

MEXICO

Community foundations

History

CEMEFI introduced the community foundation model in Mexico in 1993 through the organization of a workshop on this topic given by Suzanne Feurt, who came as a representative of the Charles Stewart Mott Foundation. She detailed the experiences of these types of foundations in the U.S. and their different ways of operating. In that same year, CEMEFI explored the possibility of promoting the creation of a Community Fund for Philanthropy, although the project was abandoned in favor of establishing not one fund, but many community foundations in Mexico. In 1995, the International Youth Foundation, the W.K. Kellogg Foundation, the Rockefeller Foundation and the John D. & Catherine T. MacArthur Foundation, along with important Oaxacan entrepreneurs and CEMEFI, provided support for the establishment of Oaxaca Community Foundation, the first to be established in Mexico. During these years similar efforts began in other cities around Mexico.

1998 was an important year in the development of Mexican community foundations. In that year CEMEFI participated in organizing the first IMAG (International Meeting of Associations Serving Grantmakers), which was held in the city of Oaxaca with more than 50 organizations from around the world in attendance. IMAG later evolved into WINGS (Worldwide Initiatives for Grantmaker Support), which includes within it WINGS-CF which assists organizations devoted to supporting the development and strengthening of community foundations.

Following this experience, in this same year CEMEFI decided to formally launch a project for the promotion of community foundations in Mexico. CEMEFI invited to participate in this process those of its members that were foundations, or related foundations, which shared certain common characteristics with community foundations (Cozumel Foundation, Córdoba Fund, Chihuahua Business Foundation, San Luis 2020 Foundation, Vamos Foundation), as well as new community foundations that had arisen by that time (Oaxaca Community Foundation, Morelense Community Foundation, Bajío Community Foundation, Celaya Regional Community Foundation and Leon Foundation). To this day the group has become an affinity group that operates with support from CEMEFI's institutional infrastructure, and continues to meet in workshops. Despite very diverse origins and dates of establishment, methodologies and development models, the community foundations that have thus far been established share a common vision of being organizational and institutional structures at the service of a geographically defined community, through resource mobilization, donor services and professional grantmaking (financial and other sorts of resources).

In 2002, the community foundations participating in this process decided to carry out a diagnostic process, as well as a strategic planning process. As a result, the group decided to formalize into an affinity group under CEMEFI's institutional umbrella, creating an advisory committee to follow up on the Group's decisions.

Current situation: Facts and figures

Number of community foundations formally established in total.	17
Number of community foundations established in 2007.	None
The number of community foundations at early stages of development.	2 (included in the 17 above)
Percentage of country's territory covered by community foundations.	Community foundations have a presence in 13 states out of a total of 32.
Percentage of population that has access to a community foundation.	44.5%
Total number of people with access to a community foundation.	45,989,652 (total population in the states served)
Is the rate of community foundation formation steady/increasing/ decreasing? Explain why in the box below:	Increasing interest and consolidation

The rate of community foundation formation is still increasing, although with a more complete idea of how to build a community foundation and the benefits it brings to the community. In 2007, CEMEFI published a Handbook on how to start a community foundation in Mexico, considering the Mexican context: social, economical, political and above all cultural environment, as well as legal and fiscal framework. The Handbook includes the experiences of Mexican community foundations, as well as lessons learned from community foundations abroad. Currently, there are five community foundation initiatives being assessed and located respectively in the following states: Nuevo Leon, Tlaxcala, Michoacan, Quintana Roo and Coahuila.

Total sum of grants made by community foundations in 2007	\$139, 483,528.35 MX / US \$12,992,131
Total number of grants made in 2007.	We don't have the exact number of grants, but we do have the number of benefited organizations: 464
Total sum of the income/donations in 2007.	US \$18,170,123 (approximately)
Single largest source of income for community foundations	Corporate donations
Total sum of endowments at the end of 2007.	US \$25,038,599 (approximately)
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Fundación del Empresariado Chihuahuense, A.C. – US \$20,766,511

Complete list of community foundations

The link to the list is: <http://www.cemefi.org/spanish/content/category/5/23/31/>. The website is in Spanish and the list is organized by regions in the country. The list provides their contact information, links to their websites when they have one, as well as their main programs and region served

CEMEFI currently identifies 17 community foundations. Not all of the community foundations listed are formal members of the Community Foundation Group, although most of them participate in some of CEMEFI's or the Group's activities as "invited guests" when they are interested.

