

## LITHUANIA

### Community foundations

#### History

The very first, and so far the smallest community philanthropy organization in Lithuania (Papile Neighbourhood Support Foundation), was established in 1998 with advice and assistance from a couple of Lithuanian-Americans. A true community philanthropy movement began thanks to a philanthropy program launched by the Baltic-American Partnership Program/Lithuania (BAPP) at the end of 2000. At the time, the term “community foundation” was not known to anybody.

Following an introductory seminar about the concepts of community philanthropy and community foundations, which BAPP organized for a group of 40 NGO leaders and representatives of local governments in 2002, several NGOs expressed a serious interest in learning more about community foundations, and a firm intent to suggest launching a CPO in their relevant communities. Shortly afterwards, relevant community meetings and forums were organized, which in about a year resulted in formal registration of two community foundations. The Samogitia Community Foundation in the west of Lithuania ( [www.zemaiciufondas.lt](http://www.zemaiciufondas.lt) ) and Utena Region Community Foundation (northeast of Lithuania) were established in 2004 following a very traditional model of community foundations in the U.S. and Europe. In the course of 2004 and 2005, four more community foundations were established.

Individuals, NGOs, and several municipalities were founders of the first three community foundations, while community foundations established later also involved three small local businesses as founders.

To date, the reasons for starting a community foundation have not changed much. Yet the currently available know-how and skills among the operating community foundations would benefit any new, emerging community foundation. Furthermore, the slightly improved philanthropic climate might also facilitate fund raising at the very initial steps of community foundations.

**Current situation: Facts and figures**

Number of community foundations <b>formally established in total.</b>	7
Number of community foundations established <b>in 2007.</b>	0
The number of community foundations <b>at early stages of development.</b>	0
<b>Percentage</b> of country's <b>territory</b> covered by community foundations.	20%
<b>Percentage of population</b> that has access to a community foundation.	25%
<b>Total number of people</b> with access to a community foundation.	960,000
Is the <b>rate of community foundation formation</b> steady/increasing/decreasing? Explain why in the box below:	Steady

Several reasons are worth mentioning:

- Absence of a support organization that would seek to promote growth of community foundations;
- After BAPP closes in 2008, there will be no other similar foundation which would provide financial support for nurturing new community foundations, and providing institutional grants;
- An informal Association of Lithuanian Community Foundations is still pretty weak, and targets mainly its most active member organizations.

<b>Total sum of grants made</b> by community foundations in 2007	€154,000
<b>Total number of grants</b> made.	56
<b>Total sum of the income/donations</b> in 2007.	€430,000
<b>Single largest source of income</b> for community foundations	€13,000
<b>Total sum of endowments</b> at the end of 2007.	€81,435
<b>Community foundation</b> with the <b>largest endowment</b> at the end of 2007 and <b>size of its endowment.</b>	Visaginas Community Foundation - €33,200

**Complete list of community foundations**

<b>Name of Community Foundation</b>	<b>Registration Date</b>	<b>Contact person</b>	<b>Address</b>	<b>Tel., e-mail, website</b>
Papile Neighborhood Support Foundation	1998	Mr. Antanas Vaicius, Administrator	J.Basanaviciaus St. 23, Papile Akmene region, Lithuania	+(370-425) 32691 <a href="mailto:papiles.seniunija@akmene.lt">papiles.seniunija@akmene.lt</a>
Samogitia Community Foundation	2002	Ms. Virginija Jaseviciene, Director	Sedos St. 34, LT-87101 Telsiai Lithuania	+(370-444) 69201 <a href="mailto:tavi@tavi.lt">tavi@tavi.lt</a> <a href="http://www.zemaiciufondas.lt">http://www.zemaiciufondas.lt</a>

Utena Region Community Foundation	2002	Ms. Jolita Umbrasiene, Director	V.Kudirkos St. 28-11, LT-28233 Utena Lithuania	+(370-389) 51606 <a href="mailto:urfb@one.lt">urfb@one.lt</a> <a href="http://www.utena-on.lt/fondas">http://www.utena-on.lt/fondas</a>
Alytus Community Foundation	2002	Ms. Lina Ivoniniene, Administrator	Rotusės Sq. 4, LT-62504 Alytus Lithuania	+(370-315) 55121 <a href="mailto:investicijos@ligonine.lt">investicijos@ligonine.lt</a> <a href="http://www.afondas.lt">http://www.afondas.lt</a>
Visaginas Community Foundation	2002	Ms. Eleonora Ogijenko, Director	Parko St. 14, LT-31139 Visaginas Lithuania	+(370-682) 65423 <a href="mailto:ogijenko@mail.iae.lt">ogijenko@mail.iae.lt</a> <a href="http://www.vbfondas.lt">http://www.vbfondas.lt</a>
J.L.Vynner Charity and Support Fund	2004	Ms. Inga Aksamitauskaitė, Administrator	Tiltu St. 6, LT-91246 Klaipėda Lithuania	+(370-46) 311432 +(370-676) 27436 <a href="mailto:inga@vyneris.lt">inga@vyneris.lt</a> <a href="http://www.vyneris.lt">http://www.vyneris.lt</a>
North Lithuania Foundation	2005	Ms. Irena Kubiliene, Director	Ausros Av. 15, LT-76299 Siauliai Lithuania	+(370-41) 615-60296 <a href="mailto:evute@splius.lt">evute@splius.lt</a>

