

THAILAND

Community foundations¹

History

As a result of the economic crisis in Thailand in 1997, many Thais realized that nation lacked a “holistic development approach” to ensure sustainable communities, and that, in order to create change, all stakeholders are required to take collective action. Thais have a tradition of working together, yet this is mostly limited to assisting their own families, relatives and friends. The “holistic” community concept has not expanded to embrace the larger community. It can be said that Thais have a less-developed sense of “community” than some other parts of the world, even though historically, giving through the temple went to benefit the whole of society – not just family. Over the last decade the Thai government set up community funds in each Thai community. However, the community funds had some weaknesses in terms of equal distribution, good governance and a sustainable concept, etc.

There have been several stages in the development of community foundations in Thailand, funded and facilitated by local and international organizations. International organizations involved in promoting the development of community foundations have included: the Synergos Institute, Kenan Institute Asia, the Ford Foundation, the World Bank and the Bernard Van Leer Foundation and its Van Leer Group Foundation. Local organizations have included: the Local Development Institute; Center on Philanthropy and Civil Society, based at the National Institute of Development Administration; Friendship to Community Foundation, a local Thai consortium, and the Thai Health Promotion Foundation.

In 2005 The Synergos Institute held a meeting in Bangkok with GO/NGO representatives introduce the community foundation concept. In late 2005, 14 GO/NGO/academic institutions came together with the chair of Friendship to Community Foundation (FCF) to develop the Community Foundation Project. In the same year, the project was granted one-year of support from the Thai Health Promotion Foundation to develop four community foundations. It did not renew support for three of the efforts, but did continue to fund efforts in Bangkok. The local partners in the development efforts of the four community foundations were.

- **Kenan Institute Asia** – the Rayong Community Foundation
- **Kenan Institute Asia and Bangkok Forum Organization** – Bangkok Community Foundation
- **Local Development Institute (LDI)** – Lampang and UdonThani Community Foundations

The Thai Health Promotion Foundation is no longer funding efforts to develop community foundations. Friendship to Community Foundation ceased operating in 2007.

A grant of post-tsunami funds from the Bernard Van Leer Foundation to the Synergos Institute helped Synergos introduce the community foundation concept to Phuket in 2005 through several meetings with business and NGO leaders. A number of interested individuals emerged, who, in turn, used their networks of associates and relationships, their knowledge of community leaders with diverse backgrounds and

¹ The Thailand report was compiled by Eleanor W. Sacks from information provided by: Benjamas Siripatra, Deputy Secretary General, Local Development Institute /Foundation; Niyom Tassaneetipagorn, President, Phuket Community Foundation; and Jenny Hodgson, Director, WINGS Global Fund for Community Foundations.

skills, to form a Steering Committee in 2006. Discussions and meetings among the people interested in the concept were continued until November 2006 when the founding board decided to take on the community foundation seriously and submitted the registration application to set up Phuket Community Foundation (PCF), which was approved in April 2007.

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.	4
Percentage of country's territory covered by community foundations.	4 out of 76 provinces
Percentage of population that has access to a community foundation.	Not known
Total number of people with access to a community foundation.	Not known
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Increasing

Two community foundations were registered in 2006 – Lampang and Udonthani. Phuket was registered in April 2007. The World Bank Community Foundation Initiative piloted a community foundation in Korat, which was registered in May 2007. The formation of community foundations is being explored at five other sites: Bangkok, Rayong, Ranong, Satun and Songkla. In 2007, LDI was helping to form a civic group to establish the Ranong Community Foundation with budget support from World Vision International Foundation. Since 2007, the Centre for Philanthropy and Civil Society has provided support to civic groups in Satun and Songkhla provinces. The community foundations in Satun and Songkla plan to register in 2008. Rayong has been inactive since 2007.

Total sum of grants made by community foundations in 2007	Unknown
Total number of grants made in 2007.	Unknown
Total sum of the income/donations in 2007.	Unknown
Single largest source of income for community foundations	For the Lampang and Udonthani CFs it was a grant by the Thai Health Promotion Fund; Phuket CF has done fundraising in Phuket among business sectors, but its single largest donor is the Bernard Van Leer Foundation
Total sum of endowments at the end of 2007.	Lampang and Udonthani CFs have US \$6,000 each. Phuket has not yet set up an endowment fund. Korat is engaged in convening activities and fundraising for special projects.
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	NA

Complete list of community foundations

Addresses of Community Foundations in Thailand

Lampang Community Foundation (Northern)

29/1 Thai – Lanna Road
Hou Weing Sub District
Muang District
Lampang Province
Thailand 52000
Phone: 6681-472-5656
Fax: 6654-314-411
Established: 2006

Udonthani Community Foundation (Northeastern)

607 Soi Tharnlert, Ring Road
Muang District
Udonthani Province
Thailand 41000
Phone: 6642-242-002
Fax: 6642-322-401
Established: 2006

Phuket Community Foundation (Southern)

390/1 Moo1, Srisoontorn Road
Cherngtalay, Thalang
Phuket 83110, Thailand
Phone: (66 77) 270-978-81
Fax: (66 77) 270-990
Established: 2007

Korat Community Foundation

298/2 Mahadthai Road, Nai Muang Sub-district
Muang, Nakornrachasrima Province 3000
Thailand
Established: 2007

Community foundation staffing

The Lampang Community Foundation and Udonthani Community Foundations are run by volunteer Board members.