Fundación del Empresariado Sonorense, A.C.

Board President: Pablo Bórquez Almada

Contact name: Marco Iván Márquez, State Coordinator

Address: Guerrero 1008 L-1 Ote, CP 85000, Cd. Obregón, Sonora

Telephone: +52 (644) 413-9873 and 415 887

Contact Email: marcoivan@fesac.org

Website: www.fesac.org

Fundación Internacional de la Comunidad, A.C.

Board President: José Galicot Behar

General Director: Ma. Antonieta Beguerisse

Address: Blvd. Fundadores No. 2480, Col. Juárez, C.P. 22040, Tijuana, B C

Telephone: +52 (664) 200-2727 and 2728

Fax: +52 (664) 200-27-27

Contact Email: abeguerisse@ficbaja.org

Website: www.ficbaja.org

Fundación del Empresariado Chihuahuense, A.C.

General Director: Adrián Aguirre

Address: General Retana 201, esq. Antonio de Montes, Colonia San Felipe C. P. 31170, Chihuahua

Telephone: +52 (614) 413 2020 / 2037 / 3920 Fax: +52 (614) 413 2020

Contact Email: fechac@fundacion.org.mx

Website: www.fechac.org.mx

Fundación Merced Coahuila, A. C.

General Manager: Laura Valdés

Address: Apolonio M. Avilés 895-6 esq. con Isidro López Col. Los Maestros C.P. 25265 Saltillo, Coahuila

Telephone: + 52 (844) 430 9903

Email contact: informa@fmercedc.org

Website: www.fmercedc.org

Fondo Córdoba, A. C.

Executive Director: María Obdulia Díaz

Address: Av. 1 núm. 2620 Local 65, Plaza Fundadores, Colonia Fraccionamiento San José. C. P. 94560, Córdoba, Veracruz

Telephone: +52 (2717)165577

Email contact: fondo_cordoba@yahoo.com.mx

Website: www.fondo-cordoba.org.mx

Fundación Comunitaria Oaxaca, A. C.

General Director: Jaime Bolaños Cacho Guzmán

Address: Guerrero 311-2, Colonia Centro, C. P. 06800, Oaxaca de Juárez, Oaxaca

Telephone: +52 9515 168065 / 66 Fax: +52 9515 168065 / 66

Email contact: fundoax@prodigy.net.mx

Website: www.fundacion-oaxaca.org

Fundación Comunitaria Cozumel, I.A.P.

Executive Director: Octavio Rivero

Address: 50 Av. Norte, between Juárez and Calle 2 Norte S/N Col. 10 de Abril, CP 77622, Cozumel, Quintana Roo

Telephone: +52 (987) 8723744 Fax: +52 9878 723788

Email contact: fccozumel@yahoo.com.mx

Website: www.fccozumel.org

Fundación Comunidad, A. C.

Executive Director: Andrea García de la Rosa

Address: Avenida Vicente Guerrero #409, 3rd floor, Col. Tezontepec, Cuernavaca, Morelos C. P. 62250.

Teléfono: +52 (777) 364-6541

Email contact: fundacion@comunidad.org.mx

Website: www.comunidad.org.mx

Fundación Comunitaria Morelense, I.A.P

Legal Representative: Jorge Vicente Messeguer Guillén

Av. San Diego 501, Col Vista Hermosa, CP 62290, Cuernavaca, Morelos

Tel.: +52 (777) 3 164951 / 164951 Fax: +52 (777) 3 164867

Email: funcomun@prodigy.net.mx

Fundación Comunitaria Puebla, IBP

Executive Director: Oscar Hernández

Address: Calle 13 poniente núm. 2324, despacho 302, Colonia La Piedad, C. P. 72160, Puebla

Telephone: +52 2222 316939 Fax: +52 2222 312846

Email contact: fucompue@prodigy.net.mx

Website: www.fundacioncomunitariapuebla.org

Fundación Merced Querétaro, A. C.

