

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

Correspondent: Elio Raymundo Moreira, Executive Director, Instituto Rio

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