

THE PHILIPPINES

Community foundations

History

The first community foundation was started by a Catholic Archbishop. His name is Gaudencio Rosales, who is now the Cardinal of Manila. Because of his vision to improve the quality of life of the people living in the Archdiocese of Lipa, Batangas, he thought of initially setting up a cooperative. However, just before he formally registered his foundation, he said that it could not be a cooperative because the foundation will not only provide services to members, but to all those living in the province of Batangas. And that was when he coined the name Pongong Batangan Community Foundation. “Pondo” refers to funds and Batangan is Batangas province. This was in the year 2000, even before the Association of Foundations (AF) got wind of the global community foundation movement. It was only in 2002 at the WINGSForum meeting that AF first started to hear about community foundations. It was only in 2004 that AF produced a Community Foundations Primer to differentiate a community foundation from many other NGOs and foundations in the country.

Since then, AF has promoted or advocated for the setting up of community foundations. However, it has not been easy. Many NGOs and foundations have been used to implementing programs and projects which have been their expertise. There has been a general dependence on external donors regarding fund raising and local resource mobilization. In some instances, after hearing about community foundations and getting convinced that it is a good model for sustainability and development, an NGO then starts to re-structure itself to a community foundation. Although the NGO may not be able to be a full-blown community foundation immediately, there is recognition that it has made a decision to evolve itself into a community foundation and will aim for having all the community foundation features.

Current situation: Facts and figures

Number of community foundations formally established in total.	4
Number of community foundations established in 2007.	2
The number of community foundations at early stages of development.	1
Percentage of country's territory covered by community foundations.	5 %
Percentage of population that has access to a community foundation.	1.1 %
Total number of people with access to a community foundation.	1 million
Is the rate of community foundation formation steady/increasing/decreasing?	steady

Total sum of grants made by community foundations in 2007	PhP 2,347,168; approximately US \$56,280
Total number of grants made in 2007.	58
Total sum of the income/donations in 2007.	PhP 3,600,557; approximately US \$86,335
Single largest source of income for community foundations	Donations from corporations/companies and individuals
Total sum of endowments at the end of 2007.	Not known
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Pondong Batangan Community Foundation, Inc. – PhP 10 million; approximately US \$239,780.

Note: Philippine peso-US dollar conversion as of 4 April 2008.

Complete list of community foundations

COALITION OF SOCIAL DEVELOPMENT ORGANIZATIONS IN SOUTH COTABATO

* Established as an NGO in 1994, evolved into a Community Foundation in 2007

Office Address:

Door 4, 2/F NDMU Complex, Alunan Avenue
Koronadal City

Telefax: +63 83 2283123

Email: csdp_sc@yahoo.com

Contact Person: Mr. Dausay Daulog, Trustee

PONDONG BATANGAN COMMUNITY FOUNDATION, INC.

* Established in 1999

Office Address:

Archdiocesan Chancery, Archdiocese of Lipa
Cathedral Site, Lipa City, Batangas

Telefax: +63 43 7573714

Email: pbcfi99@hotmail.com, mguazon4819@yahoo.com

Contact Person: Fr. Manuel Guazon, Executive Director

SIMAG FOUNDATION, INC.

* Established as an NGO in 1989, evolved into a Community Foundation in 2007

Office Address:

AHSSI Building, Silay City
Negros Occidental

Telefax: +63 34 4951549

Email: simag@lycos.com

Contact Person: Ms. Gina Martin, President

SIMBAYANAN NI MARIA COMMUNITY FOUNDATION, INC.

* Established as an NGO in 1991, evolved into a Community Foundation in 2006

Office Address:

3 VP Cruz Street, Purok 5 Lower Bicutan
Taguig, Metro Manila

Telefax: +63 2 8386934

Email: simbayananfoundation@hotmail.com

Contact Person: Ms. Victoria Ungco, Executive Director

Community foundation staffing

All of the community foundations have paid staff, whether they began as new community foundations or evolved into community foundations. The paid staff include the executive directors, program/grant officers and finance officers, as well as administrative personnel.