General Director: Jannette Salinas

Address: Cerro de la Estrella 133, Col. Colinas del Cimatario, C.P. 76090, Santiago de Querétaro, Querétaro.

Telephone: +52 (442) 2233623 and 2481735

Email contact: info@fundacionmerced.org

Website: www.fundacionmerced.org

Fundación Comunitaria Querétaro, A. C.

Board President: Aurora Niembro

Address: Prol. Zaragoza 1112, Colonia El Batán, Corregidora, Santiago de Querétaro, Querétaro. C.P. 76901

Telephone: +52 (442) 183-2831 and 183-2832

Contact Email: fundacioncomunitaria@queretaro.com

Website: www.fundacionqueretro.org

Fundación León, A. C.

Director: Ma. Guadalupe Chico

Address: Boulevard Adolfo López Mateos 1162 Ote, Colonia Los Gavilanes, C. P. 37270, León, Guanajuato

Telephone: +52 (477) 773-3611 / 763-32-84 and 85

Contact email: lupitachico@hotmail.com

Website: www.fundacionleon.org

Corporativa de Fundaciones, A. C.

General Director: David Pérez Rulfo

Address: López Cotilla 2139, Col. Arcos Vallarta, Guadalajara, Jal 44130

Telephone: +52 (33) 3615 8286 / 8394 Fax: +52 (33) 3615 0437

Email contact: cfundaciones@prodigy.net.mx

Website: www.cfundaciones.org

Fundación Comunitaria Frontera Norte, A. C.

Director : Karen Yarza Sieber

Address: Campos Eliseos No.9050 Piso 4, Fracc. Campos Eliseos, 32472 Cd. Juárez, Chihuahua.

Telephone: +52 (656) 625 2564 / 688 0509 Fax: (656) 688 0505

Email contact: karen@fcfronteranorte.org

Fundacion Comunitaria de Matamoros, A.C.

Executive Director: Miroslava De la Garza González

Address: Calle Lilas y Primera Num. 244, Col. Jardín, 8730, Matamoros, Tamaulipas

Telephone: +52 (868) 813-1287

Email: miroslava@fcmatamotoros.org

Website: www.fcmatamoros.org

Fundación Comunitaria del Bajío, A. C.

Address: Blvd. Torres Landa No. 41-B 1Piso, C. P. 36510 Irapuato Guanajuato

Telephone: +52 462 6245158 Fax: +52 4626 242590

Contact Email: fcabajo@prodigy.net.mx

Webpage: www.fcb.org.mx

Community foundation staffing

Those having the main responsibility for each community foundation are the volunteer Board members. As for professional staff, the number varies from nearly a hundred in the largest community foundation (Chihuahua) to one or two in the smallest. All community foundations have at least one person who is a paid professional staff member. Most of them have volunteers as well, involved primarily in programs. The percentage of volunteers to professional (paid staff) varies.

Community foundation income

Income

Community foundations in Mexico receive donations from a number of different sources. The mix of donors varies significantly from community foundation to community foundation, due to the great variety of models for community foundations, and how they were formed. Most community foundations receive

donations primarily from local sources; a few receive the majority of their funding from foreign foundations. Support from businesses and local government is the main source in some areas, while others receive no business or government support at all.

Purposes

Mainly they are advised temporary funds. At the same time, at least 13 community foundations are constantly building their endowment and assets with unrestricted permanent funds. Most of them also receive grants for specific programs. Operation costs are supported by the Board members in most of the cases.

Permanent funds/Sustainability

Last year the Community Foundation Group finished its endowment building project. Every community foundation has now at least US \$100, 000.00 in their permanent endowment fund. Community foundations are focusing from now on in making efforts and specific campaigns for increasing their endowment, for example, in many cases around 10 to 20 percent of their income might be going directly to their endowment fund.

