

INDIA

Community foundations¹

History

While the Western models of community foundations are of recent origin, indigenous models of community foundations date back as far as the twelfth century. They did not have all the features of a modern community foundation, but in essence they were community foundations. The concept of the modern community foundation may be new, coming from the West, but the fact of community giving is ancient in India, a civilisation that has seen and inspired a huge tradition of giving. There is a growing realisation that raising local resources for local development with community involvement and monitoring is an effective alternative to bring about positive and planned change.

The first community foundation taking a modern form in India is The Bombay Community Public Trust (BCPT), established in 1991 by the Centre for Advancement of Philanthropy. Since the first community foundation was established in Mumbai, two other community foundations have also been established in Pune and Ahmedabad.

The Nav Maharashtra Community Foundation (Navam) was established in Pune in the State of Maharashtra in 2003 by a group of business people, media persons, and social workers, with initial funding from the Ford Foundation, and from local individuals, corporations, and other funding agencies and foundations. It covers the entire state of Maharashtra and focuses especially on the 70 percent of the population that lives in rural areas. Navam and the Bombay Community Public Trust are the two community foundations that come closest to the western definition.

The latest efforts to establish community foundations are being undertaken by Sampradaan Indian Centre for Philanthropy in New Delhi. Their primary focus has been on establishing community foundations in rural areas. The Mewat Foundation Trust (MFT) is the first rural community foundation in India. MFT is emerging as a model community foundation. SICP is also supporting two other community foundations: Kodagu Model Forest Trust and Sainik Sangh in rural areas.

India is just beginning to establish community foundations and increasing numbers may be in the offing. Factors which may have a positive effect on community foundation formation are:

- strong community base,
- need for an effective force for development,
- examples of success to emulate,
- religiosity and inspiring examples of rationally using religious sentiments for secular development,
- desire for decreasing dependency on large, external donors in the context of new economic development.

¹ Information in this section was compiled by Eleanor W. Sacks with information supplied by: Dr. Pradeepta Kumar Nayak, Programme Coordinator, Sampradaan Indian Centre for Philanthropy; Noshir H. Dadrawala, CEO, Centre for Advancement of Philanthropy; and Dr. Nirmala Pandit, Managing Trustee, The Nav Maharashtra Community Foundation (Navam)

Factors which may have negative effects include:

- poverty,
- lack of awareness,
- fear for the new,
- negative organisational competitiveness.

Current situation: Facts and figures

Number of community foundations formally established in total.	6
Number of community foundations established in 2007.	none
The number of community foundations at early stages of development.	3
Percentage of country's territory covered by community foundations.	5% approximately
Percentage of population that has access to a community foundation.	10% approximately
Total number of people with access to a community foundation.	Very small fraction
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Increasing

The community foundation concept is not well understood; most individuals and corporates would like to give directly to the beneficiary. The role and value of an intermediary to promote, foster, encourage and monitor good initiatives is not widely appreciated.

Establishing community foundations has been a challenging job. It takes time for people to understand and accept the concept. It also depends on the role of support organisations. SICP, for example, decided to work with only three community foundations in the beginning. Its policy has been to assess the feasibility and learn from the experience. Although there is a growing interest at a national level, SICP made a deliberate decision to check the rate of community foundation formation in India. The rate can increase after creation of successful models.

Total sum of grants made by community foundations in 2007	Very little, but complete information not available.
Total number of grants made in 2007.	Very little, but complete information not available.
Total sum of the income/donations in 2007.	Information not available.
Single largest source of income for community foundations	Largely corporate donors.
Total sum of endowments at the end of 2007.	Complete information not available. See information for BPCT below.
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Complete information not available. See information for BPCT below.

