

EGYPT

Community Foundations

Introduction

Two community foundations have been established in Egypt in the last three years: the Community Foundation for South Sinai and the Maadi Community Foundation (Waqfeyat al Maadi al Ahleya). The Maadi Community Foundation functions along more traditional community foundation lines than the Community Foundation for South Sinai, which has adopted a community development approach for its initial stage of development.

The Community Foundation for South Sinai (CFSS) was registered in South Sinai in November 2006 after some eighteen months of activity to identify a form of governance appropriate and acceptable to the social and political circumstances of Egypt. The current board members are its founder donors and supporters: two British, two Egyptian and one Bedouin. In the South Sinai, although there are religious traditions and precedents with which the community foundation model is compatible, planned giving is virtually unknown. The NGO sector in general is weak, under-resourced and dependent on government ratification for every step it wishes to take. CFSS's key constituency is the marginalized Bedouin population of the area. Its most important task to date has been to research local needs and resources, and to build trust in the community, becoming a recognized part of the local landscape. Its grantmaking is focussing on supporting Bedouin culture, generating sustainable work opportunities, and providing solutions to issues identified by research. The driving force behind the formation of CFSS is the former CEO of the Derbyshire Community Foundation in the UK.

The Maadi Community Foundation was established in a suburb of Cairo in May 2007 after an effort led by a well-known researcher on philanthropy, who is also a development practitioner in Egypt. She was an International Fellow at the Center for Philanthropy and Civil Society at the City University of New York, and was named the Ashoka Social Entrepreneur for the Arab Region for her pioneering efforts in change-driven philanthropy. After studying the form and function of community foundations, her approach to adapting the community foundation concept to Egypt was to revive and modernize the traditional Islamic civic endowment structure, *al waqf*, using a secularized approach, in order to connect the community foundation to a deeply rooted endowment practice that could ensure sustainability and perpetuity. The Maadi Community Foundation is the first community *waqfeya* that is independent from the government's Ministry of Waqf or Endowment, making it truly a community foundation. The Board consists of active residents of the neighbourhood, including business people, university professors, and development practitioners, women as well as men, from diverse religions and age groups. They are committed to bringing about structural change in how foundations operate in Egypt.

Community Foundation for South Sinai

History

Community Foundation for South Sinai (*al mo'assessa al ahliya lijanoub sina'*) was registered in South Sinai in November 2006 after some eighteen months of activity to identify a form of governance appropriate and acceptable to the social and political circumstances of Egypt. The current board members are its founder donors and supporters: two British, two Egyptian and one Bedouin. Our Bedouin trustee is a local businessman and community leader. Three of the others are academic biologists who have worked in South Sinai for 20 years. The Chair was a community foundation practitioner who is currently researching changes in Bedouin life and livelihoods. The community foundation sprang from a collective desire to try adapting the community foundation model in order to tackle poverty and improve quality of life for local people, who experience substantial material need, while building on Islamic traditions of charitable giving.

Whilst there are religious traditions and precedents with which the community foundation model is compatible, planned giving is virtually unknown. The NGO sector in general is weak, under-resourced and dependent on government ratification for every step it wishes to take. That said, CFSS has generally had a warm reception from ministry officials, who support its charitable aims.

CFSS' key constituency is the marginalized Bedouin population of the area. Its most important task to date has been to build trust in the community, becoming a recognized part of the local landscape. We have also seen it as important to establish a track record for this unknown model in securing small-scale community benefits before seeking to promote its merits to potential donors in a wider arena.

Current situation: Facts and figures

Geographic area served:	South Sinai
Population size of service area:	At last count (1996), resident population: 65,000 of whom no more than 25,000 are Bedouin
Total sum of grants made in 2007:	26,000 LE (approximately £2500/\$5,000)
Total number of grants made in 2007:	17
Total sum of the income/ donations in 2007:	217,000 LE (approximately £20,000/\$40,000)
Single largest source of income in 2007:	Donations from individuals
Is there an endowment? Yes/No.	Yes
If Yes, the size of the endowment:	Circa £8,000/88,000 LE

Activities and impact

Two examples: One from last year, one from the future:

Example 1: Clean water for 300 families

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 (in our research, people consistently blame water quality for their poor health and dental problems). 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.

