

2 Global trends

2.1 Trends in the growth of community foundations by region

It is nearly 30 years since the Community Foundation for Northern Ireland was established, one of the first community foundations outside of North America, and nearly 15 years since the Healthy City Community Foundation in Slovakia was transformed into a community foundation after the fall of communism.

Community foundations have grown and been adapted in countries around the world to the point where the concept is no longer considered peculiarly North American. What is striking about the global community foundation movement today is its independence from what once was considered the “traditional” North American model. Community foundations globally no longer look to the US as the sole reference point for community foundation ideas and developments. The number of community foundations outside the US shortly will surpass the number of community foundations inside the US. In Europe especially, there are a large number of community foundations that are dealing with common issues: a weak culture of philanthropy; how to attract donors not used to giving through intermediaries; the lack of supportive legal and tax environments; the need to find innovative ways to fund operations. In an increasingly globalized world, learning is no longer one way, but plays out in a number of interesting ways as community foundations are involved in international networks that let them share what they have learned with others around the globe.

As Peter Walkenhorst, Program Director of the Transatlantic Community Foundation Network, has commented,

“[C]ommunity foundations are a prime example of the growing internationalization of philanthropy. Although first invented in the US, they are no longer a uniquely American concept, but have developed into a truly international form of organized philanthropy. As the community foundation concept ... spread across Europe and around the world during the last decade, it was constantly adapted to different political and cultural environments. Moreover, community foundations from different countries have begun to collaborate across national borders in order to share experience and expertise and to jointly develop new strategies. And this international dialogue is no one-way street. ... Since they lack the financial resources that many US community foundations enjoy, they don’t measure their success by the size of their assets, but by the societal change they help to facilitate in their communities. ... And while these young foundations remain aware of their many inherent weaknesses, they do not suffer from an inferiority complex regarding their American counterparts.¹

In **North America**, where the modern community foundation movement began, Canada continues to show steady growth, although the expectation is, given that all the major cities and population centers are covered, growth will slow and more of the rural areas will be covered by geographic component funds of existing community foundations. Community Foundations of Canada reports 163 community foundations, which is 29 more than they reported at the end of 2004.

The US continues to grow slowly in terms of numbers, and it too sees growth in the future coming primarily from geographic component/affiliate funds as a way to fill in the gaps in coverage. It is

¹ Walkenhorst, Peter, *Alliance*, Volume 12, Number 1, March 2007, pp. 4-5.

estimated that there are about 775² community foundations in the US. However, gifts, assets and grants made continue to show dramatic growth. The Columbus Foundation Survey of 631 community foundations reports that for 2006: \$5.7-billion in contributions were received; total assets increased to \$51.2-billion; and \$3.7-billion in grants were made, all of which set new records.

Strengthening vibrant and sustainable community based organizations

Rustenburg, South Africa. The **Greater Rustenburg Community Foundation (GRCF)** now sees a significant change in organizations that have received grants and technical support from the foundation over the years. One example is a women's empowerment organization in one of the informal squatter communities on the outskirts of Rustenburg. The GRCF invested an amount of R27,000 (approximately US \$3,360) in this organization 3 years ago, and continues to provide technical support to the organization through its mentorship program. The organization started delivering Home Based Care (HBC) services, after identifying numerous terminally ill people, as well as orphans and vulnerable children in the Boitekong community. Soon they realized that they would not be able to continue the HBC unless they added an income generating project. The members of the women's group became skilled in beading, sewing and other forms of art work. Finally, they received accreditation from the local Sector Education and Training Authorities (SETA) and, through the income they generated, were able to subsidise their HBC services. The GRCF added capacity through various training programs, as well as making a grant to expand their income-based project and equipping the HBC program. Through its relationship with a GRCF corporate donor, the foundation was able to find a partner for the project in a local leading financial institution. This connection resulted in the women's group receiving recognition by the financial institution, which in turn created a market where the group can sell their products at main tourist destinations in the community. The financial institution also supports the financial and administration costs of the project. This affords the women's group the opportunity to continue a desperately needed HBC service in the community. Recently this group received a multi-year grant from the local department of social development to the value of R600,000 (approximately US \$75,000) per year for a three-year grant.

Mexico is showing a maturing of its community foundation movement. Although the number of community foundations identified by the Centro Mexicano para la Filantropía (CEMEFI) has dropped from 19 to 17, this is a positive sign, as it reflects a sorting out of community foundation models in Mexico. Mexico had quite a few different indigenous community philanthropy models. As the community foundation movement in Mexico has progressed, the community foundation models have been coalescing and a consensus is growing about what a community foundation looks like and how it operates. This process has been helped along by community foundations working together as members of the Community Foundations Group under CEMEFI's umbrella.

The number of community foundations in the **Caribbean** has remained steady, although interest in community philanthropy is growing. Several of the non-US community foundations in the Caribbean have received grants from the WINGS Global Fund for Community Foundations that are helping them to strengthen their operations and focus their missions. The Association of Caribbean

² It is difficult to get an accurate count of the numbers of US community foundations, due to the decentralized nature of US community foundation development. As of 15 May 2008, the Foundation Center had identified 723 community foundations (personal communication). This number should be considered a baseline parameter, as there is a lag in information collected, and it undercounts new and emerging community foundations. The estimate of 775 is based on Foundation Center data and additional information obtained from one state organization and other sources.

Community Foundations shut down last year, but a new stronger association of grantmakers in the Caribbean is being formed. It will have a broader membership base and the participation of other stakeholders, such as the University of the West Indies' Centre for Caribbean Philanthropy, which should put the new organization on a more solid footing.