Community foundation income

Income

For Pondong Batangan (PB), its income has been solely from individual donations through small giving. For the evolved community foundations, because some of them have been getting funding from external agencies, the mix would be around 50 percent from international funding agencies and 50 percent local contributions. The local contributions may further be divided as follows: organizations/companies - 40 percent, and individuals - 10 percent.

Purposes

The individual contributions to Pondong Batangan are for the general programs and services. Individuals do not indicate a specific purpose. As for the ones receiving grants from international organizations, then these are for specific programs. And because they are NGOs evolving into a community foundation, most of these grants are for implementing specific community-based programs or projects.

Permanent funds/Sustainability

Most of the community foundations have only started to think about the challenge of sustainability. Some have indicated setting up an endowment fund, but have yet actually to make it happen. The community foundations recognize that they need to address the issue of sustainability, but because they are too engrossed with their programs, or because they are still working on strategies for local resource

mobilization and funds are not enough to be set aside for an endowment fund, they have not really come up with specific plans.

Environment for philanthropy

Local attitudes

The major obstacle to giving is really the difficult situation that most Filipinos are experiencing in the country today. The priority for most Filipinos is to be able to survive.

The community foundation concept, however, is still new in the Philippines. As far as the Philippine scenario is concerned, making a community foundation work effectively means making stakeholders understand that when they give to a community foundation, they actually invest in development, the fruits of which they will likewise enjoy.

Legal and tax environment

A group called Philippine Council for NGO Certification (PCNC) certifies NGOs and foundations as tax donee institutions, which then enjoy the privilege of providing deed of donations to donors for them to enjoy tax exemption from donor's tax and tax deductibility. Any foundation may apply for certification and if they pass the eligibility requirements, then the Bureau of Internal Revenue gives them a Certificate of Registration. There are no special incentives for community foundations.

Changing attitudes and the national or local environment

One way is to curb corruption. If people and companies are forced to pay the correct taxes and officials could not be bribed or corrupted, then there will be more incentives for individuals and corporations to donate to non-profits, just as in the U.S.

At the community foundation level, one strategy that is being taken is getting the support and endorsement of a person who is highly respected within the community. They give the community foundation credibility and a perception of importance, especially at its start-up phase.

Community foundation activity and impact

Example. The Pondong Batangan Community Foundation, Inc. (PBCFI) Experience

Way before the concept of a "community foundation" became a by-word in the non-profit sector of the Philippines, PBCFI apparently had been at it already. Even the words "community foundation" in their organization name was not an intention for them to be classified as a community foundation, because at that time, a community foundation was not yet a classification by itself. They were simply focused on a specific community, raising funds from within the same community, and helping respond to the social development needs of the same community.

What was remarkable about PBCFI was its strategy in raising funds. With the support of the local archdiocese, PBCFI encouraged parishioners to donate their loose change of 25 centavo coins to their cause. They installed canisters in churches and local establishments where parishioners could drop their donations. It was the small but regular contributions of loose change that built the funds of PBCFI. This strategy became such a success that PBCFI was able to raise PhP 7.7 million (approximately US \$184,630) in just 3 years.

PBCFI uses its funds to help in uplifting the lives of the poor and the needy in the Province of Batangas. To access financial support, parishes prepare and submit project proposals to PBCFI. The PBCFI Board of Trustees screen and deliberate which projects may be supported. In order to support its operations and ensure sustainability, most of the approved projects are micro-loans with easy pay-back schemes. PBCFI also supports education (through scholarships) and health projects (through establishing community drugstores). It also actively engages in activities that strengthen the moral and Christian values of the community.

Current challenges and future developments

Major challenges facing community foundations

Local Resource Mobilization characterizes a community foundation. However, this, in itself, is a major challenge for local community foundations. With the current economic difficulties, Filipinos find it difficult to give from their earnings, prioritizing their families' needs first before thinking of giving. Community foundations must be able to strategize a plan that will encourage giving that stakeholders will not find cumbersome and promote partnerships that will strengthen, develop and uplift their communities.