After establishing community foundations in Lampang and Udonthani, the Thai Health Promotion Foundation changed policy and ended its support in 2006. At present, both Lampang and Udonthani community foundations have tried to fund operations by doing small activities around fund raising.

Phuket Community Foundation has hired an administrator and is looking to recruit a director.

Korat Community Foundation has been run by volunteers to date, but they are considering hiring full-time staff

Community foundation income

Income

Lampang Community Foundation has done fund raising every year. The money from fund raising is deposited as endowment. They received 200,000 baht (about US \$6,000). There were four project budgets that came from business and individual donations.

Udonthani Community Foundation has done fund raising one time. The money from the event was deposited as endowment. They received 200,000 baht (about US \$6,000). There were five projects, whose budgets came from individual and government organization funds.

In 2007, Phuket Community Foundation received support of about 60 percent from international donors: the Bernard Van Leer Foundation and the WINGS Global Fund for Community Foundations. The other 40 percent was raised locally from individual donors, including local Phuket people, expatriates living/working in Phuket and PCF board members. All of the funding received is for unrestricted grantmaking, except the funding from the Global Fund which is to support the operating costs of the PCF.

Korat Community Foundation has organized several fundraising activities and received both in kind and cash supports from government, private, non-government sectors as well as individuals.

Purposes

There has been some small fundraising for specific programs at Udonthani and Lampang. All the income received by Phuket thus far has been for grantmaking. Korat is involved in convening activities, but not in grantmaking. Korat has done fundraising for local projects and for Southern Thailand, including two high profile fundraising events.

Permanent funds/Sustainability

In general, the development of community foundations in Thailand has not yet reached the stage of endowment building. The Phuket Community Foundation is the farthest along.

Phuket has not yet established an endowment fund, but the board plans to set up a fund in the future. With assistance from the Synergos Institute, they have developed an asset development plan. The next step in their working plan is to work with Synergos in developing a sustainability plan, which will include endowments and other means to ensure the foundation's long-term viability and development. Although they are planning to build an endowment fund, one constraint is how to make an endowment fund grow. Under Thai law, it is not possible for a charitable foundation to invest donated funds; all that may be done is to put the funds in a bank savings account.

Environment for philanthropy

Local attitudes

The community foundation concept is very new to Thai people. The most well-known and well-respected grant-giving organizations in Thailand are the foundations associated with the royal family. This is the primary form of philanthropic organization known to most Thais, and many Thai individuals and businesses

give donations to the royal foundations. Few Thais have any knowledge of, or experience with, other forms of grantmaking organizations.

On the recipient side, the formal organizations can be characterized as being in one of two categories: "charities" and "NGOs". Charities are established organizations, usually local, that focus on specific missions to provide direct aid to bodies/people such as hospitals or orphanages. Charities are generally professionally run and well-respected, but none have a stated mission to bring about social change or to involve local citizens (beyond involving volunteers). They often receive government support. In Thailand, non-governmental organizations are usually large international relief and development agencies. Their reputation is mixed and, particularly after the 2004 Asian tsunami, the term NGO has both negative and positive connotations. Through the community foundation concept, it may be possible to create and encourage a third kind of recipient organization, the smaller, less formal, more grassroots community action association.

Legal and tax environment

There are tax incentives for giving to charities, but they are not high enough to motivate either individuals or corporates to give to community foundations. For the community foundations, reporting donations is complicated as well. In addition to Thai regulations, foundations can only invest their asset in savings bank deposits, which limits their returns. Several CSOs are promoting the community foundation concept to policymakers, and are advocating for laws and reporting systems.

The low tax incentives and limitation of investment opportunities for community foundations are not the biggest problems. The best strategy for community foundations in Thailand is to raise funds for grant making, rather than for endowment in order to maximize the funds that reach out to needy communities, people, and children where community foundations exist.

Changing attitudes and the national or local environment

Thai people have a practice/habit of giving to religious and social causes. For Buddhists this is believed to make merit – stored up for one's next life. For Sunni Muslims – the second-largest faith in Thailand – *zakat*, or alms-giving is one of the five pillars of faith.

However, recently Thai people have become quite aware of the issue of the improper management and use of donated money by some organizations. An approach of donor participation and volunteering will help encourage a more supportive philanthropy environment.

The Phuket Community Foundation has discussed among the board some mechanisms to involve people participation in various forms, for example, sub-committees on particular issues, a volunteering project, etc. The foundation also appreciates the concept of the donor-advised fund and would like to introduce this innovative approach to our local communities.