Interest in the community foundation concept in **South America** is increasing. Brazil has two active community foundations, and one in formation. A community foundation is being formed in Uruguay. Argentina has been exploring the concept for some time. An Argentine foundation, Fundación SES, recently received a grant from the WINGS Global Fund to work on establishing as many as three community foundations there.

Community foundations are firmly established and spreading in **Western Europe**, attracting broad support from individuals, businesses, local funders and all levels of government. Community Foundation Network (CFN) in the UK reports 56 community foundations, one less than it reported in the 2005 Community Foundation Global Status Report due to a merger. CFN now estimates that both 95 percent of the population and 95 percent of the country's territory have access to a community foundation. The Leeds Community Foundation recently received a donation of £10 million (US \$19.9 million) for a donor advised fund, the largest donation ever received by a UK community foundation. Ireland also has grown significantly and reports that its assets are now over €20 million.

Germany continues to have the most dynamic community foundation movement in Europe, exhibiting major growth in numbers. 190 community foundations have been reported, and it has now surpassed Canada to have the second largest community foundation movement globally. As community foundations in Germany are city-based, it is expected that there is significant room for the numbers of community foundations to increase. In northern Italy, the Fondazione Cariplo's initiative to establish community foundations is nearly complete in the region of Lombardy where it operates. Community foundations have also spread to other regions in the north of Italy, but now appear to be poised to spread further south as another foundation based in Rome has taken up the community foundation cause. There is increasing interest in Belgium where several community-based initiatives are underway. The Fundación Bertelsmann, a sister foundation to the Bertelsmann Foundation in Germany, has begun to promote community foundations in Spain. The Fundación Bertelsmann identified one existing community foundation in a district in Barcelona, which is considered to be the first community foundation in Spain. Turkey also has established a program to promote and develop community foundations; the first community foundation in Turkey was registered in 2008.

There are still large parts of Western Europe where the community foundation concept has not taken hold. These are for the most part countries that either continue to maintain a comprehensive social welfare state or have a strong tradition of religious charity. An exception to this is the Netherlands, which reports that 10 community foundations have been established, all of which are still at very early stages of development.

The picture for **Central and Eastern Europe (CEE) and Central Asia** is complex and changing rapidly. Poland and Russia continue to have strong community foundation movements. Poland reports 20 community foundations with nearly as many in formation. Russia continues to see strong growth in the numbers of community foundations. There are more than 30 community foundations in Russia now; the oldest community foundation has an endowment of nearly US \$2 million.

It is not possible to form a community foundation without the strong support and the vision of local citizen volunteers who serve on community foundation boards. However, the community foundation movement in CEE has been largely driven by funders as part of their efforts to build democracy, citizen participation and civil society in the post-communist era.

There has been a definite progression in the formation of community foundation in CEE and Central Asia, which closely parallels the countries where funders focus their efforts to promote the community foundation concept.

The countries that were closest to Western Europe, many of which had a history of independence before communism, were the first to receive the attention of funders. Support came from the large international foundations such as the Soros, Mott and Ford foundations and from governmental agencies, including the US Agency for International Development (USAID). However, these countries have now “graduated” from programs designed to build and support civil society.

As funders move on to new priority areas, it is likely that there will be some sorting out of the stronger and weaker community foundations. It is even possible that some community foundations may close. There is cause for concern, but in the end the departure of external funders is likely to produce positive outcomes as community foundations learn to stand on their own. The experience of the Slovak Republic in transitioning away from large amounts of external funding indicates that, even though developments may slow, the community foundation movement can emerge stronger, as they form their own associations, join international networks to share knowledge and strengthen their own community foundations, learn how to compete for funds from external sources, and how to identify and attract funds from indigenous sources for their programs and operations.

Funders are taking the lessons they learned from their early efforts in Central and Eastern Europe and transporting them to new areas in southeastern Europe and further east into Central Asia, where integration with the West has been more difficult. These include areas that were more closely tied to the Soviet Union, or where the release from Soviet influence led to instability and sometimes war, shifting borders and forced resettlement of ethnic groups.

One of the most striking things about developments in CEE is that the numbers of countries where community foundations are being established has increased by 50 percent since the last Global Status Report in 2005. Half the growth in the number of new countries where community foundations are active has occurred in southeastern Europe and Central Asia.

The **Middle East** has had major developments in the last three years, demonstrating new trends in community foundation formation. Three new community foundations have been established in the Middle East – two in Egypt and one in Palestine. There is also a recent report of a new community foundation being established in Israel. All of these were the results of local initiatives, accomplished without the assistance of international funders, even though they are now attracting funding from the outside to support their organizational development. The development of community foundations is coinciding with a new focus on private philanthropy in the Middle East. The Arab world is highly charitable due to the dictates of the Islamic faith. One of the five pillars of Islam is *zakat*, a form of tithing which requires the faithful to give a portion of their wealth to the needy. Almost all of this giving has been done person to person or through religious institutions. A new focus on strategic philanthropy is taking place in the Middle East, and these community foundations are playing a role in helping to further this movement.

