

SPAIN

Community foundations

History

There are many foundations and associations in Spain whose mission is the development of their own community (region, province, city, municipality, neighbourhood, etc.), but none was created as a community foundation. However, in 2007 the Fundación Bertelsmann found – with the help of the consultant Shannon St. John – that a foundation in Barcelona, Fundació Tot Raval, could be considered a community foundation according to the WINGS-CF criteria. It is considered to be the first Spanish community foundation. Fundació Tot Raval was formed in March 2002 by several nonprofits, individuals and businesses working and/or living in the neighbourhood of the Raval, within the city of Barcelona. This quarter has serious challenges in terms of social integration, immigration, etc.

Current situation: Facts and figures

Number of community foundations formally established in total.	There is 1, which was not originally created as a CF, because the concept was unknown to the founders
Number of community foundations established in 2007.	None
The number of community foundations at early stages of development.	3, at very early stage
Percentage of country's territory covered by community foundations.	Not significant
Percentage of population that has access to a community foundation.	Not significant
Total number of people with access to a community foundation.	47,064 people (the population of the neighborhood)
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	See box below

An increase is expected as shown by the 3 initiatives.

Total sum of grants made by community foundations in 2007	Fundació Tot Raval does not make grants, at least not in the traditional way
Total number of grants made in 2007.	In 2006: € 89,627.27 to other nonprofits. € 226,667.53 projects developed together by F. Tot Raval and other nonprofits
Total sum of the income/donations in 2007.	€ 519,383.12 (in 2006)
Single largest source of income for community foundations	Public administration, regional and local (34% of the income, in 2006)
Total sum of endowments at the end of 2007.	€ 13,400
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Fundació Tot Raval

Complete list of community foundations

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Community foundation staffing

The community foundation has 5 permanent staff members: Director, Coordinator and social program manager, economic and trade program manager, cultural program manager (also in charge of the fundraising area), and a secretary. In 2006 about 6 people were contracted to attend to several aspects of around 6 specific projects. Volunteers collaborate on the activities of some of the projects.

Community foundation income

Income

A total of € 519,383 was raised in 2006, including € 198,095 in in-kind donations from public and private sources. Of the monetary contributions:

- contributions from members (not in the form of dues) accounted for 8%,
- 16 different public departments accounted for 54%, and
- private contributions accounted for 32%
- an unusual VAT refund accounted for the remainder (6 %)

Purposes

In 2006:

- 61% -- projects or programmes
- 29% -- staff costs (salaries, Social Security, etc.)
- 10% -- infrastructure (insurance, equipment, stationery, etc.)

Permanent funds/Sustainability

Tot Raval has an endowment (“patrimony”) of € 13,400 given by the original founding patrons. They have no plans to add to it as they feel that they need funds that are currently usable. However, the breadth of their membership, a number of whom contribute annually, and the ongoing contributions from a wide variety of local authorities and private companies speak well of its permanence. In terms of operating sustainability, the Foundation has maintained a small staff of five, and total operating expenses, including all the brokering activities, total € 200,000 which is supported by the members and the general fund.

Environment for philanthropy

Local attitudes

At present, the development of community foundations is not yet at a stage where their impact on philanthropy can be determined.

Spain is a country in which feelings of solidarity with countries of the third world is very strong, although internal social responsibility (donations to nonprofits) is less known, and the feeling is that that is part of the duties of the public authorities. Moreover, “big” philanthropists do not like to show off their attitudes. Many businesspeople fund their own foundations without opening them to citizens from the community.

Nevertheless, in Spain individuals have the opportunity to decide whether .52% of their income tax (IRPF, in Spanish) can be used by the government for social programmes. Thirteen percent of the Spanish population is a donor or member or has made a donation in the last year.

The profile of the Spanish donor: women and men 45-54 years. Catalonia-Aragon-Balearic Islands, the Eastern and the Central areas have the biggest proportions of donors.

- 36% of donors: a medium social class,
- 28% medium-high,
- 25% medium-low, and
- only 6% of them are from the upper class.

Contributions from members and donors are the second largest financial source for nonprofits.

Members and volunteers tend to be less involved/participatory and demand that their social investment is more useful and more efficient/profitable.

Challenges for nonprofits:

- to diversify their income sources,
- to search for more private sources,
- to get more donors,
- to offer services to donors, etc.

Source for the information above: Pin, José Ramón (dir.): 1^{er} Estudio Spacexchange sobre estrategia de captación de recursos en el sector no lucrativo español. Arrojando el lastre de la dependencia: hacia una estrategia de sostenibilidad 2007. IESE-IRCO, Madrid. 2007. And II Estudio “La colaboración de los españoles con las ONG y el perfil del donante” AOMD-FECEMD et al. 2006.