Community foundation activity and impact

Example 1. Lampang Community Foundation. In 2006-2007, they raised specific funds for:

- The elderly health care project
- Friends of the Elephants project
- Organic farming
- Community welfare for the disadvantaged
- Community income generation for the poor project

- Teaching English for primary school project

Example 2. Udonthani Community Foundation. In 2006-2007:

- Democracy for local and national election for youth project
- Environmental Rehabilitation for Nong Han Lake project.
- Provincial welfare for the people project

Example 3. The Phuket Community Foundation is at the initial stages and spent most of the first year on organizational infrastructure development. However, in 2007 it did launch one initiative: to replace broken rear light bulbs on motorbikes, as a way to improve public safety at night. For this, the foundation received:

- donations of light bulbs from motorcycle dealers,
- the loan of a tent for doing the replacements,
- the loan of chairs from a local temple,
- the services of a team of students from the Phuket Technical College, and
- the help of police in stopping bikes with broken rear lights.

Over a period of three days the foundation replaced some 150 light bulbs, a slightly disappointing result caused mainly by heavy rain that kept motorcyclists off the roads. However, at least 150 people and possibly their family members are now safer at night. The foundation has surplus bulbs, and so it intends to repeat the operation. Thanks to the donations and volunteers, it was a very inexpensive operation and gave the foundation valuable experience in mobilizing and organizing parts of the community.

Example 4. Korat Community Foundation has been involved in community mobilization. They have run two fundraising days in conjunction with other local partners (foundations/media), where they have encouraged members of the community to contribute second hand goods, which were then sold and the profits used to support social causes. At the most recent event, a well-know monk was invited to speak about giving/philanthropy.

Current challenges and future developments

Major challenges facing community foundations

- The volunteer spirit in Thailand has improved since the tsunami hit the six provinces along the Andaman coast; although some of the actions of international donor organizations have called into question NGO management practices.
- Tax incentives need to be improved and the reporting system for community foundations to the government should be simplified.
- Financial regulations need to be revised so that foundations have more investment options to increase returns on their assets.
- Little understanding of the concept – and confusion with other community-based funds/village banks. Social mapping exercises in Songkhla and Satun have shown that once people understand the idea they tend to be supportive

Areas for future community foundations development

Currently there is no large, local organization to take a leadership role in promoting the community foundation concept.

International links

Some community foundations in Thailand, and some supporting units in Thailand, have collaborated with Synergos, Community Foundations of Canada and the Association of Foundations in the Philippines for peer knowledge exchanges.

Community foundations in Thailand are tapping international donor agencies, such as the World Bank, The Ford Foundation, Bernard Van Leer Foundation, and WINGS Global Fund for Community Foundations to support the development of community foundations in Thailand.

Support Organizations:

1. Bangkok Forum Organization: After working as a co-partner with FCF in 2006 on establishing a community foundation for the Bangkok people, the Bangkok Forum Organization was the only organization that got budget support from the Thai Health Promotion Foundation in 2007. This year (2008), no one gets funding support from the Thai Health Promotion Foundation for community foundation promotion project. Therefore, Bangkok Forum Organization is seeking budget support from other sources to continue their work to form the Bangkok Community Foundation.

Address: Ms. Anchan Kamcheoi
Bangkok Forum Organization
104-106 Prang Poo Thorn Road
San-Chaw Poe-Sue Sub District
Bangkok 10200
Thailand
Fax: (66)02 228-1362
E-mail: bangkokforum@yahoo.com
Website: www.bangkokforum.net

2. Center for Philanthropy and Civil Society: The Center and its partners have developed a project proposal to promote the community foundation concept with the support of the Ford Foundation. There are two provinces that propose to register community foundations formally in 2008: the Satun and Songkla Community Foundations.

Address: Dr. Juree Vichit-Vadakan
Executive Board Chair
Center for Philanthropy and Civil Society
NIDA, Seri Thai Road
Bangkapi, 10240
Thailand
Phone: 66(2) 377-7206
Fax: 66(2) 374-7399

3. Local Development Institute (LDI) was established in 1991, with funding support from the Canadian International Development Agency (CIDA) from 1991 through 1997. Now LDI gets funding support from international and national funders. Its vision is to encourage community sustainability and civil society strengthening, through strengthening the capacity for self-determination in poor communities and by enhancing the effectiveness of Thai NGOs and community development programs for the poor.

Address: Ms. Benjamas Siripatra
Deputy Secretary General
Local Development Institute/Foundation
693 Bamruang Muang Rd
Pomparb District
Bangkok
10100
Thailand

Phone: 66 (2) 621-6643
Fax: 66 (2) 621-5540
E-mail: ldi@loxinfo.co.th
Website: www.ldinet.org

4. World Bank (Bangkok branch): The World Bank has been working to promote community foundations in Thailand since 2005. They are Nakorn Ratchasrima (Korat) province in the Northeast and Satun province in the South.

Address: The World Bank
30th Floor, Siam Tower
989 Rama 1 Road, Pathumwan
Bangkok 10330, Thailand
Phone: (66)-0 2686-8300
Fax: (66)-0 2286-8301

Address: Mr. Gawin Chutima
Associate Director
Thai Fund Foundation
2044/23 New Petchaburi Road,
Bangkapi, Huaykwang,
Bangkok, 10310, Thailand
Phone: (66)2 318-3959
Fax: (66)2 718-1850
E-mail: gawin@thaingo.org
Website: www.thaingo.org