Providing clean water for 300 families

South Sinai, Egypt: Community Foundation for South Sinai. Our Bedouin trustee took us out to see Salama. In the middle of the desert Salama had dug a well at his own expense, at a cost of at least 25,000-30,000 LE, and built a pool. The purpose was to supply free fresh drinking water to the 300 families living in and around his wadi. Their only other water source is the truck that comes monthly, bringing poor quality, expensive water.... Salama is not a rich man, but he takes seriously his religious duty to help others in need. The pool enabled even their livestock to drink. But the pump for the well was broken, and algae was growing in the pool. He needed help to build a covered, lined tank for the water, with a tap, and to repair his pump. We were happy to award him a grant of 6,000 LE. In the west we take water completely for granted: in Sinai every drop is precious. To provide this resource for a whole community was an initiative we felt deserved support.

The interest in community foundations is expanding in sub-Saharan **Africa**. Africa has several well-established community foundations in Kenya and South Africa that serve as models for newer initiatives and help to promote the community foundation concept in the region. The community foundation in western Zimbabwe is doing heroic work under difficult conditions. More recently community foundations have been established in Malawi and Tanzania. Four new community foundations were established in Tanzania in the last year with assistance from the World Bank's Community Foundation Initiative. The Malawi initiative was aided by the support of a Scottish foundation with ties to the Scottish Community Foundation. The community foundation in Ghana has been the recipient of funding for organizational activities from the WINGS Global Fund.

Asia is a region also experiencing growth in the numbers of community foundations. The oldest and most established community foundations, the Bombay Community Public Trust and the Osaka Community Foundation, were formed in relative isolation in the early 1990s. Since that time interest has grown aided by efforts to promote the concept in India, the Philippines and Thailand. Most of these initiatives are the product of the efforts of local support organizations and have had support from local funders. International funders have also shown an interest in establishing community foundations in India; the World Bank has been active in establishing one community foundation in Thailand. The potential of diaspora philanthropy as a means to support community foundations is being explored. With the rebound of the economy in Japan, interest in promoting the community foundation concept is growing. Singapore is developing an unusual community foundation, focused on attracting only high net worth donors. No concrete developments have occurred in China, even though a number of academic researchers think there is potential for the development of community foundations at the local level.

In the **Pacific**, Australia continues to expand the number of community foundations through its program to develop community foundations in regional and rural areas. There are 30 established community foundations in Australia with a further 9 in development. One community foundation was also established recently in an urban area covering three districts in Melbourne. Community foundations can be found in all the states and territories of Australia with the exception of the largely rural Northern Territory. In New Zealand a prominent family foundation has been promoting the community foundation concept, which has led to the establishment of 7 community foundations, some of which have been transformed from already existing organizations.

With the numbers of community foundations showing significant growth around the globe, the adaptability of the concept is being proven time and again. The more examples there are of successful

community foundation models in different parts of the world, the more familiar and attractive the community foundation concept becomes. The adoption of the concept by the World Bank, as part of its strategy for community-driven development, has also increased knowledge about the concept, both within the Bank and globally, giving it increased credibility.

2.2 Trends in grantmaker associations and support organizations

As the global community foundation movement continues to mature, one sign of this is the growth in the numbers and types of organizations that support the development of community foundations. Grantmaker associations and other types of support organizations provide their members or constituents with current information on issues of importance, promote the interests of community foundations to government bodies, create opportunities for networking and peer-to-peer learning through conferences and other meetings, and help promote the community foundation concept through publications and presentations.

Support organizations can be member-based associations. They may be formally structured, highly staffed and focused on delivering programs and services for their members, or they may be more informal affinity groups, volunteer-driven, designed primarily for information sharing and networking. Funders can also operate as support organizations, providing the same services, without being member-based. An example of this is the Charities Aid Foundation branch in Russia. Organizations that serve all types of grantmakers may have a group or section devoted to community foundations, as is the case in the US, Mexico, Germany, and the Philippines. NGO support centers and organizations contracted by funders, also have taken on support roles for community foundations.

The US was the first to develop a membership association for community foundations in 1949, 35 years after the first community foundation was formed. This organization later evolved into the Council on Foundations and opened its membership to all types of grantmaking foundations. The Council's first annual conference dedicated solely to the interests of community foundations was held in 1985.

US community foundations receive additional support from regional associations of grantmakers. The largest of the regional associations have programs designed to meet the needs of their community foundation members. In some states in the US, community foundations have come together to form their own associations to address the legal, political and grantmaking concerns of their membership.

Community Foundations of America (CFA), mentioned in previous Global Status Reports, was serving as a community foundation research and development organization. In 2007 it decided to broaden its mission and its market, an emerging trend in associations of grantmakers. It changed its name to GivingNet to reflect the fact that it no longer focused solely on community foundations. . It ceased operations in 2008.

Measuring *Vital Signs*

Canada: Community Foundations of Canada. Community foundations are issuing report cards that measure quality of life in key areas to help their communities respond to changing needs and opportunities. In 2006, the pilot year of CFC's national *Vital Signs*® initiative, Victoria, Vancouver, Ottawa and Montreal joined Toronto, which created the *Vital Signs* model in 2001.

All *Vital Signs* reports use a core set of indicators organized into at least ten common issue areas. ... Then each city adds its own indicators to reflect their particular community. The measures are chosen with broad community input. CFC's national component will track trends and produce a national report that examines one theme in depth each year. *Vital Signs* is already sparking change. For example, Vancouver Foundation's *Vital Signs* report is deepening discussion on community issues such as homelessness, the environment and immigration. More than 25,000 copies of a four-page highlights summary were distributed to health centres, libraries, community centres, and schools across Vancouver. Vancouver Foundation's CEO and its Vice-President for Community Leadership took on a full schedule of speaking engagements at policy boards, conferences and not-for-profit organizations. The result has been immediate. *Vital Signs* data is on the table in discussions at the Board of Trade, the City of Vancouver, and the Greater Vancouver Regional District.