Example 2: Mount Sinai Bedouin Wool

Bedouin society is conservative; nonetheless, until recently Bedouin women made a major economic contribution. Women led their flocks – formerly, their capital wealth – every day to find pasture and water. But now, due to climate change and development, there is little grazing left. Fodder has to be brought in, so the women and girls have no cause to go out. The growth in tourism means there are foreigners around, and Bedouin men ensure their women don't meet them. All this affects women's health and the family economy. Traditional skills are unused or lost, and the women are poor and depressed. They are desperate for constructive, paid work.

Almost all Bedouin women are skilled needlewomen, and many produce beautiful traditional embroidery and beadwork. But the women are rewarded pitifully for their work: an embroidered bag typically takes two weeks to make and is sold by middlemen for 250 LE (about £25); the maker may receive less than 10 percent of that – just £2 for a fortnight's hard work. But there is another market waiting to be supplied by new, fairly-traded products made of local wool. The few remaining sheep and goats produce some wool, but its traditional use has been lost. Since settlement forty years ago, no-one in St Katherine now lives in a tent. But the long tradition of tent-making means no tradition has developed of using wool to make clothing, despite the bitterly cold mountain winters. Respiratory problems are rife, and local people's health will benefit hugely from having simple, reasonably-priced warm clothes. The women are skilled and need only be trained in how to knit. There is a captive market in the year-round stream of pilgrims and tourists who climb Mount Sinai for the sunrise, but are never prepared for its freezing temperatures. Meanwhile, there is a flourishing high-end international market in 'ethnic' and fairly-traded products, such as embroidered shawls, in which skilled Bedouin needlewomen are perfectly able to compete. What they need is help with reaching markets, and with creating new outlets for their talents which support their family without challenging their men folk. Bedouin men themselves live on a knife-edge; these developments cannot happen by confrontation or by imposing western norms of gender equality.

The Funding Network has awarded CFSS a grant of £5,000 to work with local women, enabling us to develop a new product from local materials: felt. We are training local women to make felt from their own wool to produce warm clothing for their own families and for local markets, and with the aid of textile experts from the University of Manchester we hope to progress to designing new products for western markets. There is known local need, plus local and international demand for what Bedouin women can make. Keeping their own families warm will improve their health, and bringing their products to new markets will promote independence, tackle poverty and restore self-respect. The project is generating much excitement and sparking ideas about how other local products can be used in new ways. We believe that by catalyzing this project the community foundation can make a long-term difference to Bedouin women and their families.

Operations and staffing

The community foundation is administered by unpaid volunteers.

Community foundation income

Income categories

Individual contributions:	66%
Philanthropic organization:	33%

Purposes

Most income from individuals was unrestricted, but with the proviso that 80 percent of funds received will be retained as endowment unless otherwise specified by the donor (with 20 percent of the gift and any tax reclaimable allocated for unrestricted spending). One donation of 4,500 LE (circa £500/\$1000) was to promote women's education. The gift of circa £5,000 from a philanthropic body was to enable us to develop an operating project providing employment for local women.

Permanent funds/Sustainability

Approximately 40 percent: i.e. circa £8,000 of total income of around £20,000. (Currency valuations typically vary between 10 and 11 Egyptian pound to one pound sterling. Purchasing power is roughly proportionate; i.e. the cost of living is approximately ten times less in Egypt than in the UK, meaning that total income of 217,000 LE goes as far in Egypt as £200,000 would go in Britain.)

Environment for philanthropy

Local attitudes

There is a strong tradition of giving in Muslim societies, and the Bedouin in particular see support for the poor as a cultural and religious duty. Giving is by and large ad hoc and directed at individuals, generally because there is no other option. The NGO sector in South Sinai is weak, lacks capacity, and is strongly controlled by the government. There are virtually no local sources of funding for voluntary activity, and funds from major international donors are de facto inaccessible by people who are generally uneducated and marginalized. This causes great resentment. Local people understand and appreciate what CFSS is trying to achieve. The most important task now and in future is to bring that message to potential donors at the local, national and international level.

Legal and tax environment

CFSS is maximizing options for tax incentives by holding funds (with the kind support of Community Foundation Network) in the UK. There are tax breaks in Egypt but they are less generous than in the UK, and benefit the donor rather than the charity. Representations have been made to the government as part of a recent review. But the lack of tax breaks is probably not the largest challenge facing Egypt's two community foundations!

