same percent each year.

Individuals: Individual and families can claim a 15% maximum of the gifts made during the year, not in excess of the 3% of the adjusted net income. As stated before, PRCF has an additional 15% incentive that elevates the deduction up to 30%.

The tax incentives limit a more active philanthropic activity in the Island.

Changing attitudes and the national or regional environment

1. **Research on Community Impact:** PRCF needs to continue to show the impact of community and donor's giving. PRCF has teamed up with other grant making foundations in the island to investigate the impact that philanthropy has in the communities and communicate it.
2. **New Tax Incentives:** A new tax incentive could re-position philanthropy as an efficient way to promote active participation and community transformation. After Law 463, PRCF has shown a tremendous increase in its funds managed. This is certainly information we have been willing to share to show the impact in philanthropic activity.
3. **Communication:** PRCF should be able to count on grants earmarked for communications, so that we can continue to communicate community success and donor's turnkey role in this success.
4. **Philanthropic mechanism:** There is no certainty regarding the non-profit sector in the Island. PRCF has developed a mechanism using technology that will contribute to better understanding of the range and impact of this Sector, but will also become a mechanism to support philanthropic collaboration and giving. This mechanism is called REDTS.org (Red Digital del Tercer Sector – Third Sector Digital Network), also funded by the Ford Foundation.

Current challenges and future developments

PRCF has been proactive in identifying some of the most pressing needs in the community and focusing its programmatic intervention towards them: education; economic community development; affordable housing.

As mentioned above, in education, the Foundation has launched the Citizens' Movement for a World Class Education to call on citizenship participation to transform the public education system. This is a result of proven PRCF intervention in schools, supported most recently by a \$5 million educational fund, provided by the Ford Foundation.

Regarding economic community development and affordable housing, there is an economic consortium – composed of community and banking representatives – that has been convoked by PRCF to guide its grant making strategies and the impact of the community work.

Meeting organizational support needs

In Puerto Rico, there is an informal group call Foundations' Network. It is composed of grantmaking foundations, many of them private and corporate, including the United Way. PRCF teams up for research development regarding the sector.

The Foundations' Network has been instrumental in the development of the Third Sector Digital Network.

International links

The president of PRCF has been an active participant in IISP (International Initiative to Strengthen Philanthropy – Ford Foundation). He is a board member of HIP (Hispanics in Philanthropy), and has also been a Synergos Senior Fellow.

These relationships have been crucial in exchanging experiences and opening doors to help us strengthen our institution.

Additional resources

See attached Audited Financial Report (Annex 1) and Income by Donor Report 2007 (Annex 2). The Puerto Rico Community Foundation website is: www.fcpr.org

Correspondents: Alida Rivera Ponce, Senior Program Officer, and Mary Ann Gabino, Development Director, Puerto Rico Community Foundation