Information on the Bombay Community Public Trust: Information for the 2006-07 fiscal year

Total sum of grants made	INR 105lakh	US \$26,9230
Total number of grants	38	
Total sum of the income/donations	INR 11,252,000	US \$28,8512
Single largest source of income	A company	
Total sum of endowments	INR.1158,000	US \$29,692

Information on the Nav Maharashtra Community Foundation for the 2006-07 fiscal year:

Total sum of grants made	INR 1,102,345	US \$ 25,620
Total number of grants	29 to 18 organizations	
Total sum of the income/donations	INR 4,676,462	US \$108,700
Single largest source of income	INR 4,063,223	US \$ 94,450
Total sum of endowments	None	

Complete list of community foundations

1. Bombay Community Public Trust (1991)
Dr. Harsha Parekh
5th Floor Regent Chambers, Nariman Point, Mumbai-21
Phone: 022 – 2845928 / 2836672
Fax: 022 – 2836672
E-mail: www.bcpt.org
2. Sainik Sangha (1997)
Maj. Gen. A P S Chouhan,
Paurhi Garhwal, Uttarakhand, India,
Phone: 011-26891513,
E-mail: sainiksangh@sify.com
3. Ahmedabad Community Foundation (2000)
E-3 Vishrut Apartment, Next to A- One School, Near Subhash Chowk, Memnagar, Ahmedabad 380
052, Gujarat
Phone: 91-79-27498687, Email: info@acfindia.org
4. Nav Maharashtra Community Foundation (2002)
Dr. Nirmala Pandit, Managing Trustee
3, kalyan Apartment, Bhusari Colony, Kothrud. Pune - 411 038
Tel/fax: 91-20-25 28 52 77
E-mail: info@navam.net
5. Kodagu Model Forest Trust (2003)
Col C P Muthanna (Retired)
Pallibetta, Kodgu, Karnataka,
Phone: 08274-247285,
E-mail: muthana@sancharnet.in
6. Mewat Foundation Trust (2006)
Bakhtal Ki Chouki, MIA, Desula, Alwar,
Mobile: 09413631381
E-mail: munshikhanbalot@yahoo.com

Community foundation staffing

To be effective, professional (paid) staff are needed from the beginning for administration, finance and fundraising activities. Navam uses a mix of volunteers and paid staff. The paid staff maintain the accounts and monitor projects.

Community foundation income

Income

BCPT has built up a corpus of Rs394lakh and approximately 40 percent of its grants are made from income on corpus. Sixty percent of grants are made from donations. Of the donations, 50 percent is from companies, 30 percent is from foundations, and 20 percent is from individuals.

Navam is also receiving donations from: donors and their families, foundations, and corporate funding.

Purposes

BCPT and Navam have both been receiving donations for unrestricted grants and specific earmarked projects.

Permanent funds/Sustainability

BCPT utilises its income and donations fully. Navam does not have an endowment so far. It is raising funds from all available sources, including large foundations.

Environment for philanthropy

Local attitudes

India has a very old and strong tradition of giving, but it is mostly to individuals and to temples. Attitudes are both positive and negative. Some communities are philanthropic, while others are not. India is a vast country of diverse communities. Community philanthropy has depended on their culture and religion, education and awareness, economic conditions and community orientations. Poverty and individualism have been the obstacles. There is no tradition of organized giving. As yet very few individuals give to community foundations.

There is very little transparency in the workings of NGOs. Many NGOs shy away from publicity. Currently large numbers of younger people, who earn better than their counterparts in previous years, are ready to give back to the community, provided they are assured of a better use of their donations. They also demand better accountability, and transparency in the affairs of the organisations to which they donate. Community foundations seem to fill these gaps, in serving as a link between the donors and donees. Unfortunately, the impact of community foundations has not yet been felt widely in India due to their small numbers.

Legal and tax environment

The community foundations in India are registered as trusts or societies. The legal and tax incentives to community foundations are not different from trusts or NGOs. Individual or corporate donors can get between 50 percent to 100 percent tax deductions. There are no special incentives for community foundations, as there are no special legislations. Most organisations, including community foundations, have government restrictions on receiving funds from foreign sources. Government must reduce restrictions on receiving foreign funds from the diaspora and other foundations.

Changing attitudes and the national or local environment

Attitudes are changing for the positive. People are realising that the government machinery and the NGOs have limitations to bring about the expected change. Philanthropic organisations need to become more visible to the public, invest in branding and be completely transparent and accountable. It is important to establish community foundations. Until now community foundations have not played active roles.

Community foundation activity and impact

Descriptions of community foundation activities can be found on the websites of the Bombay Community Public Trust and the Nav Maharashtra Community Foundation.

www.bcpt.org.in

www.navam.net

The Navam Annual Report for 2006-07 is attached (please see Annex 14).