Changing attitudes and the national or regional environment

The environment is supportive in a religious context – individuals are by and large much more attuned to giving than people in the global north. But getting this type of new organization recognized, accepted and trusted is a much bigger issue, especially when (as in our case) some of our funds come from overseas. Another critical issue is CSR and company giving, and a lot has been done to raise awareness of it (including by Marwa el Daly, who heads the other community foundation in Egypt: Waqfeyat al Ma’adi – Community Foundation). The Vice-Chair of CFSS, Professor Samy Zalat, has attended a number of high-level events on the issue, and recently hosted a visit to Sinai by the Vice President of the World Bank’s International Finance Corporation.

Current challenges and future developments

The challenges are manifold. The most obvious is that our activity depends on government approval, but we are working with systemically disadvantaged communities. In order to gain trust (from both sides) we need to show we can provide benefits that are not commensurate with the resources we can generate in the short term using a model that potential donors are unfamiliar with. Our community needs research points to secure job creation and access to markets as the critical issues in tackling local poverty, and in the short term our role appears to lie in catalyzing or leading action in these fields rather than in more orthodox fund development. This social enterprise approach may have more in common with a traditional development trust than a community foundation, but in the world we’re working in we think it’s the best practical place to start.

Another major challenge is working in a community that is traditionally entirely oral and cash-based: nothing is done on paper and most people are not educated beyond primary level if at all (at least half the population is illiterate). This makes it harder to develop ‘standard’ policies and procedures for grantmaking, monitoring etc, and to appoint trustees from the local community. We are in the early stages of experimenting with ways to do this.

Involvement of local women will be another major challenge that we have to tackle with great sensitivity if we are not to alienate community leaders. This has to be done slowly. There are a small number of local women whom we may be able to invite as time goes by, but nothing will be achieved by rushing this highly conservative society where women rarely leave their homes, and then only to visit female relatives. By working with the single positive role model of a Bedouin woman who has become successful in working outside the home, we hope to encourage people to recognize that change need not be threatening. But this is an embattled community, and it won’t happen overnight.

Meeting organizational support needs

Community Foundation Network, to which we are affiliated, has been enormously helpful and supportive. They hold funds and facilitate banking for us in the UK, but we will be moving shortly to establishing a parallel UK-registered charity as our operation grows.

The fact that our Chair has for eight years been a member of the Transatlantic Community Foundation Network (TCFN) helps us put our challenges in perspective, especially in respect of community leadership in this new context.

There is no support network in Sinai, of course: the only resource available to community organizations is to meet with the government department which also polices their work.

International links

Our challenges are radically different at a practical level from mother other community foundations of which we are aware. It has been very helpful to liaise with the Dalia Association in Palestine, and we believe we are gaining momentum for a Middle Eastern regional grouping. The challenges of operating in this environment require a new approach

Additional resources

Information about the Community Foundation for South Sinai and the annual review for 2007 can be accessed on our website: www.southsinaifoundation.org

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Maadi Community Foundation – Waqfeyat al Maadi (Mu’assasa Ahleya)

History

The Maadi Community Foundation, Waqfeyat al Maadi al Ahleya was registered on 13 May 2007 as a Community Foundation/ Waqfeya under the Ministry of Social Solidarity, the branch of government responsible for supervising all civic organizations in Egypt. It is considered a pioneering model of a community foundation to be established in Egypt taken its legal form, structure and mission, yet there is no clear distinction between forms of foundations, as this is a relatively new development in the aftermath of the most recent legal reform in 2002. Hence, to government officials, if not carefully distinguishing the structure, mission, and form of governance, this might be seen as any other foundation registered under this law. Most striking to all is definitely the name Waqfeya and the term “mu’assasa ahleya” that enforces the community foundation concept.

Marwa El Daly is the original founder. She is the author of several major studies on philanthropy in Egypt, and the Social Entrepreneur chosen by Ashoka for the Arab Region for her work on change-driven philanthropy and reviving the Waqf endowment system for the civic sector. Funders included: members of the board of trustees, individual philanthropists donating computers and other facilities, and Ashoka through their financial support to the founder, which she in turn channeled to the foundation to pay salaries and running costs in its early beginning stages.

Preparation for the establishment of the Maadi Community Foundation was undertaken very carefully. Most important was studying the form and function of community foundations and whether local funds could sustain such a model.