The establishment of organizations designed to support the development of community foundations globally began to take off in the early 1990s. The Community Foundation Network in the UK was the first formed in 1991. Canada, which had been participating in the US-based Council on Foundations, formed its own organization, Community Foundations of Canada in 1992. Both are professionally-run membership organizations solely devoted to community foundations.

Efforts to support community foundations within broader organizations soon followed in: Russia (1994), South Africa (1997), Mexico (1998), Poland (1998), and Australia (1998), among others. The European Foundation Centre, which was established in 1989, began its Community Philanthropy Initiative in 1998, in order to strengthen and increase community philanthropy across Europe by promoting and building the capacity of community philanthropy organizations, including community foundations.

In Germany a group of national foundations interested in community foundation development founded the Community Foundations Initiative (Initiative Bürgerstiftungen) in 2001 in collaboration with the Association of German Foundations (Bundesverband Deutscher Stiftungen). Its mission is to: promote the establishment of new community foundations, professionalize the work of existing ones, and publicize the community foundation concept. This initiative came directly under the umbrella of the Bundesverband Deutscher Stiftungen in 2004 to more closely integrate its activities with the activities of its Community Foundations Affinity Group. Aktive Bürgerschaft, an organization founded by members of a savings bank association in 1997 to promote citizen participation, began to support the development of community foundations that are attached to its member banks.

Associations of grantmakers in other parts of the world are promoting the community foundation concept. The Association of Foundations in the Philippines has been promoting community foundations for the past 5 years. It has a Community Foundations Committee and a community foundations program that produces materials on how to establish and operate a community foundation in the Philippine context. Sampradaan Indian Centre for Philanthropy (SICP), a non-profit advocacy

and support center, also has been promoting the community foundation concept for at least a decade, and is now involved in helping to establish community foundations, primarily in rural areas.

As noted above, a major development for community foundations globally was the formation in 2000 of Worldwide Initiatives for Grantmaker Support (WINGS), and its community foundations constituency group (WINGS-CF). WINGS can be characterized broadly as support organization for support organizations. In 2007 the WINGS Secretariat rotated to the Philippines where it is being hosted by the Asia-Pacific Philanthropy Consortium in Manila for the next four years, the first time this global organization has been based in the global South.

Not all of the trends in support for community foundation development appear to be positive. Some support organizations are phasing out, such as the Baltic American Partnership Programs (BAPP) in Estonia, Latvia and Lithuania, which will close when the Baltic American Partnership Fund reaches the end of its ten-year lifespan at the end of 2008. Each of the BAPPs was to put in place an organization that would continue their support work. In Latvia a community foundations membership group has been established, Community Foundation Movement. A non-profit support center in Lithuania has been selected; but there is no successor organization in Estonia. The Trust for Civil Society in Central and Eastern Europe (CEE Trust), which is supporting the development of community foundations in a number of countries, is also scheduled to shut down in 2012.

As funders move on to new areas, questions of sustainability are coming to the fore for support organizations. One small association of community foundations, the Association of Caribbean Community Foundations, closed in 2007 when its grant funding expired. However, new funding is being obtained and a broader organization is in the planning stages, which will be open to all types of Caribbean grantmaking foundations, including community foundations, private and family foundations, and corporate foundations and giving programs.

One strategy that has been developed to ensure sustainability is to broaden their membership base or their scope. Another strategy is to set up independent organizations with a broader constituency that will, it is hoped, provide a larger funding base. This was demonstrated by Community Foundations of America in 2007 and the US-Mexico Border Philanthropy Partnership in 2008.

Partially counteracting these developments is an increase in the numbers of national associations and community foundation affinity groups. Sometimes they occur in parallel with other support organizations (such as in Russia) or sometimes they fill the gaps created by the departure of the support mechanisms originally put in place by funders. Given their effectiveness in terms of networking and information sharing, these affinity groups and associations are being formed at earlier stages of development within countries. No longer are community foundations waiting 35 years, as in the case of the US, or 12 years as in the UK, to form their associations. Associations are being formed when there are three to four community foundations in a country, within a couple of years of their development, in order to provide support for each other and maximize the impact of their experiences through knowledge shared.

Residential school for tribal children

Pune, India. The **Nav Maharashtra Community Foundation (Navam)** is based in the State of Maharashtra. Even though Maharashtra is considered to be one of the progressive states in India, the reality is that the rural communities in Maharashtra receive very little attention or funding. As a result, Navam focuses its efforts in supporting innovative projects among the rural communities of Maharashtra.

Navam is funding an experimental effort to provide a unique model school for the benefit of children primarily from the Katkari and Dhangar tribes. Both of these communities have been deprived of education because of their low socio-economic status, as well as the lack of awareness and relevance of formal educational system. The remote areas in which they live, and their nomadic life styles, also hinder their success in traditional schools. The first priority is to convince parents of the need to educate their children in an appropriate way. Shramik Sahayog, a Navam grantee, is focusing on a combination of vocational and traditional education, in an attempt to curb the high dropout rate. Shramik Sahayog uses a “hands on” approach to learning and a “project method” to increase students’ interest and involvement. The method has a special focus on music and dance, both for entertainment and to inculcate team spirit. Hands-on learning has led to greater involvement of the children in their education. It encourages creativity while helping them to development analytical and evaluative skills.