### Community foundation staffing

Out of seven community foundations, only two (28.5%) hire full-time paid directors. One of them has also a full-time finance administrator, and a program coordinator. The other five community foundations are run by volunteers. Three of the latter also have volunteer accountants, while the remaining two are contracting out accountancy services.

### Community foundation income

<u>Income:</u>	<u>Source</u>	<u>Percentage of Total</u>
	Local businesses	22
	Government grants	16
	International foundations	33
	Individual contributions	9
	2 % contributions	14
	Endowment investment	2
	<u>Commercial activities</u>	<u>4</u>
	Total	100

### Purposes

Income was sought and received for grantmaking programs, fund raising campaigns, and endowment building. The largest amount of funds for general costs came from foreign foundations.

### Permanent funds/Sustainability

Sustainability building is an issue which Lithuanian community foundations have been talking about for the last few years. Unfortunately, they still do not have a complete picture of what it really means and how to ensure it. Endowment building is a topic that raised much interest among community foundations several years ago, and has recently stimulated extensive discussions about the issue also among some advocacy NGOs. In 2006, BAPP organized an endowment building program for community foundations targeted at promotion of the concept of endowments and encouraging community foundation boards to more actively discuss the new mode of generating funds with the aim of ensuring financial sustainability of community foundations. In 2006, BAPP awarded endowment grants (totalling US \$40,000) to three community foundations, which persuaded BAPP decision-makers that their intentions to become endowed organizations were very serious, although it required a lot of hard work and changes inside the organizations and in the society.

On average, the three community foundations allocated one fifth of income received in 2007 for increasing their endowments.

## **Environment for philanthropy**

### Local attitudes

In the regions or areas where community foundations operate the knowledge and understanding of specific missions and goals of these organizations are comparatively better than in the rest of the country. Operation and activities of community foundations have substantially advanced the traditions of local giving in relevant areas, although there is still much to be done in order for a critical mass of the residents to be involved. The major obstacles to giving are as follows:

- disbelief that his/her small money can bring about a change;
- insufficient trust in NGOs by both individuals and businesses, and
- one major legal issue – absence of tax breaks to individual private donors.

### Legal and tax environment

Lithuanian companies enjoy a tax break up to 40 percent of profit when they donate. Another advanced legal prerequisite in Lithuania is the so-called “2% Law”, that is sometimes viewed as a “percentage philanthropy” model, which, in fact, it is not. All NGOs are allowed to engage in economic activities. All these and some other minor legal provisions are valid for all NGOs, including community foundations.

### Changing attitudes and the national or local environment

1. A mechanism should be conceived and introduced to register amounts and frequencies of corporate and private donations.
2. Massive effort should be taken to promote the existing Law on Charity and Support among corporates, and the advantages of the tax break provided by it.
3. Special programs for mass media institutions and journalists should be developed and carried out for the purposes of overall improvement of the philanthropic climate in Lithuania.

4. An independent survey should be conducted that will result in a country report or a document of a different format that will include essential information, such as the mission, goals, priorities of funding, application processes, etc.
5. When appropriate, private foundations and wealthy persons interested in philanthropy should be invited to philanthropic events, activities. Special training can be organized for the managers and directors of private foundations, exposing them to the best practices of management and development, etc.
6. Lithuanian business should be motivated and interested to adopt philanthropy as their business strategy.
7. With the appropriate rationale in place, a formal association of private donors may be established in order to consolidate efforts and heighten efficiency of giving.

Community foundations are taking some initiative in promotion of philanthropy in their respective areas but not on the national level.

The Baltic-American Partnership Program has been the main actor in this area of activities in Lithuania: BAPP provides support to NGOs involved in NGO and philanthropy law monitoring, promotes transparent giving, promotes philanthropy as part of CSR strategies, etc.