- The study revealed that people in Egypt tend to primarily channel their giving to those close to them by kin or geography.
- The study also revealed that faith-based giving is the major influence behind philanthropy among Christians and Muslims alike and that the system of institutionalized giving in Islam and the third pillar of the Muslim faith, *zakat*, legislates giving first to primarily benefit one’s own geographical area.
- Giving is generally individual, person-to-person, charity-oriented and ad-hoc, a trend that leaves relatively small philanthropic organizations behind.
- In addition, small philanthropic organizations, which form the bulk of the civic sector, lack any form of financial sustainability like endowments or *waqf*, a system that was used to support civil society organizations in Egypt for many centuries before its deterioration due to governmental control. Only 30 percent of the NGOs invest their money and mostly in fixed bank deposits.
- In 2004-05 estimated local giving of Egyptians reached around US \$1.5 billion or LE 5.5 billion annually, which, if properly directed, could achieve change and development.

The major recommendations of the study were:

1. To develop a community foundation, a community philanthropy structure that serves one geographical area and has a board of trustees representing this community, which creates a consciousness within one community of existing gaps between people and their aspirations in spite of their close geographic proximity.
2. This model should embrace the concept of the waqf, an authentic endowment structure, in order to revive this deeply-rooted civic institutionalized form of financial sustainability to development work. Registering this community foundation as a waqfeya was the strategy adopted, despite the challenges of registering any waqf independent from the Ministry of Endowment.

3. The success of this model could be used to mobilize resources and change perceptions to achieve change-driven philanthropy, starting from one geographical area to expand further on the national and the regional level.

Positive factors that permitted the establishment of the Maadi Community Foundation included:

1. Legal reforms that led to the emergence in 2002 of the new models of civic organizations termed private foundations (Law 84/2002). Before then, and up to Law 153/1999, which opened the door for the emergence of private foundations (yet soon became unconstitutional), most of the NGO models were Community Development Associations (CDAs), which were semi-governmental structures. The 2002 reforms now make a distinction between CDAs and private foundations, which enjoy more freedoms than the NGOs, which in most cases had to involve government representatives in their board of directors.
2. The new Minister of Social Solidarity strongly believes in the importance of financial sustainability and the importance of good governance. His interest and belief in the vitality of reviving and modernizing the waqf or endowment to ensure financial sustainability was encouraging alongside with his vision for reform.
3. The civic movements calling for change, especially among youth in Egypt today, led a number of influential people of the Maadi area to be interested in the formation of the Maadi Community Foundation and be part of its board.
4. International organizations have emerged with an interest in investing in social entrepreneurs and novel ideas. Ashoka is the first to work on this mission in Egypt. Ashoka chose the Chair of the Maadi Community Foundation, as a Social Entrepreneur for her efforts to promote institutionalized philanthropy and in forming the Maadi Community Foundation al Waqfeya. Her selection provided recognition and initial funding that she invested in the formation of the foundation.

As the work of the foundation faces policy challenges and also challenges that relate to perceptions of people that the MCF seeks to change, fundraising is not as easy as it is for other NGOs working with orphans and on charitable causes. The challenges include: opening access to knowledge, networking, advocacy, changing perceptions like philanthropy to development, etc.

The Maadi Community Foundation is the first of its kind in Egypt, especially given its mission, vision, its structure as a community foundation, and its board of trustees, representing the geographical area it serves. The other community foundation in Egypt, the Community Foundation for South Sinai is not based primarily on reviving the waqf, the community endowment model but it is registered as a foundation serving South Sinai and together with Maadi Community Foundation it aspires to find venues of cooperation and to build a waqf or endowment to ensure the sustainability of this model

Current situation: Facts and figures

Geographic area served:	Waqfeyat Al-Maadi covers the 7 provinces or zones of Al-Maadi. These provinces include: Old Maadi, New Maadi, Zahra' El Maadi, Thakanat El Maadi, Arab El Maadi, Hadayek El Maadi and Torah.
Population size of service area:	These zones have an estimated population of 200,000 residents, inhabiting 14 km ² . Al Waqfeya serves shanty towns located at the outskirts of Maadi, which belong to other districts such as El Basateen and Helwan. The estimated population of these suburbs is: around 1.5 million residing in 30.5 km ² and 1.2 million residents inhabiting 69.4km ² , respectively.
Total sum of grants made in 2007:	No grants made as yet.
Total number of grants made in 2007:	0
Total sum of the income/ donations in 2007:	US \$40,000
Single largest source of income in 2007:	Local philanthropists
Is there an endowment ? Yes/No.	Yes
If Yes, the size of the endowment:	Around LE 35000 (approximately US \$6400)