Also, there is important philanthropic support for nonprofits, according to Ruiz Olabuénaga (El Sector No Lucrativo en España. Madrid, Fundación BBV. Documenta, 2000). Although the income from private philanthropy is much smaller than other financial resources, it is a significant part of total income – 19.8 percent.

Legal and tax environment

Tax incentives concerning foundations (of every kind) are in general terms:

- Individuals’ deductions from their income taxes – 25% of the donations made to foundations.
- In the case of entities (corporate donors), they have a deduction of 35% from their corporate income tax for their contributions to foundations. There are certain limits, however.

- Corporate donors can also deduct contributions made by means of “collaboration agreements” with foundations. These agreements consist of giving money, for instance, to the foundations, and the foundations will give publicity about its collaboration with corporate donors.

Changing attitudes and the national or local environment

Joining together efforts by the main organizations concerned is an important task. Although there are several joint initiatives, integrating more entities should be done.

Moreover (see AOMD-FECEMD, 2006; named above):

- Tax incentives for donations should be improved.
- The public visibility of nonprofits should be also improved, as well as the philanthropic actions from the elites, because this could serve as an example.
- Improving the transparency, management systems and external communications of nonprofits.
- Explaining in a wider way how funds from donors are managed, how they are used, etc.
- Promotion of Corporate Social Responsibility (philanthropy from businesses will be improved).
- Offering more developed services to donors.

Fundación Bertelsmann is taking an active role in this effort:

- In order to change attitudes, activities included in the Community Foundations Project are important (information sessions, workshops, seminars, exchange of experiences and expertise...).
- Identification of national best practices.
- Dissemination of international best practices.
- Encourage the effects for potential donors and other actors.
- Creation of new partnerships and co-operations.
- Networks
- Collaboration with the Spanish Association of Foundations, the Catalan Coordinator of Foundations, the Basque Confederation of Foundations, etc.
- Dissemination of the measures.
- Professionalization of the initiatives of new community foundations.
- Communication for opinion leaders.
- Lobbying.
- Agenda setting.
- Speeding-up reforms.

Community foundation activity and impact

Example: How a community foundation is structured:

The quarter of the Raval (Barcelona, Spain) has undergone a recent and important transformation which has caused differences between areas within the neighbourhood. Concern and a desire for change have emerged due to the introduction of new cultural projects and important institutions, together with certain historical phenomena. After the 1960s crowding, combined with poor social and economic conditions, led to massive out-migration (70,000 people) and loss of half its shops and small businesses. The Raval district now has increasing concentrations of marginalized people and recent immigrants. Beginning in the mid-1990s the area saw a new wave of entrepreneurial immigrants – primarily Pakistanis, Filipinos, Algerians and Tunisians – drawn by the availability of space, who began setting up shops in the district. Today more than one-half of the residents are immigrants.

Fundació Tot Raval has established a broadly reflective governance structure. In Spain, Foundations are typically established by “patronates” nominated by the funder(s) of the organisation. The patronates are always the same people. But the case of Tot Raval is different: they wanted their Board to be a mirror of the neighbourhood. In the case of Tot Raval, an initial patronate (group of Founders), primarily businesspeople from the neighbourhood, gave the endowment. Then they established a “plenary”, an assembly made up (in 2007) of 56 members broadly reflective of the makeup of the multifaceted community and vested in it the governance authority normally reserved for the patronate. The plenary comprises both individuals and institutions, including the founding patronate. In fact, the governing documents technically name the plenary as the patronate. Some are contributors, more or less on an ability-to-pay basis, but monetary contribution is not a prerequisite for membership. Tot Raval is constantly seeking new plenary members to broaden its reach in the community. At its June 2007 bi-annual meeting, for example, the plenary was expecting to add six new members to the patronate, including the University and the Library. Finally, the Foundation has also established group of “Friends” of the Foundation, organizations and associations that simply commit to cooperation with Tot Raval. The goal is to be all-inclusive, absolutely. Their intention is that every agent working in the area is able jointly to design the work of the Foundation.

A Board of Trustees, elected by the plenary, constitutes an Executive Committee responsible for day-to-day oversight of the operations. The Board of Trustees serves a 4-year term.

Moreover, the proposal of projects are in charge of the Working Commissions, which provide space to analyse the needs and interests of the neighbourhood and where projects are proposed and evaluated, to a greater or lesser extent, to present to the Board to be promoted. They are composed not only of the institutional and individual members of the plenary, but welcome interested non-members who are able to participate and become involved.

Current challenges and future developments

Major challenges facing community foundations

The major challenge is the channeling of citizens’ philanthropy towards this type of community organization. Also: dissemination of the concept; activation of social capital.

Areas for future community foundations development

Balearic Islands, the Basque Country, Catalonia, Galicia, Madrid and Valencia could be the six regions in which new community foundations will be founded in the short term.