Environment for philanthropy

Local attitudes

Philanthropy in Mexico is still emerging. Mexico has a strong culture of giving, but not a strong culture of organized philanthropy. There are around 20,000 organizations nationwide, but only less than 6,000 are tax exempt and have been given government authorization to extend tax deductible receipts. Among them, less than 250 are grantmaking foundations. The community foundation sector is young and growing. Community foundations in Mexico today are strategic models of philanthropic action, because they provide inclusiveness of community perspectives and expectations, professionalism in resource mobilization, as well as in grantmaking and having a positive impact through their actions for the benefit of the community.

People in general are concerned about community development, but not much about philanthropy per se. In Mexico there is a culture of solidarity, but not a culture of philanthropy. People are used to giving in emergency situations, but not on a regular basis. People give a lot of resources: time, talent and financial, but giving is not organized and, therefore, major impact is not commonly achieved.

People prefer to give either directly to the poor or to civil society organizations (CSOs) that operate programs that benefit people in need, whom they can see and even relate to. In Mexico it is difficult to get people to give to foundations.

Mexico is still on its way to building the culture of organized philanthropy, in which community foundations have an important role to play in resource mobilization for community benefit.

Legal and tax environment

The legal framework includes tax exemptions and tax credits for donors. There is no specific legislation for grantmaking foundations. Organizations must go through a complex process to become tax exempt and to obtain the authorization to extend tax-deductible receipts for donations, and must renew their

permits each year. CEMEFI and other institutions provide assistance to CSOs and foundations with legal and fiscal issues and advocates for better fiscal conditions for the sector.

Changing attitudes and the national or local environment

In order for a more supportive environment for philanthropy to exist, a change in the culture, through the promotion of a culture of civic participation and social responsibility is needed.

Reflecting on the particular role of community foundations, strengthening of the ones that exist now, and promoting new ones throughout the country, will certainly contribute to this change in culture. Specific actions might include:

- nationwide/regional efforts to spread the community foundation model (and, of course, its proper operation);
- collaboration with foundations/organizations/governments to promote philanthropic culture and community foundations;
- encouragement of corporate social responsibility offering small and medium-sized businesses the service of giving through philanthropic funds opened in community foundations, youth and family programs, etc

Community foundation activity and impact

Example 1. Fundación del Empresariado Chihuahuense is a grantmaking, non-profit institution, which had its origins in 1990, when a flood ravaged the capital city of Chihuahua, Mexico. Many business leaders saw the need to create a community fund to repair and rebuild damaged homes, so they asked the state's governor to levy a tax based on payroll taxes for all businesses in the state. By 1994, the state's business leaders had seen the effectiveness of private philanthropy in addressing the effects of the flood. They again lobbied the state government to renew the levy, through a state's bill. Under the 1994 law, 29,000 business owners working in the state contribute the equivalent of 10 percent of the basic state payroll tax to the Social Trust Fund of the Chihuahua Business Community. This mechanism, plus interest earned and other donations, provide the foundation with approximately US \$6 million annually. Only 5 percent of the funds is spent on administration, and 95 percent is spent on grantmaking and related activities, such as research.

In 1996, Fundación del Empresariado Chihuahuense, A.C. was established as a trust fund in order to continue to serve as a philanthropic institution. The foundation focuses its grantmaking in the areas of health, education, income-generation and promotion of philanthropy. It aims to address the needs of marginalized and vulnerable populations, including indigenous groups, children and youth, and the elderly. It funds primarily construction, re-modeling projects and equipment and vehicle purchase. The foundation requires applicant organizations and institutions to demonstrate strong involvement of their boards, a track record of community work, community participation, and co-financing from other funding sources.

Since 1996, Fundación del Empresariado Chihuahuense has supported projects totalling more than US \$25 million, improving the lives of people in more than 100 communities throughout the State of Chihuahua.

Example 2. Another example of a successful alliance between a donor and a community foundation is that of **Fundación Comunitaria Puebla**, which collaborates with Volkswagen, and manages the company's philanthropic funds.