Activities and impact

Example 1: Ramadan to Ramadan Waqf/Endowment. In Ramadan, the month of fasting, charity reaches its peak in Egypt with person-to-person giving, thousands of food tables to feed the fasting at sunset each day of the month, with millions of dollars spent on food. One of the Waqfeya volunteers and a supporter brought the idea of Ramadan to Ramadan Waqf, and the Maadi Community Foundation partnered with another organization responsible for food donations called the Food Bank. Together we coordinated food distribution for the area of Maadi, but in addition employed volunteers to do a Participatory Rapid Appraisal in order to benefit single mothers in the future through capacity building or/and employment project. Tens of volunteers actively contributed by filling out questionnaires and a famous youth group did a marathon and allocated the income of it to establish this endowment, designed to institutionalize giving between the months of Ramadan, i.e. to make giving throughout the whole year to contribute to sustainable projects within Ramadan and beyond. These partnerships and fundraising event, and the use of this novel form of endowment, had a primary impact on the perceptions of philanthropists and on the initiative of the youth group to fundraise for it.

Example 2: Innovative Fundraising. Another impact is the fundraising done by the children benefiting from the activities of the partnership projects within the foundation. Knowing that the fees they pay go towards development, the children take an active part in distributing flyers and messages on the Waqfeya. Several newcomers to the foundation heard about its work from children 7 to 10 years old. By virtue of its name, Waqfeya is now famous among many youth groups who inquire about the meaning of waqf, the importance of endowment in sustaining NGOs work, etc. Up to now, we have had three international

interns, and one American intern, a PhD student in the US, who will be volunteering in the coming project funded by the WINGS Global Fund for Community Foundations.

Example 3. Partnership Programs. Another example of activities is the partnership program that is currently running in which three social entrepreneurial projects are partnering with the *waqfeya* and performing their businesses with an agreement to return over 50 percent to the foundation. These partners are considering their endeavours as vital for delivering their message through their projects and also to contribute to the sustainability of the foundation. The success of this model is a seed for similar partnership programs as a means to institutionalize endowment building among social entrepreneurs and foundations, and also to ensure the financial sustainability of civic institutions adopting such a model.

Operations and staffing

Right from the start we relied on paid staff, apart from the volunteer effort of board members, especially in the set-up, administration, finance and in handling registration and relationship with the government. However, we relied on many specialized volunteers from the community, in the field of information technology, web design, human resources, law, business, development and fundraising.

Community foundation income

Income categories

Income comes mostly from individual donors – board members and others – in addition to income coming from the partnership projects, a Waqfeya program where a number of social entrepreneurs do their own business using the space of the foundation, and through a contractual agreement endow a percentage of their profits to the foundation. Up to this point the Maadi Community Foundation has three partnership projects:

- an Art Centre called Khan el Fenoun, managed by Art professors from Helwan University;
- a Theatre teaching project by a young entrepreneurial artist, and
- Anistouna for teaching colloquial Egyptian Arabic to foreigners, a project by professors from the American University in Cairo endowing the profit of this project to the Waqfeya.

Source	Type of Income	Approx. Percentage
International donors	Individual funding comes to the chair through Ashoka investing in social entrepreneurs, and the chair contributes to the foundation from this money	30%; in some instances this percentage goes up to 50%
Corporate (national / international)	In-kind support	10%
Individuals	Monetary	40%
Waqfeya Partnership Project	Monetary	20%

Purposes

Thus far, individual donations go to build the endowment, so we have been relying on philanthropists who believe in the importance of building one, and on the significance of endowments for programs to guarantee their financial sustainability. The profits of the partnership projects go mostly to cover the running costs of the foundation and any events. Up to now, contributions by the board are investments in the foundation, such as unrestricted grants to cover cost of personnel, etc.

Permanent funds/Sustainability

Almost 30 percent of Waqfeya income goes into endowment building – in the form of money set aside for the endowment, because we are still at an early organization stage.

