

TURKEY

Community foundations

History

The community foundation movement in Turkey is still in its nascent stages. Yet it shows great promise and continues to attract the attention of the public, private and non-profit sectors, as well as the international community.

Today, the first community foundation in Turkey, the Bolu Community Foundation (BCF), is in the stage of getting legally registered, and it is expected to be operational in early 2008, under the leadership of 32 founding members who constitute leaders from the private sector and non-profits and academia. The Bolu Community Foundation aims to promote the well-being of Bolu (a town of approximately 85,000 inhabitants, about 250 km/155 miles from Istanbul) by supporting critical projects put forth by non-profit organizations which address the critical social and economic development of the community.

There have been a number of special factors that have affected the formation of community foundations in Turkey. One positive factor was the Social Investment Initiative (an initiative of Third Sector Foundation of Turkey (TUSEV), supported by the Tashman Fund, Charities Aid Foundation and the WINGS Global Fund for Community Foundations), which aims to promote the community foundation practice in Turkey, as well as other new approaches to enabling philanthropy, social investment and strengthening the non-profit sector in Turkey. The Bolu Community Foundation (BCF) founders obtained great support for their new foundation from the Initiative. The Initiative involves a broad range of activities, ranging from community foundation movement information sharing, advocacy work for a better legal environment, providing technical support, infrastructure building, to researching best practices from abroad. Under this program, TUSEV has been providing BCF with technical support on issues (as well as sample forms and policies) around governance (committees, personnel, etc), fund development, grantmaking, and other core operational issues.

One challenge in the formation of the Bolu Community Foundation was the legal infrastructure in Turkey. Foundations in Turkey undertake more of an "operational" role rather than a "grantmaking" role and thus this type of activity is currently limited in terms of practice, as well as the legal and fiscal frameworks. Although legal reforms that encourage other types of activities have been expected for a long time, these reforms are long overdue. The fact that a more legally and fiscally enabling New Foundations Law bill was pending for approval for months delayed the official registration of the community foundation for several years. The new Law on Foundations was finally adopted by the Turkish National assembly on 20 February 2008, which gave the founders of BCF the green light to start legal registration. The new law is by and large compatible with international standards of freedom of association and represents significant improvement in Turkey's environment for civil society, philanthropy and hence community foundations. Some of the provisions of the Law on Foundations, also affecting future community foundations are: easier establishment; more liberal regulations around foreign foundations; grants; exemption from gift and inheritance tax; as well as exemption from income and corporate tax. More information is available at www.tusev.org.tr

Current situation: Facts and figures

Number of community foundations formally established in total.	0
Number of community foundations established in 2007.	0
The number of community foundations at early stages of development.	1
Percentage of country's territory covered by community foundations.	0 %
Percentage of population that has access to a community foundation.	0 %
Total number of people with access to a community foundation.	0 %
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Increasing

Bolu Community Foundation will be the first functional community foundation in Turkey. Interest from other regions in the community foundation model, the increasing importance and eagerness of companies to be involved in social responsibility projects, and a more legally and fiscally enabling environment for foundations, all suggest the rate of community foundation formation will be steadily increasing in Turkey.

Total sum of grants made by community foundations in 2007	Not yet applicable
Total number of grants made in 2007.	Not yet applicable
Total sum of the income/donations in 2007.	Not yet applicable
Single largest source of income for community foundations	Not yet applicable
Total sum of endowments at the end of 2007.	Not yet applicable
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Not yet applicable

Complete list of community foundations

Bolu Community Foundation (Bolu Bağışçılar Vakfı) is in the process of completing official registration.
Year of formation: 2008

Address and Contact details:

Bolu Community Foundation
 General Secretary: Mr. Mehmet Gundogdu
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 Head of Founding Trustees: Mr. Serafettin Erbayram
 Email: serafettin@bolcahindi.com.tr
 Address: Mudurnu Yolu 9. km. Bolu Turkey 14100
 Tel. 0374 253 4576; Fax. 0374 253 4579

Community foundation staffing

Not yet applicable.

Community foundation income

Income

Not yet applicable.

Purposes

Not yet applicable.

Permanent funds/Sustainability

Not yet applicable.

Environment for philanthropy

Local attitudes

Community philanthropy, in its organized and informal forms, is a common practice throughout the country, perhaps due to the traditional philanthropic inclinations and benevolence of the Turkish people and the country's new prospects for economic and social development.