In the early stages these informal associations are usually volunteer-driven, but as the numbers of community foundations grow in a country, there is a trend toward associations becoming more structured and at times professionally led. They are then in a position to apply successfully for grants from funders in order to strengthen their organizations and expand their program activities.

Increasingly, support organization personnel are being asked to share their experiences and expertise with funders and local initiative groups from other countries. The strength of community foundations in countries outside the US means that community foundations and those interested in developing community foundations can look closer to home for models that work in situations similar to their own. The community foundations in Russia and the Slovak Republic have become a point of reference for many of the countries in Central and Eastern Europe. The Russian Community Foundations Partnership includes among its membership, community foundations from neighboring countries. Community Foundations of Canada, which has produced a rich set of materials which detail innovative programs and community foundation start-up, is especially active in helping to promote the community foundation concept globally.

One of the newer trends among support organizations is the development of in-country standards for community foundations. As the number of community foundations grows within a country, and as community foundation support organizations become more structured and staffed, the impetus for developing standards grows.

The movement has been driven by several factors. In the US a primary motivation for developing standards was in response to outside pressures from the federal government to have foundations prove their worth in order to justify their preferred tax status. The Community Foundations Leadership Team of the Council on Foundations developed a standards process as a way to show that community foundations were meeting a minimum level of competence and engaging in best practices. Another benefit of standards is the branding effect it has on the field as a whole. It makes it easier for those outside the field to understand what a community foundation is and what it is not. Community foundations that go through a standards practice must prove that they are operating in a competent

and a comparable way. This has the tendency to make community foundation operations and practices more consistent across the field as a whole. In addition to the US, community foundation standards have been developed in Germany and the UK. Other countries are considering the adoption of standards. Canada is now working on a branding process and developing national marketing tools, which also will help regularize and coordinate community foundation activities.

2.3 Trends in peer-to-peer networking and learning

There continue to be a significant number of opportunities for community foundation staff and board members to learn directly from each other, even though the situation as regards peer exchange programs and peer learning opportunities is somewhat in flux, due to the fact that several programs have either shut down or changed their priorities in the last three years.

The three large associations of community foundations hold annual or biennial conferences that welcome the attendance of staff and board members from community foundations around the globe. The Council on Foundations has always included non-US community foundations among its members and invites representatives of community foundations from other countries to attend its annual Fall Conference for Community Foundations. The Community Foundation Network (UK) and Community Foundations of Canada biennial meetings are also attracting large numbers of global participants.

In May 2008 the Council on Foundations organized the Philanthropy Summit in a conference center outside of Washington, D.C. The Summit was a large global meeting devoted to discussing the major issues facing philanthropy today. It included a large contingent of international grantmakers, including community foundations staff and board members from outside the US. In order to undertake this major effort, the Council decided that the annual meetings of its member services groups would not be held in 2008. As a result, Community Foundations of Canada's biennial conference, Our Communities - Our World, in November, is the largest, and indeed the only, community foundation conference with global scope being held in 2008. Its international focus is expected to bring in many community foundation participants from the US and around the world.

Community foundations working together

Slovak Republic: Association of Slovak Community Foundations. The collaboration of Slovak community foundations within the Association of Slovak Community Foundations has brought two outstanding initiatives to the country: Donors' Clubs in nine member foundations, and Young Philanthropists, a youth development program based on the example of YouthBanks in Ireland and UK.

For years, the Donors' Clubs have been an instrument to involve citizens of modest means as individual donors. In Slovakia, rich families and "old wealth" are hard to find. This kind of fundraising tool is very important to help educate people on how to make a small contribution to a larger pool of grant-making funds, and how an "ordinary small donor" can take his or her part in decision-making on how these funds will be used. An additional value of the Clubs is better demonstrated in poorer regions where there is a lack of socially responsible corporations, high unemployment rates and high brain drain. Since the chances of raising a lot of money from either rich individuals or corporations are not likely, foundations have to do a lot of time- and energy-consuming fundraising, approaching people who can give relatively small amounts. The Donors' Clubs initiative helps to make this effort much more systematic.

The Young Philanthropists program has been very successful. Nine member foundations take part in the program, and have worked with a number of young volunteers who, with the supervision of their community foundation, run and manage their grant program for their peers. The program has served beautifully as a very attractive tool to involve youth as volunteers, to help develop their management and team-building skills, and also to approach other young people in the community with the option to identify and solve their own issues, which will teach them about participation in public affairs and involvement in solving community issues.

The European Foundation Centre's Community Philanthropy Initiative (CPI) program, which ran a yearly networking meeting in conjunction with the EFC's annual general meeting, is no longer in operation. The last CPI networking meeting was held in 2006. The EFC's programs are currently under review. It is committed to continuing to serve community philanthropy organizations by integrating them into the core mission and work of the EFC. However, it is not yet certain in what ways it will do this. In 2007 the Community Foundation Network's (UK) biennial conference saw a large increase in the number of community foundation participants from across Europe and around the world, in part because the CPI networking meetings were no longer being held.

Support organizations have also seen the benefit of international exchanges. WINGS is a highly developed network, with a global committee structure and working groups addressing issues common to all organizations that support community foundation development. Included among its members are: membership associations serving grantmakers and support organizations serving grantmakers and/or promoting philanthropy. It has been very active in facilitating the exchange of ideas among its members. WINGS holds regular peer learning events (PLEs) on topics of high interest for its members. It also holds a global meeting of its members, *WINGSForum*, approximately every four years, which also includes a peer meeting for the WINGS-CF constituency to discuss issues they have in common. The last *WINGSForum* was held in Bangkok in 2006.

