

ARC's Support for the Development of Community Foundations in Romania 2005-2007

Introduction

This document presents the role that Association for Community Relations (ARC) played so far in relationship to development of community foundations in Romania in the period 2005-2007.

ARC's Mission

ARC contributes to effective mobilization of private resources for public interest causes. For this, we build the capacity of and relations between existing actors involved in private giving and fundraising, create and develop new specialized institutions and promote a supportive environment for the resource mobilization field in Romania.

ARC's Programs

Since 2003, ARC has supported Romanian Civil Society Organizations (CSOs) to develop their capacity to mobilize resources from private sources through combination of training, consulting, information, experience sharing and small grants.

Also starting with 2003, we have encouraged potential donors – corporate and individuals to contribute with their resources to causes that are important to them through combination of workshops, conferences, public events and campaigns.

Starting with 2005, ARC has begun an exploratory phase to test out the feasibility of *Community Foundations (CFs)*, organizations specialized in mobilizing and distributing financial resources at the local level.

Phases of ARC's involvement in support of CFs

Year 2005

1. Understanding CF concept and how CF work in the international practice;
2. Understanding the work of CF support organizations, with a focus on CEE region;
3. Identifying interest of leaders from 8 Romanian communities in relationship with need/opportunity of a CF;

Year 2006

4. Supporting stakeholders from 4 Romanian communities better understand potential of CF related to the context and needs of respective community;

Year 2007

5. Identifying 2-3 communities where CF has high potential;
6. Supporting creation of CF in selected communities.

ARC's Approach to Support CF Development 2005-2007

Analysing local context – this was done as part of a feasibility study in 8 communities in which we have approached CSOs, local government, media and businesses to explore needs they see in community, potential for local resource mobilization as well as identify community leaders who could support the creation and development of a CF in their town.

Community level information and facilitation – in the 4 communities selected we have identified potential leaders with interest in exploring further the need/potential of a CF in their town and have offered information on specificity of CFs, resource mobilization strategies and legal steps in setting up a CF.

Supporting partnership building frameworks to mobilize community resources - 4 partnership building/resource mobilization events and campaigns were organized in Cluj, Alba Iulia and Satu Mare with support from local partners.

Piloting 2 Funds in Cluj – one for youth initiatives (*YouthBank*) and an environmental and educational named fund (Terapia Ranbaxy in the program *Green Garden from the Kindergarden*). ARC has prepared the program frameworks, built the partnerships in the community, mobilized resources, created resource allocation mechanisms, organized the grant-making process.

Setting up of Cluj CF - defining mission and strategy, identifying supporters, raising resources for the initial set up, training of staff, introduction of board.

Organizing 2 national workshops and 1 study visit – a series of national workshops and a study visit in Slovakia were organized for most promising community groups (Cluj, Odorheiu Secuiesc, Alba Iulia, Satu Mare) and ARC staff, with support from Boris Strecansky, Center for Philanthropy Slovakia.

First workshop (June 2006) focused on understanding CF way of operation and standards for work. The study visit in Slovakia (June 2007) was focused on understanding how CFs were set up, how their boards operate, what are some mechanisms of reaching out to communities and particular types of donors. A third workshop (October 2007) was focused on specific strategies for development of CF in Cluj and Alba Iulia.

Consulting – to Alba Iulia related to strategy development, planning steps for CF set up, functioning of CF and legal registration process and Odorhei for functioning of CF and legal registration process.

Sharing experience – approach and results of ARC have been shared to national CSO and business audience through National Fundraising Conference, National Corporate Social Responsibility Conference, Archimia Magazine.

Program Donors and Financial Input

ARC's CF related work 2005-2007 has been supported by a number of donors, with a total support of approximately \$120,000:

= > Balkan Trust for Democracy (\$35,000, 2005-2006)

= > USAID through World Learning (\$35,000, 2006-2007)

=> WINGS Global Fund (\$25,000, 2006-June 30th, 2008)

=> C.S. Mott Foundation through its general purpose grant (approximately \$25,000).

Additionally:

=> \$6,000 in cash and \$26,000 in kind has been contributed by Cluj project partners and local corporate and individual donors for direct costs and communication in community of YouthBank program and Green Garden from the Kindergarden.

=> \$33,000 has been contributed to the two grant-making programs in Cluj. This does not include the value of community initiatives directly supported as a result of the partnership building frameworks.

Results

Cluj Community Foundation was legally registered in January 2008 and has a board with representatives of business, media, academics and NGOs from Cluj. The foundation will continue the two funds initiated and will develop new mechanisms for involving individual donors and offering grants to CSOs.

Odorhei Community Foundation has been registered in December 2007 at the initiative of a group of 7 business-men and its planning its first fundraising and grant-giving activities for beginning of 2008.

Alba Iulia initiative group has decided to set up a community foundation during 2008.

4 community partnership frameworks helped raised approximately \$38,000 from local sources in support of over 20 community projects.

2 funds in Cluj helped raise approximately \$33,000 from local sources for 15 youth initiatives (plus a new round to be organized soon) and 10 educational projects.

Reflections

The development of CFs in Romania has been challenging due to following reasons:

- experience with mobilizing private resources at the community level is limited;
- understanding of foundations in non-operational terms, as dealing with fund; creation, management, development and distribution is only at the beginning;

- there is a tension between focusing on building institutions for long term benefit, while at the same time providing some visible results short terms to sustain motivation for involvement of potential CF supporters from the communities.

Although abstract at first, CF can prove their role by identifying needs and resources in community and creating funds/grant-making programs to respond to these.

2007 has been a critical year in the development of CFs. We believe that the two funds piloted in Cluj have been crucial in demonstrating how CF would work and creating interest and trust at the community level for such initiative. It has also supported identification of key individuals who would be involved further as part of the CF board. Also, the visit to Slovakia has been very helpful in promoting understanding of the role and functioning of CF in a relevant context.

With two CFs operating, it will be easier for new initiatives to find inspiration on the Romanian ground – this is shown in the case of Alba Iulia. We expect that process of setting up CF in other towns would be easier while Cluj and Odorhei can share their achievements and lessons learned and with ARC's increased knowledge and experience in communicating CF role, benefits and position in community.