### **Community foundation activity and impact**

**Example.** The **Samogitia Community Foundation** was launched in 2002 by a small group of people working with the Telsiai Business Incubator – an NGO facilitating small local business development in the region. The foundation incorporates four regions of Telsiai County with a population of 177,000, which contains over 5 percent of the total population of Lithuania.

As regards institutional development, the Community Foundation has two part-time staff members, and a board of 13 natural and legal bodies. It has an office within a well-established building of the Telsiai Business Incubator. It is nearly in the centre of the town, and is visited daily by quite a few local businesses that see the community foundation logo when they stop by, and very often are also exposed to its people.

Out of all Lithuanian community foundations, Samogitia Community Foundation (being physically quite remote from the capital city) is the best known and seen on the national and international arena. It is fond of organizing meetings, seminars, and conferences for both Lithuanian and foreign partner community foundations, NGOs and other institutions. In 2006 it organized a seminar for the Baltic and several Russian community foundations. In 2007 it was a partner for the Telsiai Business Incubator, when organizing a regional conference on CSR.

Every year the foundation organizes various events aimed to either promote the foundation or raise funds for its grant-making programs. In 2006 and 2007, the events were most praised by the participants for the relevance of the topics: an NGO marketplace, celebration of children's day, promotion of charity and giving, building relations between residents and the community, etc. They attracted the involvement of vast numbers of local residents and their direct target groups, and were praised as well for their high quality.

Samogitia Community Foundation has always been open to innovative ideas, and is ready to take the lead when an initiative or an activity is difficult to implement and/or is risky. For example, this foundation was asked to lead the informal association of Lithuanian community foundations two

years ago; it is the only Lithuanian community foundation that is an official member of an international association. Furthermore, in 2007, the Samogitia Community Foundation was the first to apply for a grant to the WINGS Global Fund for Community Foundations, and succeeded. The WINGS Global Fund grant to Samogitia Community Foundation was for activities targeting all Lithuanian community foundations, and thus it is helping to strengthen the informal community foundation association. In the near future Samogitia Community Foundation will probably apply to the WINGS Global Fund again for support of its own organization.

This story proves that people are very important. First of all, the leaders of organizations, in this case of a community foundation, who support true activism, innovativeness, and have a sincere wish to empower others, can change things. The case of Samogitia Community Foundation also proves that even small changes, although difficult, are very important for local residents.

## **Current challenges and future developments**

### Major challenges facing community foundations

Future development of community foundations in Lithuania will require further promotion of the concepts of community foundations and community philanthropy, learning how to fund-raise for general or operational costs, strengthening networking among community foundations, learning how to deal with corporates, improvement of legal and tax legislation, more training and peer exchanges, research, and creation and/or development of a national support organization for community foundations.

### Areas for future community foundations development

Lithuanian community foundations can become prime teachers of philanthropic giving as a form of strengthening their own communities and the civil society at large. Furthermore, our community foundations can become excellent centres for volunteers to be leaders in their communities who are able to motivate others to become involved with community foundations and the NGO sector in general. Endowment building launched by Lithuanian community foundations will necessitate amendment to relevant Lithuanian legal acts.

## **International links**

- Samogitian Community Foundation is a member of the Russian Community Foundation Association. It attends the annual meetings and has an opportunity to learn from and exchange its own experience with Russian community foundations. Community foundation association issues are of particular interest to the Samogitian Community Foundation, since it is at the moment in charge of activities of an informal Association of Lithuanian Community Foundations.
- At the beginning of June 2007, three Lithuanian community foundation representatives attended the 18<sup>th</sup> Annual General Assembly and a conference of the EFC in Madrid, Spain
- At least once a year, two or three community foundations always invite a foreign expert, mainly from a CEE philanthropic organization, and visit community foundations abroad. The last ones were: Germany, Slovak Republic, Poland, Latvia, and Kaliningrad Region.

Peer learning and similar international experience allows Lithuanian community foundations to learn different experiences in community foundation governance, grant-making practices, and types of fund-raising events and, finally, endowment building and other self-financing activities.

## **Support Organization: Baltic-American Partnership Program - Lithuania**

### **History and purpose**

The Baltic-American Partnership Program in Lithuania (BAPP) is funded by the Baltic-American Partnership Fund, which was established in 1998 as a joint foundation of the US government and the Open Society Institute. The Baltic-American Partnership Fund is governed by a Board with headquarters in New York. The Local Expert Council of the BAPP is a strategic advisor and a decision maker in the organization.

BAPPs in Estonia, Latvia and Lithuania are seeking to strengthen civil society and democracy in their countries by providing grant aid (US \$500,000 a year) over 10 years to local organizations.