Due to its reputation and position as the only organization with a global scope supporting community foundations, WINGS-CF was asked by the Mott and Ford foundations to coordinate the first global meeting of community foundation practitioners and researchers, even though it fell outside its core mission. *Community foundations: Symposium on a global movement* was held in Berlin in late 2004. It proved to be another milestone for the globalization of the community foundation movement. Community foundation practitioners from around the globe met together for the first time on an equal basis, not as guests at meetings devoted to one country or another. The excitement generated and connections made at the meeting further focused interest on the global community foundation movement. The Symposium helped inspire more connection among community foundations across borders and the spread of successful programs and practices from one community foundation and one country to another. It was a confirmation that the globalization of structured community philanthropy was ongoing and playing its part in creating and supporting civil society globally. It has been nearly four years since the Community Foundations Symposium was held in Berlin, and another global meeting that brings community foundation practitioners together from around the globe would be welcome.

Three exchange programs were created to bring community foundation staff members together across borders. The Transatlantic Community Foundation Fellowship (TCFF) program, a joint venture of the King Baudouin Foundation and the German Marshall Fund of the United States, shut down in 2005 after 6 years in operation. In each of its six years TCFF selected five US and five European senior staff members to participate in the peer exchange program. Fellows spent time at a host foundation on the other side of the Atlantic. This program increased awareness of the differences in giving cultures and also the inventiveness community foundations have shown in meeting local

needs. It did much to expand the horizons of the individuals and the host foundations that participated, and increased their commitment to expanding the community foundation concept globally.

The US-Mexico Border Philanthropy Partnership (BPP), funded by Mexican and US foundations and managed by the Synergos Institute, focused extensively on cross-border meeting of community foundation staff and board members that were called Learning Communities. To ensure its sustainability, in July 2008 BPP transformed into an independent organization and opened its membership to all types of grantmakers. It is committed to maintaining a specific focus on strengthening the capacity of community foundations on both sides of the US-Mexico border, even though they will be part of a larger organization that has a broader membership base.

The Transatlantic Community Foundation Network (TCFN) is a joint project of the Bertelsmann Foundation and the Mott Foundation, currently managed by the Bertelsmann Foundation. TCFN is a platform for the exchange of experience and expertise among community foundations on both sides of the North Atlantic. Through its working groups it seeks to identify good practices and share them with emerging and existing community foundations. Its membership is limited: currently there are 54 participants in the Network, who are drawn from Europe and North America, including Mexico. The third phase of the project will be concluded at the end of 2008, at which time Community Foundations of Canada will take over management of the Network. TCFN has reached well beyond its membership by creating a large number of resources that community foundations around the world can use.

All of these transnational peer learning programs proved highly successful. Even though they directly benefited only a limited number of community foundations, primarily in the North, their impact has been far reaching. The learning has not been just one way. Both TCFN and TCFN have had a major impact on US community foundation staff and board members; making them more aware of community foundation developments outside their own country; introducing them to the creative and innovative practices of smaller and less well-funded community foundations, and helping them be more aware of and responsive to their donors who have interests in funding nonprofit organizations and causes outside their borders. The foundations outside the US have also had the opportunity to learn new ideas that they can take back and apply to their own community foundations. Even though they may not have the large resources available to many US community foundations, they have been interested to learn that the impact they have had on their own communities can be just as great, or sometimes greater, than that of countries with more highly developed community foundations. Participants on both sides of the Atlantic have been excited by what they have learned, the people they have met and the connections they have made. They have become more aware of the different roles that community foundations can play and been energized to do more.

Community foundations also have come together globally around programmatic issues. An especially active affinity group centers on developing youth philanthropy. In North America youth philanthropy committees within community foundations are commonly known as Youth Advisory Committees (YACs). In Europe and other parts of the world they are known as YouthBanks. YACs are especially strong in the US and Canada. In Europe the Community Foundation for Northern Ireland has been leading the effort to extend the YouthBank concept in Europe and South Africa. YACs and YouthBanks give young people the opportunity to come together as a grantmaking committee within community foundations to decide on the highest priorities for youth and make grants to community organizations for youth-centered projects. International exchanges of young people involved in YACs and YouthBank have taken place to share knowledge and increase international cooperation and understanding.

Several other networks and educational programs are beginning to have an effect on community foundation growth. The Center on Philanthropy and Civil Society at the City University in New York has an International Fellows Program that offers philanthropy practitioners the opportunity to come to New York for several months of study and research. There are two tracks: the Emerging Leaders International Fellows and the Senior International Fellows. Since 2000, the topics of study have been community foundations and diaspora and corporate philanthropy. Another network that has included a significant number of community foundations practitioners since it began in 2000 is the Synergos Senior Fellows program. Both programs have been instrumental in helping NGO practitioners learn about and spread the community foundations concept. They have broadened the understanding of community foundations among leaders in the philanthropy field. The influence of these two programs is now beginning to show their impact, especially on the development of community foundations in areas where there are no organizations supporting community foundation development. Much of the new organic growth of community foundations have come from participants in these two programs. Countries where they have been influential include: Egypt, Brazil, Uruguay, Palestine, Turkey, and Argentina, among others.