Areas for future community foundations development

Through its Committee on Community Foundations, AF is continuously working on promoting and developing community foundations in different provinces, among these are: San Pablo, Laguna (Southern Luzon) and perhaps also Pampanga (Central Luzon). In San Pablo, some individuals have been following up on the progress of the discussions, while in Pampanga, we have yet to identify a core group.

International links

Fr. Manny Guazon, executive director of the Pondong Batangan Community Foundation, Inc. (PBCFI), attended the Community Foundations of Canada conference in Quebec City in 2004. This was recognized internationally as one of the most valuable learning opportunities available for community foundation professionals.

Support Organization: Association of Foundations

History and purpose

The Association of Foundations (AF) has been in existence since 1972. The AF vision is a vibrant community of respected foundations shaping progress in their areas and fields of work with their partner communities. In collaboration with local, national and international institutions, the network and its members pursue and promote programs that create a just and equitable future to improve the quality of life in the Philippines. Its mission is to improve the capacities of its members to deliver innovative, quality programs for Philippine development consistent with the highest professional and ethical standards. AF, along with other sectors and networks, promotes change by articulating its position and taking action on issues that lead to equity and social justice.

AF has been promoting community foundations for the past 5 years. It is the only network in the Philippines which has a Community Foundations Committee and a community foundations program. With its partnership with Synergos Institute and the WINGS network, it has developed a Community Foundation Primer which elaborates on the features and characteristics of a community foundation in the Philippine context. Furthermore, it has developed a Community Foundation Handbook after two AF representatives attended a peer exchange program with Philanthropy Australia.

Structure and organization

The Association of Foundations (AF) is a membership network of 140 NGOs and foundations. It has a 15-member Board of Trustees elected nationally and 4 full-time paid staff, which includes an Executive Director, Program Officer, Program Assistant and Administrative Assistant and one part-time bookkeeper. Its sources of income include: 60 percent grants, 30 percent consultancy/management fees, 10 percent membership dues.

AF has a Community Foundations Committee composed of representatives of community foundations. The representatives are mostly board members or senior officers of the community foundations. There are 3 members who do not come from a community foundation, but who have participated in various conferences or programs related to community foundations and who contribute their expertise and skills in the development of the community foundation program of AF. The AF Executive Director handles the community foundation program and gets its supervision and guidance from the Community Foundations Committee.

Recent accomplishments

AF forged a partnership with a local funding institution, the Peace and Equity Foundation, Inc. (PEF), to support its community foundation program. As a result, the project “Building and Strengthening Community Foundations” was launched with the over-all goal of promoting and operationalizing the concept of community foundations in 7 cities/provinces in the Philippines. Specifically, the project aims to nurture and support a group of local leaders who will catalyze the formation of community foundations in their localities; support at least 2 existing community foundations and establish at least 3 more community foundations; and produce new tools, methods and knowledge on building and sustaining community foundations in the Philippines.

The WINGS Global Fund for Community Foundations (GFCF) is undergoing a consultation process to explore a proposal to transform the GFCF from being a WINGS project to becoming an independent institution. AF has recently forged a partnership with GFCF, and is one of the organizations that is funded to implement this process by conducting local consultations with key constituencies on the future scope, strategy and structure of GFCF

Current challenges/future developments

AF is faced with the challenge of identifying prospective individuals or groups who would be willing to set up community foundations. The difficulty of raising resources locally remains a hindrance in setting up community foundations.

The other option has been evolution of some NGOs into community foundations. However, the challenge here is to influence the evolved community foundation into doing more grantmaking rather than implementing projects.

Additional resources

The Association of Foundations website is: www.afonline.org

Correspondent: Norman Joseph Q. Jiao, Executive Director, Association of Foundations (Philippines), Inc.