Current challenges and future developments

Major challenges facing community foundations

The major challenge community foundations are facing at this moment is fund development and endowment building. Leaving a legacy to the community is not a tradition in Mexico. There is no inheritance tax, so people leave their estates to their families. More work needs to be done to establish trust and an awareness of the importance of building assets for future needs. The Community Foundation Group is working on this issue. It has finished a program for endowment building through matching funds, which allowed 13 community foundations to increase or build an endowment, but most of all to create the infrastructure for doing it.

Other current challenges for Mexican community foundations include donor services development, inter-sectorial alliances, increasing and consolidation of partnerships with their grantees and potential grantees.

Community Foundations Group is focusing its efforts in 2008 and 2009 on raising visibility and consolidating alliances: inter-sectorial, intra-sectorial and among each other.

Areas for future community foundations development

- Capital campaigns
- Service to donors
- Continuous institutional development
- Alliance building

International links

Fifteen community foundations (13 of them in CEMEFI's Community Foundation Group) have developed either international links, have international donors or have attended conferences or programs for their strengthening. The ones in CEMEFI's Community Foundation Group have also the international links that CEMEFI provides to them which include projects with international donors, capacity building, visits and/or visitors to/from other countries and collaboration with international entities.

Support Organization: Centro Mexicano para la Filantropía

History and purpose

The Centro Mexicano para la Filantropía (CEMEFI) – Mexican Centre for Philanthropy – was founded in 1988 by a noted Mexican entrepreneur, Manuel Arango. A philanthropist himself, he was concerned about the need to develop the Mexican philanthropic sector. The spirit that motivated Mr. Arango to initiate CEMEFI was his concern that Mexico did not have a support organization to provide services to civil society organizations or help in the promotion and establishment of new ones.

CEMEFI's mission – recently reviewed – is: “To promote and articulate philanthropic participation, commitment and social responsibility among citizens and their organizations, to achieve a society with equity solidarity and prosperity.

Objectives 2008-2012 are:

1. To increase donations of time, experience, talent, and financial resources, specifically those related to long term social investment.
2. To increase civil society participation in the public agenda and public policies through providing information and solid arguments to promote civil society sector interests.
3. To increase the number of corporations' social responsibility practices as well as its quality and impact.
4. To increase performance, impact, quality, effectiveness, transparency and accountability in civil society organizations.
5. To increase civil society sector's strategic knowledge and information to properly promote and advance its causes.
6. To raise visibility and acknowledgement of civil society organizations' impact, through better and more effective communication among them, with society and with government and other key decision makers.
7. To increase membership and provide more and better services based on members feedback and continuous improvement.

CEMEFI's Institutional Commitments are:

- Respect for the human being. We recognize the absolute value of all human beings, independent of their gender, race or social, economic, political or religious situation.
- Promotion of voluntary participation. We recognize that people have rights and responsibilities regarding society as a whole, so we encourage the participation of individuals and social organizations in the development of society.
- Building a more equitable society. We recognize the need to encourage social and institutional relations that favor a society that builds human development with opportunities for all.
- Encouraging a democratic culture.

Community foundations project objective is to facilitate the strengthening of community foundations in Mexico; supporting the development of the institutional and operational structure of those that already exist; promoting their social insertion in the community; and aiding the emergence of new organizations of this type throughout Mexico.

Main activities are:

- Community foundations accompaniment and follow-up; institutional and operational diagnosis.

- Strengthening the institutional framework and operation of the community foundations through specialized consultancy services and capacity-building activities
- Community Foundations Group Development: communication – experiences exchange, research, lobbying.
- Resources and tools development.

