

MACEDONIA

Community Foundation Stip

History

The civil sector in the Republic of Macedonia is facing a sustainability challenge. Therefore it is necessary for the civil sector to establish different ways of generating sources. It is an important issue for the civil sector to turn towards the domestic sources of financing. Even though there is a practice of giving in our community for improving the life in the community, still there is a need to expand distribution of information about the philanthropy concept and the possible ways of raising resources from individuals and business sector.

The Community Foundation Stip was formed in April 2007. The founding members were three staff members from the Local Community Development Foundation (LCDF) and one representative from the civil sector in the community. LCDF sent a proposal project application "Introducing the Concept of Community Foundations" to the Centre for Institutional Development (CIRa) through the Civil Society Strengthening project of USAID and the Institute for Sustainable Communities (ITZ). The project was supported, and it was the first step in creating the Community Foundation Stip, the only community foundation in Macedonia.

Local Community Development Foundation-Stip (LCDF) formerly was the NGO Support Centre-Stip. Twelve Centres have been established in Macedonia since 2001. In December 2006 the NGO Support Centre-Stip changed its status and legal entity to Local Community Development Foundation-Stip. LCDF is supported by the Foundation Open Society Institute-Macedonia (FOSIM – a Soros foundation) for operational costs, but there was still a need to generate local resources for implementing local initiatives, which led to the formation of the first community foundation in Macedonia. The Community Foundation Stip is a part of LCDF's Philanthropy Program.

Current situation: Facts and figures

Number of community foundations formally established in total.	1
Number of community foundations established in 2007.	1
Total number of people with access to a community foundation.	460,000
Total sum of grants made by the community foundation in 2007	0
Total number of grants made in 2007.	0
Total sum of the income/donations in 2007.	€1,225
Single largest source of income for the community foundation	The biggest donation was made by the State University located in Stip. - €500 euro
Total size of the endowment at the end of 2007.	0

Activities and impact

Example. The only fundraising activity that Community Foundation Stip has had thus far was collecting money for the Fund for Children and Youth. We did it by selling New Year's Day cards to the business sector and individuals. Our goal was to emphasize the existence of the Community Foundation and to introduce the new concept of coordinating and organizing possibilities for generating resources from the community for community needs and problems.

Operations and staffing

The Community Foundation Stip staff consists of:

- Philanthropy Program Manager (40 percent of time),
- Financial Manager (60 percent of time), and
- PR person (50 percent of time).

The paid staff was hired when Community Foundation Stip was established. The staff also work on other programs within the Local Community Development Foundation-Stip.

Community foundation income

Income categories

Local foundations (FOSIM)	20 %
International foundations (ITZ, USAID)	75 %
Other income (services)	5 %

Purposes

The income from International Foundations was received for establishing the Community Foundation Stip, including program and operating costs. The income from the FOSIM was received for covering the operational costs of the Local Community Development Foundation-Stip, and part of it was used for covering the operational costs of the Community Foundation.

Permanent funds/Sustainability

The experience that the LCDF staff will gain will influence the future activities of the Community Foundation. The activities implemented will provide visibility to the Community Foundation in the community and will prove its purpose for solving problems of the community. Generating domestic resources from individuals and companies is a great challenge for the Foundation, but it is not impossible to do it. The Community Foundation Stip will eventually develop a strategy for endowment. This will probably be after the Community Foundation is more visible and donors recognize it as a long-term partner in community development.

Environment for philanthropy

Local attitudes

According to the research done by civil organizations, there is a practice of giving in Macedonia, but it is not coordinated. Therefore, establishing a mechanism for an organized system of donation, like the Community Foundation, is a defined need in our community. This mechanism can provide opportunity not only for coordinating the practice of giving, but also for allocating the funds towards the real priorities in the community, and transparency in the use of the donated funds.

Legal and tax environment

In Macedonia, there is a law for sponsorships and donations, enacted in December 2006. The law is the first attempt of the Government to regulate this area. It was prepared in cooperation with the civil sector. There are some tax benefits for the donors in the law, but the procedures for tax refunds are rather administrative and complicated. The procedure dissuades the donors from using the tax benefits. Still, this is not a big problem, because most of the donors donate because they like the idea, not because of tax benefits.

Changing attitudes and the national or local environment

Since the Community Foundation Stip is first and so far the only community foundation in Macedonia, we must provide more information about the concept of community foundations, and philanthropy in general. This concept is new for our community and needs to be explained to the donors. Community Foundation Stip plans to organize tribunes, round tables and debates on the concept of community foundations.

Also, the transparency of spending the collected means should be improved, so the community gains a positive image of the Community Foundation. That is why we are strengthening the capacities of our decision making body (the Management Board), and the staff, by organizing trainings for grants administration, building partnerships with business sector, transparency and accountability, etc. Also, we inform the community, through the media, about our work.

The major challenge in the community is earning the trust of the donors and becoming visible enough in the community. The donors are not convinced that this kind of Community Foundation can do enough for community development. Since the Community Foundation Stip is still in its early stage of development this may be the biggest challenge to deal with.

Meeting organizational support needs

The biggest support we get is from the Centre for Institutional Development (CID) Skopje, through their project "Strengthening the capacities of civil society", financed by ITZ and USAID. They supported the establishment of Community Foundation Stip, with finance and consultancy. Within this project a network of NGOs that work on philanthropy was formed. The network can be useful in exchange of experience among NGOs. Shannon St. John, an international consultant, helped us a lot in creating the mechanisms for good operations of the Community Foundation, re-defining the mission, etc.

International links

Two Community Foundation Stip representatives visited a few community foundations in Slovakia (Pontis, Ekopolis, Konto Oring, Nitra Community Foundation and Contemporary Art Centre). The representatives from these foundations presented their work and the results from their fundraising activities. The visit helped us a lot in our work, mostly because of the similarities of the context in Slovakia and Macedonia.

Additional resources

We only have a final narrative and financial report from the project "Introducing the concept of philanthropy in Stip", which was submitted to the donor and is only in the Macedonian language. Also, we have a brochure for the Community Foundation, that is also only in the Macedonian language.

The website is currently under construction.

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