Current challenges and future developments

Major challenges facing community foundations

- lack of awareness/visibility in public
- mobilizing resources
- lack of significant impact
- proven credibility
- context of corruption
- no distinction in legal status of an NGO and a community foundation
- not much scope for accumulating resources and investments

Areas for future community foundations development

Rajasthan, Uttaranchal, Kamataka, Bihar, Punjab, North East India

International links

In 2000, the Ford Foundation made a grant of US \$45,000 to the BCPT to study community foundations in Asia and the US. It was a very interesting, eye opening and useful study tour of Hong Kong, Singapore

and the US. Useful material and experiences were gathered, including the establishment of good contacts and networks.

Navam has not established international links so far, but doing that would be of great value both for the culture of philanthropy and community foundations. The exchange of ideas, methods of planning, evaluation, and monitoring, reporting and organisational learning would help community foundations to develop better strategies in their operations, and would encourage cross boundary transfer of resources both from the diasporas and foundations.

Support Organization: Sampradaan Indian Centre for Philanthropy

History and purpose

Sampradaan Indian Centre for Philanthropy (SICP) was established in 1996. The areas in which SICP has worked include: research and documentation, training and mentoring, monitoring and evaluation, and also convening activities. Between 2004 and 2008, SICP worked on good governance and organisational development.

Since its inception, SICP has been working on the preliminary stages of community foundations. In fact, community foundations have occupied an important place in the vision and mission statements of SICP. It aims at creating a movement of community foundations in different parts of India, by creating a few successful models in the beginning. At present, it is engaged in this experiment thanks to support by WINGS Global Fund for Community Foundations.

Other organizations that support and promote the development of community foundations

Centre for Advancement of Philanthropy (CAP) (see below). The Ford Foundation has also been active in promoting community foundations. The Nand and Jeet Khemka Foundation has also shown an interest in developing community foundations.

Structure and organization

Sampradaan is a membership association. Its staff is primarily concerned with the implementation of programmes, which are funded for the most part by project grants from donors.

Sampradaan has a governing council. Two of its 3 partner community foundations are represented on the board. The other partner is likely to be on the board soon.

Recent accomplishments

- Partnership with our partners has become stronger with more cooperation and credibility.
- Two partner community foundations have been inducted into the board, so that there is a greater transparency and participation in the community foundation-friendly decision-making.
- Three organizational development grants to SICP and its partners
- Perceptible progress in the concept and work on development of community foundations
- Invitation from different quarters of the country to help establish community foundations
- Working with National Institute of Rural Development to promote community foundations at the national level
- Closer interest in and involvement with local community foundations to help them in their programs

Current challenges/future developments

The major challenge lies in the fact of India being a big, diverse, polyglot, multi-ethnic country. There cannot be a single model of community foundations. Each culture and regional area needs to be looked at differently, which needs fresh minds and money.

Additional resources

The Sampradaan website is: www.sampradaan.org

Correspondent: Dr. Pradeepta Kumar Nayak, Programme Coordinator, Sampradaan Indian Centre for Philanthropy

Support Organization: Centre for Advancement of Philanthropy

History and purpose

The Centre for Advancement of Philanthropy (established in 1986) is a resource Centre specializing in areas of not-for-profit law, taxation, financial management, resource mobilization and Human Resource Development.

Its main programs and services include:

- consultancy services to a wide range of non-profit organizations in areas of registration, tax exemptions, finance, management, etc.;
- publications, which include a bi-monthly journal called “Philanthropy” and a range of resource books;
- seminars, workshops and training programs;
- research and dissemination of useful data and information on philanthropy;
- periodic representations to government on behalf of the philanthropic sector.

Other organizations that support and promote the development of community foundations

Ford Foundation (India)
Nand and Jeet Khemka Foundation
Sampradaan Indian Centre for Philanthropy

Structure and organization

CAP has about 500 subscribing members. It has four paid staff members and a Board of seven members. Its main source of income is foundation grants

Recent accomplishments

CAP produced a number of useful resource books and conducted several capacity building workshops all across India.

Current challenges/future developments

CAP plans to do a study of “Giving Trends”, especially among High Net Worth Individuals

Additional resources

The CAP website is: www.capindia.org

Correspondent: Noshir H. Dadrawala, CEO, Centre for Advancement of Philanthropy