In addition to the strategy of building an endowment, we also have the partnership project which is the main source of income supporting the running costs of the foundation at this stage. The partnership project allows business persons or entrepreneurs to give a percentage of their profits to the foundation. We had to have another source of income, other than the endowment, because it will take time for the endowment to grow and have its interest cover projects. This is why from the beginning we developed this other mechanism for financial sustainability.

Environment for philanthropy

Local attitudes

The study referenced below is the first-ever study to quantify philanthropy in Egypt and study its trends on the national level.¹ The task of quantifying charity is very difficult because of a philanthropic environment where privacy is highly valued and distrust is widespread. Respondents to the study exhibited a constant fear of intervention from the government and other international organizations, which they suspect might harbor hostile agendas against Arabs in general, and Muslims in particular. People were also hesitant to break confidentiality about their giving practices, since in their view Islam and Christianity value anonymity when it comes to charity.

What the study did show is that people tend to give directly to individuals they know (40.2 percent among

¹ Marwa el Daly, and introduction by: Hatem el Qaranshawy. *Philanthropy in Egypt: A Comprehensive Study on Local Philanthropy in Egypt and Potentials of Directing Giving and Volunteering towards Development*. Community Development Service, 2007.

Muslims and 21.7 percent among Christians), or to charitable or service-oriented organizations (12 percent) that serve the poor. A small percentage of respondents would give to local NGOs engaged in development efforts, such as granting small loans or creating job opportunities for the unemployed (1.2 percent). Egyptians tend to give most generously to whom the Qur'an describes as al-aqrabun, those nearest in kin (78.6 percent) or neighborly proximity (36.3 percent). Especially in small villages, this system of interdependence (takafol) enables communities to survive on local initiatives. The widespread sense of responsibility towards one's community indicates good possibilities for establishing community foundations, especially if it simultaneously revives the community *waqf* tradition. Nearly 80 percent of respondents give to relatives and nearly 40 percent give to neighbors, and even NGOs rely on local networks of relationships, because their fundraisers usually end up developing close personal ties with donors. That Egyptian people feel more inclined to donate to their community members bodes well for the possibility of introducing the community foundation as a modern model relying on traditional giving trends.

However, as we worked in the field, we found that one of the most pressing challenges we face is the huge gap of knowledge on mechanisms for the creation, operation and maintenance of *waqfs* (endowments). For instance, information on community-based investment schemes, which are considered invaluable to develop the philanthropic sector in Egypt, is totally missing. In addition, there are legal issues related to endowment building and investment that needs to be explored and adapted to encourage philanthropy for development. This lack of knowledge is largely due to the scarcity of community foundations and the lack of successful models of non-profit investment funds in Egypt.

This challenge hampers the operation of *waqf* as a local mechanism for sustainable development and thus threatens community foundations and other forms of CSOs interested in mobilizing and growing philanthropic resources to direct them towards sustainable development, in order to allow for them to operate in a full, effective and sustainable manner

By virtue of its establishment, Maadi Community Foundation opened the door for community foundations as a model to emerge. By virtue of its establishment as a *waqfeya*, it opened the venue to endowed community foundations to emerge and revive this system of *waqf* that used to fund all social work, universities, research and development, hospitals, armies, and make civic work the core venue of progress and development for centuries and centuries in the Arab and Muslim world. The establishment of a *waqfeya* apart from the Ministry of Awqaf is a challenge and opens the door for policy change and advocacy for a range of related legal issues that gives more freedom and autonomy to the civic sector. Waqfeyat al Maadi has been featured in several newspapers and on the TV and its mission statements provoke people to think and get oriented with this new system that is run by young people and that revives old mechanisms of philanthropy and modernize it to suit the present circumstances.

Legal and tax environment

Tax incentives are not encouraging in Egypt and this is one of the vital interventions that the Waqfeya will be tackling. The tax law is quite vague and not known to the majority of people. Thus, it has little impact on philanthropists' decision to invest in the Waqfeya, but this is one of the venues and the benchmarks we set for ourselves. There are no government incentives for community foundations. It is not a problem. What poses the problem is the amount of reporting that we have to do.