The goal of the BAPP in Lithuania is the creation of a vital, empowered, and transparent non-profit sector capable of participating fully in society, while making an impact on the NGO environment and strengthening NGOs. It strives to assist the sector in the development of financial, human and structural resources, to encourage greater accountability and promote improved understanding of the sector and the role it plays. A part of this strategy is to promote community foundations as a means to develop philanthropy at the local level.

The year 2008 is the last year of the operation of the foundation in the USA and its grantmaking partners in all three Baltic states. BAPP Lithuania expects that an indigenous foundation, which BAPP Lithuania initiated and established in 2006, will in the near future take over some of BAPP's tasks in respect to community foundations.

### Other organizations that support and promote the development of community foundations

At the moment there are none in Lithuania.

### **Structure and organization**

The program of the Baltic-American Partnership Fund in Lithuania is being administered by the Open Society Fund – Lithuania. The Baltic-American Partnership Program (BAPP) is guided by a Local Experts Council. Since January 2008, the only paid staff member is the Program Officer. BAPP provides grants to local NGOs, including community foundations. Funding for BAPPs in all three countries began in May of 1999, and will finish in December 2008.

The BAPP, and therefore BAPP in Lithuania (as well as in Estonia and Latvia) are funded in equal parts by the USAID and the OSI. There is no separate person in BAPP working on behalf of community foundations, since supporting of community foundations is merely one of BAPP's supported program areas.

## **Recent accomplishments**

In the past, BAPP Lithuania implemented a couple of small projects specifically targeting promotion of community philanthropy, and provided grants to other NGOs for doing this. BAPP's indirect support in this area includes among other things:

- encouraging potential new donors,
- talking to local media representatives,
- promoting the community foundation concept by talking to potential community foundation board members on behalf of community foundations,
- negotiating with potential local donors, and
- consulting community foundation boards.

BAPP was the first donor to promote and support endowment building for community foundations. It has distributed US \$40,000 to three community foundations who best met BAPP's expectations. A match formula was applied in the competition, as one of five other major selection criteria, such as: diversity of funding sources, availability of some previous reserve fund, a draft plan for investment of endowment funds.

For all community foundations interested in investment of funds, BAPP and the informal Lithuanian Community Foundation Association organized a seminar on investment possibilities for Lithuanian community foundations and other NGOs. As a result of the seminar, community foundations discussed opportunities for a joint investment package, and decided to also explore some relevant foreign experience. BAPP will assist them in this matter in the near future.

In December 2007, BAPP commissioned a survey of community foundation (and some other BAPP grantee) websites. Results of the survey, and its very concrete recommendations, are expected to make community foundation websites more user-friendly and professional in terms of content.

Every year BAPP used to award internship grants to community foundations for visiting peers, and participating in conferences and seminars outside Lithuania.

Apart from that BAPP has been assisting community foundations in the development of grant programs, consulting boards, advising on external consultants and trainers, facilitating an informal electronic communication or conference, facilitating the work of an informal Community Foundation Association, etc.

BAPP also carried out some policy negotiations on behalf of community foundations. A couple of the most recent ones include: regulation on foundations and regulation on endowments.

## **Current challenges/future developments**

The Baltic-American Partnership Program has entered its last year of operation in Lithuania and will officially close in December 2008. According to our original plans, another foundation will have to take over the former BAPP roles in regard to community foundations. The new indigenous foundation (Civic Responsibility Foundation - CRF), which was established in 2006 at the initiative of BAPP, has just begun its work. Its mission is to strengthen civic responsibility by fostering philanthropy and empowering the people of Lithuania.

Today the staff of the new philanthropic organization is very small, and is expected to be only three or four people at the end of 2008. Neither BAPP, nor CRF, therefore, can tell how much time and other

resources this new organization will be able to allocate for the work with community foundations and promotion of local philanthropy. However, there is no doubt that community foundations will benefit from CRF's indirect support and services, such as: promotion of philanthropic giving on the national level, establishment of a corporate donor organization and a corporate award, publication of a philanthropic journal and other priorities.

### **Additional resources**

Community foundation website addresses are given with the list of community foundations above.

BAPP's website is: [www.bapp.osf.lt](http://www.bapp.osf.lt)

BAPP's annual and audit reports can be found on BAPP's website at: [www.bapf.org](http://www.bapf.org)

The Civic Responsibility Foundation website is: [www.paf.lt](http://www.paf.lt) Material for an English version is being drafted.

A publication about Lithuanian community foundations, which was prepared by Samogitia Community Foundation, and funded by a grant from the WINGS Global Fund for Community Foundations, will be placed on BAPP's website shortly.

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