Unleashing community potential

Rubtsovsk, Russia: Rubtsovsk Community Foundation. Imagine the city which is: a 6-hour drive from the nearest airport; on the border with Kazakhstan; 100 kilometers away from the former nuclear testing complex; surrounded by prisons; with ruined military and heavy machinery industry, and with a harsh Siberian climate. For 200,000 people there is one bank, one cinema, and one “below 1-star” hotel. The only businesses that work in Rubtsovsk are small trading companies selling basic goods and services. For the last two decades it has been the “classic” Russian city, characterized by economic depression, heavy drinking and poverty. At the same time the city has a remarkable history as a key industrial area in Russia, which gives local citizens the right to be proud of it and a reason to work to improve their lives. The director of Rubtsovsk Community Foundation realized that in order to attract attention to her organization it was important to make the social life in the city more active and vibrant. She started with special events, like charitable football matches between local businessmen and government officials, and Christmas Balls with auctions of special services (such as “A Lunch with the Mayor” or “the Chief of Police Serving as a Driver”). But the real hit of the town were the performances with local prominent citizens acting on the stage. In the city, where nothing was going on, people were eager to pay relatively significant money for tickets, and all performances were sold out. Such events became popular and formed a committed group of supporters among community leaders.

Knowledge is also being shared across borders by individuals active in the field. Two community foundation executives have taken the lead in forming community foundations in other countries. A former CEO of the Philadelphia Foundation in the US led the development efforts in Anguilla, and was the CEO there until her retirement in June 2008. The former executive of the Derbyshire Community Foundation was the moving force behind establishing the community foundation in the South Sinai, Egypt. She is now the chair of the Community Foundation for South Sinai board. A Turkish-American donor, involved with the Arizona Community Foundation in the US, also has been supporting the efforts by the Third Sector Foundation in Turkey (TUSEV) to promote and develop community foundations there. A board member of the Scottish Community Foundation is head of the Scottish Malawi Foundation, and has used his expertise to develop a community foundation in Malawi. Perhaps the most striking example is that of Dr. Juraj Mesik, who in 1994 helped transform a non-profit organization in the Slovak Republic into the Healthy City Community Foundation of

Banská Bystrica. He went on to become a Synergos Senior Fellow, and then to the World Bank to head up its Community Foundation Initiative in 2003.

Even though some of the formal peer-to-peer learning networks are in transition or have shut down, the sharing of knowledge and experiences is continuing at an increasing pace, if in a somewhat less structured way.

2.4 The evolving role of funders

National and international funders have been a powerful force in spreading the community foundation concept. Without their support, it is certain that the community foundation movement would not have traveled as far and as fast as it has. They have provided direct support for community foundations through programs for endowment building and local grantmaking, funded organizations that support the development of community foundations, and established programs for international exchange, all of which have served to accelerate community foundation development.

Community foundation funders cover a broad spectrum. Private foundations have played a prominent role, especially some of the major foundations with international interests, such as the Charles Stewart Mott and Ford foundations, and the various Soros country foundations.

Leaving a unique legacy

Tauranga, New Zealand: The Acorn Foundation. A local funeral director has gifted his funeral business, valued at more than one million New Zealand dollars (approximately US \$780,000) to the Tauranga community. Driven by his longstanding desire to give something back to his community, his business, now named Legacy Funerals, has become a registered charitable trust, Legacy Funeral Trust. All profits from the funeral business will be distributed to the community annually. In this way, those families who use the services of the Legacy Funerals will also be giving back to their community. This is believed to be the first time that a successful funeral business has been gifted and established, either in New Zealand or the rest of the world, to give all its profits back to the community. The Legacy Funeral Trust will use the local community foundation, the Acorn Foundation, to assist annual distribution of all profits from the business for the good of the local community. The funeral director attributes his time volunteering in Phuket, during the aftermath of the Boxing Day tsunami, as the inspiration for doing something for his own community back in Tauranga. “Working there really brought home to me the value of life. Material possessions actually mean very little to me now. There is much more value in making our community a better place to live and assisting the many worthy organisations which are struggling for funds.”

The Mott Foundation has had the biggest impact of all the international foundations, even though its primary focus is limited to the US, Central and Eastern Europe and South Africa. The Mott Foundation began to focus on the community foundation model in the US in the early 1980s as a way to carry forward its vision that “The charitable impulse is universal and individual philanthropy begins at home.... People – no matter where they live, work and worship – support the causes, beliefs

and good works that are closest to their hearts.”³ Another core belief is that change can only be brought about at the local level through the good will and actions of local community members. After 10 years of working directly with US community foundations, and through the Council on Foundations, to develop and strengthen community foundations, the Mott Foundation extended its programming across the Atlantic. In 1991, the Mott Foundation joined with the Charities Aid Foundation (UK) to create a competitive challenge grant program that proved endowment building was feasible in the UK, and did much to raise the profile of UK community foundations. From that time forward almost all of the major developments in the community foundation field globally have either been led by or received significant support from the Mott Foundation. In addition the Mott Foundation builds coalitions of funders to work together on projects it supports in order to achieve greater impact.

The Ford Foundation also has had a major interest in global community foundation development, going back to at least 1985 when its former President, Susan Berresford, was the Program Officer at Ford responsible for helping to create the Puerto Rico Community Foundation. Where their interests intersect, the Mott and Ford Foundations have worked together on a number of major community foundation development programs.

In addition to these large international foundations, many national and regional foundations have also been active in their own areas. Other types of funders include national governments, government-funded entities devoted to international development, and local authorities. Corporate foundations and corporations with social responsibility programs have played a key role in some areas. This is especially true in countries that are rich in national resources, such as South Africa and Russia, where companies that extract natural resources realize they have a responsibility to improve the quality of life in the regions where they operate.