Changing attitudes and the national or regional environment

There is a need for advocacy for legal change in the areas of:

1. Tax incentive policies

2. Access of information on each geographical unit in Egypt is not easy and requires extensive research and money – this ambiguity must be diminished and information must be shared more freely.
3. Chapter to include the form of community foundations in the new law must be clear and distinction between the different forms of civic formations must be highlighted.
4. Government supervision on local NGOs' work should be more encouraging and less bureaucratic
5. The system of *waqf* should be incorporated in the civic legal system in the law governing NGOs as a form of financial sustainability
6. The engagement of CSR, funding agencies, the Diaspora, and local philanthropists should be strategic to achieve development and change and not simply to encourage charity. Partnering with the Maadi Community Foundation and engagement in its mission to achieve this change in mind-set and channel resources to serve real development is a real challenge.
7. Building the endowment is a real challenge because people are not used to investing in charities.
8. Investments in research and development are crucial to the success of development interventions, yet it is not easy to attract funding. This is another challenge that we seek to overcome, while manifesting and spreading the ideas we promote for and by trying to establish different partnerships.
9. Capacity building to, and networking between, NGOs that used to compete for attracting resources and help them develop financially sustainable mechanisms.

Our foundation is putting these issues on the social agenda. It is our mission to advocate for this change starting by our geographical area, and moving on to the national and eventually the regional domain. Dialogue with the Ministry of Social Solidarity has started and we are in the stage of building partnerships to build a solid foundation of civic actors.

Current challenges and future developments

Major challenges:

1. The growing gap between the rich and the poor.
2. Global treaties force the government to take its hands off many subsidies at a time when the poor are barely surviving. This puts enormous pressure on the government education system, health care provision to the poor, and above all on food, where there is currently great discontent due to the unavailability of bread, a main commodity that was subsidized heavily by the government.
3. The weak government insurance system and informal labor, lacking any kind of insurance, leaves many poor and even middle class members in severe economic hardship in case of sickness and old age.
4. The education system is also facing great challenges, and this is the future for Egypt as well as any country.
5. The civic sector is really now in the spot light. It has to be ready and take the opportunity to play a major role with the government, but on its own terms and to be strategic in light of existing scarce resources.

The Maadi Community Foundation in the future:

1. The foundation above all seeks to challenge the existing systems of aid provision that unfortunately do more harm than good. Hence, it should develop a strong model that could be adapted in other areas and also regionally to provide an alternative solution of a strong community-based front that actively takes part in the development agenda of the country and the region as a whole.
2. It is envisioned that the foundation will have an influence on the establishment of further community foundations, so that they can have influence on decision and policy makers.

3. It is also envisioned that this model will grow regionally and include a large number of members of the Diaspora as well.

We are building a knowledge hub on philanthropy in general, which up to this point is the strongest and most inclusive in Egypt with specialized sources on philanthropy, *waqf* and forms of giving in religions. We hope that this knowledge base will grow and influence researchers, policy makers and activists. We have two PhD students doing internships at the foundation already, in addition to a number of university volunteers working on a database of single mothers who live in an impoverished area in Maadi.

International links

We are now building collaborations with an NGO in Denmark, and with others in the region (Jordan, Palestine, Lebanon). We have been discussing all forms of mutual cooperation in the field of grantmaking, endowment building and management, as well as venture philanthropy. In addition, we are exploring knowledge exchange and participating in study tours. We will be receiving groups from Thailand who are interested in knowledge sharing and learning how the *waqfeya* model functions. Links and partnerships are being established in the Gulf, in the United Arab Emirates, based on the belief in the importance of supporting and spreading this community foundation *waqf* model in the region.

Another link is our coming collaboration with the WINGS Global Fund in what we call the TRUST Program: Towards Reviving and Understanding Sustainable funding Techniques. Through this project we hope to include other international links. The Chair of the community foundation will be starting this by presenting this project at the International Society for Third Sector Research (ISTR) conference in Barcelona in July 2008. She also will be visiting the Rockefeller Archives Center in New York to do research, as part of a scholarship to learn more about systems of governance, legal frameworks and policy issues related to community foundations and endowment building. This area of knowledge is extremely needed for the community foundation to grow and effectively promote change.

We have two international PhD students coming to work and study at the Waqfeyat al Maadi. One of them is American and is doing her PhD in the US on *waqf*, and hence she will be working for a month and a half at the Waqfeyat al Maadi as an Intern and making use of our resource hub. These links with international students tend to open up channels of cooperation and flow of knowledge and hopefully will bring further exchange programs into being.

Additional resources

The Maadi Community Foundation website is: www.waqfeyatalmaadi-cf.org

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