International links

There may be opportunities for international links. Since 2007 the Fundación Bertelsmann has offered to the people involved in community foundation initiatives the opportunity to attend international workshops on donor services, exchange of international experiences among community foundations and/or organisations which give support to them, to attend international congresses related to community philanthropy.

Support Organization: Fundación Bertelsmann

History and purpose

Fundación Bertelsmann was established in Barcelona by Reinhard Mohn in 1995, the man who is the fifth generation in charge of the company group of media Bertelsmann AG. Values such as freedom, solidarity, competence and humanity are the pillars for Fundación Bertelsmann and its German parent foundation, the Bertelsmann Stiftung.

The foundation manages their actions in the search of social solutions. Fundación Bertelsmann has the following goals: support for social change in Spain; preparation of society for the future; contribution to the promotion of social responsibility.

In its first ten years, the Fundación Bertelsmann devoted itself mainly to public libraries. After conclusion of this phase in 2005, the Patronate (Board) under the chairmanship of Liz Mohn resolved to re-align the strategy. Since then, the Fundación has carried out projects to strengthen civil society. It works together with representatives from the politic sphere, science, business, the third sector and with young people, as educating young people to become involved citizens is the base for the sustainable development of a responsible and active citizenship. These are the projects:

- support to community foundations;
- spreading a new company culture;
- support for the participation of young people and a
- series of conferences “Dialogue and Action”.

The Community Foundation Project of Fundación Bertelsmann revolves around four strategic lines:

- dissemination of information,
- training for community foundations,
- technical assistance for community foundations, and
- evaluation (internal evaluation of every activity and external for the programme).

The programme covers the whole country.

There are no other organisations in Spain that support community foundation development.

Structure and organization

Fundación Bertelsmann is a foundation, thus a non-profit, with only paid staff from the Director to the secretary, program managers, etc. The members of the Board (“Patronate”) are volunteers, as Spanish Law requires.

The main sources of income are from the Bertelsmann Stiftung in Germany, an operating foundation and parent organization. But some income also comes from public administrations, such as the Municipality of Barcelona or the Ministry of Culture, and Saving Banks or individuals (for example, as fees for our training courses).

Under the general motto of “Civic Engagement”, the Fundación has developed several projects, among them the one on community foundations, which is led by the Director and the Board, with the technical management of a Project Manager and an Assistant. It is organised in partnership with the main Spanish

experts on foundations and associations of foundations. An agreement with the first Spanish community foundation is expected, and we hope this community foundation will take part in our coordination group.

Recent accomplishments

Highlights of the project for the support of community foundations in Spain:

- Case study of the first community foundation in Spain
- Three initiatives at a very early phase
- Ten information sessions in 6 towns of 4 regions of Spain, for different sectors (nonprofits, business people, Saving Banks, local authorities, engaged individuals).
- Course on Citizen Participation and Civic Commitment, combined with online utilities as a pilot programme, in collaboration with Fundació Catalunya Segle XXI. 21 hours.
- Two international workshops (exchange of experiences and services to donors).
- Around 200 people attended (limited seated).
- In 2007, nearly 100 inquiries on community foundations were received and answered; 10 of which came from abroad.
- Two foundations requested case studies.
- Web site.
- Publication of the first flyer of a series about community foundations.
- Preparation of a manual concerning community foundation management.
- Publication of articles in the media (paper and digital).
- Partnership with Spanish third sector, Saving Banks, Universities.
- Collaboration with WINGS, EFC and other international networks.
- Collaboration with international prestigious experts in community foundations.
- Learning and support from the experience and expertise of our parent foundation, the Bertelsmann Stiftung.

The Municipality of Barcelona supported part of the course about Civic Engagement.

Current challenges/future developments

The main challenge is the growth of community foundations in Spain.

Our four strategic lines continue, although the communication line will be strengthened. Activities will be of the same kind as before, but reinforced. Information sessions will concentrate on new geographical areas still not covered, always with the collaboration of different local partners. The international dimension of the project remains very important for the success of the community foundation movement in Spain. Both the Latin American and the Mediterranean relationships /approaches are crucial for the Spanish project.

Additional resources

Fundación Bertelsmann: <http://www.fundacionbertelsmann.org/cps/rde/xchg/fundacion>

Report 2005: http://www.fundacionbertelsmann.org/data/ESP/media/RZ_memoria2005-web.pdf
Flyer about community foundations (in Spanish) attached (please see Annex 6).

Fundació Tot Raval case study: to be published.

Fundació Tot Raval: <http://www.totraval.org/en/indexing.htm> (English version; not as complete as the Catalan one). Report 2006 (including financial data), in Catalan
http://www.totraval.org/pdfs/memories/memoria_TOT_RAVAL'06.pdf

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