During 2007, CEMEFI went through an evaluation process and a strategic planning, which led to changes in the main programs which are now as follows:

1. Promotion and strengthening of donors, grantmakers and foundations.
2. Promotion and strengthening of Corporate Social Responsibility
3. Government and Public Policy
4. Philanthropic Research
5. Effectiveness, quality and transparency of civil society organizations.
6. Communications
7. Membership Promotion and Services
8. Internal change and institutional development

Structure and organization

CEMEFI is a non-profit civil organization, without party, racial or religious affiliations, founded in December of 1988. It has permission from the Treasury and Public Credit Department to give tax-deductible receipts for donations. Its headquarters are in Mexico City although programs and activities are nationwide.

Its governing body is made up of the General Assembly of Associates, the highest authority, which approves the general goals of the Center by ratifying and formalizing the decisions of the Board of Directors. It is made up of 193 associates. The Board of Directors is made up of outstanding individuals in the business and philanthropy fields in Mexico. It meets four times a year and is the governing body responsible for the general operations of the Center. It is responsible for appointing the Board of Directors' Chair and the Executive Committee. A group of Board Members participate in the Executive Committee meeting bimonthly. It follows up on the Board's decisions and the general performance of CEMEFI. The Executive President carries out the agreements of the Board and is responsible for the general operation of the Center.

The operational structure includes a total staff of 23 people in five areas: Executive Presidency, Philanthropy and Social Responsibility Promotion Direction; Effectiveness, Transparency and Membership Services Direction; Research and Public Policy Direction; and Management Direction.

Membership: Currently, 485 civil society organizations and foundations from throughout Mexico are affiliated to CEMEFI, along with 17 individuals and 20 governmental dependencies who receive direct services from CEMEFI.

Because of its individual and institutional members, and its link with national and international organizations, CEMEFI is known to be the most important source of reliable information on this sector.

Income breakdown by Percentage of Total:

Members/ Associates:	21.64
Members/ Affiliated:	2.36
Services:	53.42

Interest:	3.06
National Grants:	8.36
International Grants:	11.15

Recent accomplishments

Among CEMEFI's achievements during its 20 years of operations, the following are the most relevant:

- CEMEFI was recently recognized (2007) as one of the world's 85 best civil society organizations to work with in alliance with the private sector (United Nations World Pact, Financial Times and Dalberg Global Development Advisors)
- Corporate social responsibility promotion and the creation of the standards compliance and award program for corporations named: "Empresa Socialmente Responsable".
- Development of the Index of Institutionalality and Transparency for Civil Society Organizations. Implementation of standards compliance process and seal award for complying CSOs.
- Contribution to the more professional performance, transparency and accountability of civil society organizations.
- Legal counsel and successful advocacy for legal and fiscal issues, to promote better frameworks for civil society organizations, including the recently approved and launched specific legislation in favor of the promotion of CSOs.
- Incidence in the legal frame for civil society organizations and the promotion of philanthropy including reforms.
- Philanthropic research and provision of information regarding the philanthropic sector
- Increasing visibility and public acknowledgement of CSOs' added value to society.
- CEMEFI has promoted the incorporation of philanthropy related issues in formal education, has developed courses, seminars, and conferences in collaboration with Mexican universities. Actively participates in research on the sector and has performed several of the main research projects focusing on it.
- Mexican Directory of Philanthropic Institutions.
- Information centre specializing in philanthropy.
- Promotion and help in the establishment of several new support organizations among them: Oaxaca Community Foundation, Asociación Mexicana de Voluntarios (Mexican Association of Voluntarism) and Procura, a fundraising school and support institution.
- CEMEFI has become an international representative of the Mexican philanthropy sector and counterpart with similar institutions in the rest of the world.
- It has also become one of the main representatives of the Mexican philanthropic sector in dialogue with the Mexican government.

Current challenges/future developments

- To promote in Mexico the creation of more foundations and grantmakers, especially more community foundations.
- Promotion of social responsibility and increased civil participation.
- To continue promoting performance standards among community foundations in order to reach the goal of having National Standards for Mexican Community Foundations.
- To keep on promoting transparency and public accountability among CSOs.
- To increase voluntary work and measure its impact.
- To improve sector understanding and visibility of the impact achieved as well as the work and services provided by civil society organizations.

Additional resources

See the CEMEFI website: www.cemefi.org

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