Funding from the United States Agency for International Development (USAID) has also been significant, although less high profile than that of other funders. USAID most often works through privately managed, quasi-governmental foundations, such as the Baltic-American Partnership Fund, InterAmerican Foundation in Latin America and the Eurasia Foundation in the former Soviet republics.

When dealing with funders it is important to realize that after a period of time they move on to new areas and new priorities. In Central and Eastern Europe support for community foundations was seen at first as an exit strategy from their direct involvement at the local level, and a means to provide locally sustained support for local needs and build a culture of philanthropy that could support civil society and the third sector.

A secondary strategy funders developed were “legacy” foundations that would work in countries to provide transitional support, so that funders would not have to be involved in making further grants in these areas. In some cases these were chartered for a limited number of years. One example of a legacy foundation is the Baltic American Partnership Fund, established in 1998 by USAID and the Open Society Institute (a Soros foundation), who each contributed \$7.5 million, as a public-private partnership with a 10-year lifespan. Each contributed \$7.5 million to start the fund. BAPF supported programs in each of the Baltic countries, through its in-country Baltic-American Partnership Programs (BAPPs). One of the priority areas for the BAPPs was the establishment of community foundations. BAPF will be closing at the end of 2008.

³ Charles Stewart Mott Foundation, “Sowing the Seeds of Local Philanthropy: Two Decades in the Field of Community Foundations” (2001), p. 2

Another example is the Trust for Civil Society in Central and Eastern Europe (CEE Trust) established in 2000 by a consortium of large international funders. It works in the countries of: Bulgaria, Czech Republic, Hungary, Poland, Romania, the Slovak Republic and Slovenia. Recently it has begun supporting community foundation development in Bulgaria and Slovenia. It too is time-limited and will cease operations in 2012.

The success of funders' strategies in Central and Eastern Europe and other parts of the world has led them to use similar approaches as they move their focus to new countries that are poorer, less developed and less integrated into the global economy. Instead of leaving the community foundation field entirely, funders are now focusing their efforts in new areas, especially in the countries of southeastern Europe, the Balkans and Central Asia.

The success of community foundations in providing sustained funding for local nonprofit initiatives caught the attention of the World Bank. In 2003, the World Bank established its own five-year Community Foundation Initiative in conjunction with International Programs of the Council on Foundations. The purpose of the initiative was two-fold. Its first goal was to inform World Bank staff about the community foundation concept and the role community foundations could play in community-driven development. The idea was to make the staff aware of all the aspects of community foundations, how they operate, and what they can achieve, in order to make the concept a part of the World Bank's agenda for community development. The second aim was to establish pilot community foundations in several countries. The World Bank is working through its grantees to establish community foundations in Moldova, Tanzania, Kenya and Thailand. This initiative came to an end in June 2008; other parts of the World Bank will continue to support community foundation developments in these countries.

An innovative new source of funding for community foundation development efforts is the WINGS Global Fund for Community Foundations. Recognizing that it was difficult, if not impossible, for the World Bank to fund and support local community philanthropy organizations, Dr. Mesik requested that the World Bank make a grant to an external organization to set up the Global Fund. This was a major innovation for the World Bank, as it most often works through individual country committees. The choice to lead this effort was WINGS, given its global scope and its track record of successful global programs and events. The Fund is currently a project of WINGS and hosted by the European Foundation Centre in Brussels.

The World Bank made a large grant to WINGS to establish the fund, with the Ford and Mott foundations joining as partners in the initiative. USAID, the Kellogg Foundation and a group of established community foundations in North America and Eastern Europe also provided funding support.

The WINGS Global Fund was established in June 2006 as a three-year grantmaking program to support the development of community foundations around the world. Since the launch of its grantmaking program in June 2006, the Global Fund has made grants amounting to US \$1.2 million to 61 organizations in 27 countries.

The Fund focuses its grantmaking on support for the development of community foundations and local philanthropy organizations in countries where the World Bank operates, and in other areas where access to funding opportunities for community foundations are limited. The Global Fund provides strategic organizational support for newly emerging community foundations; it makes grants for professional development and technical assistance, such as attendance by community foundation board and staff members at international conferences; it helps organizations that support the development of community foundations to create programs for their members. It also funds other types of community philanthropy organizations, which are grantmakers and making a major

difference in their communities. All of the grants the WINGS Global Fund has made can be found on the Global Fund website: www.wings-globalfund.org/our-work-foundations.php

The Global Fund is currently planning its transition into an independent organization at the end of its three-year association with WINGS. When the WINGS Global Fund was started, there was a clear understanding that the World Bank funding could only be for the initial three-year period. Given the growing importance of the Global Fund to the development of community foundations, especially in the global South, it now appears that the World Bank is prepared to renew its support.

The impact the Global Fund has had already can be seen in the way support for community foundation development has changed in Russia. During 2006-2007 the Global Fund made 12 grants ranging from \$10,000 to \$50,000 to 9 community foundations in Russia and to the Community Foundations Partnership. CAF Russia has been able to establish a collaborative relationship with the Global Fund. As CAF Russia has a deeper knowledge of the context and is in contact with the latest local developments and initiatives in the field, it can now concentrate on identifying and supporting emerging initiatives with smaller grants and adapting its support to the changing environment. CAF Russia's grant program now focuses more on continuity and long-term hands-on support for smaller community foundations than on programs for the more established community foundations. The potential of the Global Fund to have a major impact on the global community foundation movement going forward is tremendous.