Community philanthropy organizations (CPOs) in Turkey tend to assume a structure of associations, and are a sub-set within the category of operating civil society organizations (CSOs). These organizations exist in several towns and cities all over the country – both rural and urban. From Gaziantep (southeastern Turkey) to Istanbul (which has not just one, but several CPOs at the township level) tend to serve one or more of the following purposes:

- Environmental and historical preservation
- Promotion of tourism and economic development
- Providing scholarships to students
- Providing support to natives of the community who migrate to larger cities

In tandem with the increasing role and activity of the non-profit sector in Turkey overall, CPOs in different regions of the country are experiencing similar capacity and operational development. Nowadays, Turkish CPOs are slowly starting to engage their communities in the so-called “social development work”, which relates to providing education, support for the poorest, to families, women and children, etc. In assuming these new service delivery areas, CPOs in Turkey share common challenges similar to all CSOs in Turkey and elsewhere, such as lack of human, financial and technical resources; legal and fiscal restrictions; and perhaps most importantly, lack of public awareness, as far as the overall value of these organizations and their mission are concerned.

In a country with 70 million in population and a vast diversity in regional needs and issues, CPOs have the potential to address issues in ways national level NGOs cannot.

Legal and tax environment

As mentioned above, the legal environment for philanthropy is not as encouraging as it could be in Turkey. Donor deductions and CSO tax exemption policies, as well as the public benefit status (which determines if and how CSOs can have tax benefits) remain below Western standards.

Yet, there are opportunities in the tax framework for donations, which community foundations can also benefit from. There are existing tax benefits to donors, and certain exemptions for CSOs, with the condition that they have successfully applied for the special “public benefit status”, for which the requirements and procedures are considered to be cumbersome. Donors can deduct up to 5 percent from pre-tax income when making donations to CSOs with this special status. Yet this goes up to 100 percent when donations are made directly to the government.

Changing attitudes and the national or local environment

TUSEV has recently launched its NGO Tax Reform Initiative. Through this initiative, TUSEV seeks to develop an advocacy strategy to create an enabling environment for philanthropy and trigger tax reforms (as regards to donor deductions and CSO tax exemption policies). The Initiative involves:

- Production of recommendations for reform of public benefit and status and tax legislation
- Production of detailed report and recommendations on accounting and financial reporting standards
- Development a broad platform of NGOs under TUSEV’s auspices to endorse these reports and approach the Tax Council and Minister of Finance

Community foundation activity and impact

Not yet applicable.

Current challenges and future developments

Not yet applicable.

International links

TUSEV has been linked in through WINGS and TCFN to help promote the community foundation initiative. As the Bolu Community Foundation is still in its early formation stages, they do not have direct linkages themselves.

Support Organization: Third Sector Foundation of Turkey (TUSEV)

History and purpose

Established by a number of Turkey's leading foundations, TUSEV has been working to promote the legal, fiscal and operational infrastructure of the third sector in Turkey since 1993. Among the main objectives, including non-profit law reform, research on civil society and philanthropy, is the aim to create new mechanisms to promote philanthropy and mobilize financial resources for civil society organizations in Turkey. Since November 2006, under its promoting philanthropy and social investment programs, TUSEV has been acting as a support organization for Turkey's first community foundation. There are no other organizations in Turkey that support and promote the development of community foundations.

Structure and organization

TUSEV is not a membership organization, but it has over 100 trustees, which are the leading foundations and associations in Turkey. TUSEV currently has 5 full-time paid staff, 2 part-time paid staff and 4 interns.

TUSEV has additional projects that support the formation of community foundations in Turkey. In addition to its Social Investment and NGO Tax Reform initiatives mentioned above, based on its experience in the past 12 months of working with different groups on the establishment of community foundations, TUSEV saw a great need to facilitate NGO transparency and donor engagement. Hence, TUSEV is currently developing a system which compiles data profiles on NGOs (similar to GuideStar) which is available in Turkish and English.

Recent accomplishments

TUSEV is acting as a support center for potential pilot community foundations in Turkey (the one in Bolu and another in Istanbul), and has been coaching them in their organizational and strategy development in fundraising, grantmaking, governance structure, convening and other functions. TUSEV is also advocating for a better legal and fiscal environment for community foundations, serving as a source of information to local and international organizations, and promoting the model as a concept through its publications and mailing lists.

Current challenges/future developments

For now, TUSEV is focusing all its efforts and energy on supporting the Bolu Community Foundation. TUSEV believes that BCF is especially important as it is a 'first' for Turkey, and that it needs to be a good example for a future generation of community foundations to come.

Additional resources

Additional resources are available on the TUSEV website. See especially:
TUSEV Social Investment Initiative: <http://www.tusev.org.tr/content/default.aspx?c=77>

The Global Community Foundation Practice: Experiences, Observation and Implications for Turkey, 2006, prepared for the Center on Philanthropy and Civil Society Studies International Fellowship Programme by Filiz Bikmen <http://www.tusev.org.tr/content/detail.aspx?cn=233>

October 2006: Community Foundation Model and Turkey Conference Outcomes
<http://www.tusev.org.tr/content/detail.aspx?cn=198>

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