

2005 Community Foundation Global Status Report

Part II: Country Profiles

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The individuals named at the end of each country profile are the principal authors (“correspondents”) of their respective profile. The profiles may have been edited for style, length, or consistency.

For all amounts in local currency, conversion information was added for euro (€) or US Dollars (US\$). The exchange rates used were either provided by the correspondents, or they were average, rounded exchange rates for 2004 provided by < www.oanda.com >.

Part I of the *2005 Community Foundation Global Status Report* is a general overview of what community foundations are; the trends in their development as viewed from a global perspective; a review of community foundation developments by region; and a list of correspondents for the country profiles with contact information. It can be found at < www.wingsweb.org >.

Country profiles of other regions – Europe and the Middle East, Africa, and Asia and the Pacific – can also be downloaded at < www.wingsweb.org >.

ANGUILLA

Community foundations

History

The Anguilla Community Foundation was formally established in May 1999 to provide grantmaking support to NGOs on the island nation of Anguilla, which is located in the British West Indies. It is the result of interest over time, the encouragement of local residents and visitors to the island, and the relocation of a former CEO of a stateside foundation. Support came from Victor Banks, the Minister of Finance. A Feasibility Study was completed by Carrolle Perry Devonish, former CEO of the Philadelphia Foundation on the possibility of organizing a community foundation. A local Steering Committee was formed by the Office of the Finance Minister and included key decision makers on the island.

Current status and recent accomplishments

The Anguilla Community Foundation is the only community foundation on this overseas territory of 12,000 residents. The Foundation has drawn on friends and former colleagues to enrich the work and direction of the Anguilla Community Foundation, including international visitors.

Community foundation staffing

The Anguilla Community Foundation currently has one part time paid staff person. The work of the Foundation is done mostly by volunteer Board members. The staff person works in every aspect of the foundation: administrative, fundraising and program. The work of the foundation is divided about 60% to 40% between staff and volunteers.

Community foundation income

The Anguilla Community Foundation received an administrative grant from the local Social Security Board. This two-year grant of US\$14,500 each year is used to paid the part-time staff person and for the costs of the major fundraising program of the Foundation, Anguilla Cares. (In its first year it raised US\$60,000 to be used exclusively to make grants to create a higher profile for the Foundation.) In addition, the Foundation receives about US\$4,000 in corporate support to organize the Foundation's annual fundraising event for the Endowment Fund – an annual classical concert that brings in about US\$5000 each year for the Endowment Fund. The Endowment Fund was seeded by the Social Security Board, which gave a grant of US\$75,000 to fund the Endowment Fund. The Foundation has held annual classical concerts and has received some personal gifts, which have brought the Endowment Fund up to the total of about US\$115,000.

The environment for charitable giving

Local attitudes

Community philanthropy is a challenge. There has been little organized philanthropy on the island. There is corporate giving from local businesses, including banks, hotels and the

telephone company. In addition, groups raise local money. In fact there is someone or a group going from door to door raising money for emergency health care, church activities and events – almost constantly. Most NGOs are not staffed; volunteers raise funds for special issues. There are no tax advantages to those who give, as there are in the US, so fundraising is a challenge on such a small island.

Legal and tax environment

There are no legal or tax incentives for giving to the community foundation. There are few incentives, except making this a better island, but it is a difficult place to raise money. The community foundation has raised the bar, however. In March 2004 the foundation received a contribution of US\$100,000 for education from a local attorney who is handling the trust of a deceased expatriate. This gift had a major impact on the Foundation. Another recent small gift of appreciated stock was the first gift of stock. Both these gifts attracted attention and added to the appeal of the community foundation, but fundraising still is slow going.

Changing attitudes and the local/national environment

The Anguilla Community Foundation created the Anguilla Cares campaign in an effort to encourage local Anguillians and residents to give to the community foundation. This year the campaign is going into the work place to encourage workplace giving and boost local support: this is expected to make a real difference to the fundraising effort. Residents will probably not give large amounts, but it will help to raise local contributions and also create awareness and an atmosphere for giving. In addition the Foundation is looking for ways to target visitors to Anguilla, many of whom are repeat visitors who love the island and come back year after year.

Current challenges and future developments

The future of the Anguilla Community Foundation and the growth of community foundations in the region looks hopeful. (See attached information about the formation of the Association of Caribbean Community Foundations). Yet it remains a difficult challenge that will take time and energy. There are few ways to encourage support for administrative needs and the ability to add staff and resources. This is a real stumbling block. In addition, contact with other foundations in other regions is needed.

Community foundation profile(s)

Highlights for the Anguilla Community Foundation include:

- the creation of Anguilla Cares Campaign;
- the Annual Classical Concert; and
- recent gifts – a legacy for education and also appreciated stock.

Support Organizations: Association of Caribbean Community Foundations

History

Member organizations include:

- Anguilla Community Foundation, British West Indies
- British Virgin Island Investment Club Foundation, Tortola, British Virgin Islands

- Community Foundation of the Virgin Islands, St. Thomas, US Virgin Islands (its geographical scope includes: St. Thomas, St. Croix, and St. John, USVI)
- National Community Foundation of St. Lucia, British West Indies
- St. Croix Foundation, US Virgin Islands

Representatives of these five community foundations, and other interested parties, met for the first time in Anguilla in June 2003. The aims of the meeting were to:

- Foster greater understanding of organized philanthropy as a vehicle for improving the quality of island residents through problem solving;
- Explore strategies for building and advancing philanthropy in the Caribbean region; and create a peer support network among the islands and with stateside colleagues for on-going support and learning.

During the two and one-half days participants shared information on their various community foundations, discussed the challenges and opportunities facing organized philanthropy in the Caribbean and explored opportunities for potential professional development and support from a variety of sources. At the end of the meeting the group decided to create the Association of Caribbean Community Foundations to facilitate the development of community-based philanthropy in the Caribbean and to advocate for emerging community-based philanthropy to the global community. The meeting was made possible through financial support of the Annie E. Casey Foundation.

Recent accomplishments

The Annie E. Casey Foundation hosted a reception for ACCF members, and others interested in supporting the efforts of ACCF, who were attending the Fall Conference for Community Foundations in Baltimore, Maryland USA in October 2003.

Current challenges/future developments

The group's second meeting will be held in St. Lucia in May 2004 to pursue professional development opportunities and solidify the network of community foundations.

Correspondent: Carrolle Perry Devonish, Anguilla Community Foundation (2004 report)

BRAZIL

Community foundations

History

The first effort to establish community foundations in Brazil began in Rio de Janeiro in 1995. Instituto Rio, as it is known, was formed with support from the Synergos Institute, and funding from the Ford and Avina Foundations. A major challenge for this pioneer experiment has been establishing an endowment fund. Based on this, in 1999 IDIS decided to promote the idea of community philanthropy organizations (CPOs) as a preliminary stage, before the creation of community foundations with an endowment fund. A CPO is an organization led by the community, delivering all the functions of a community foundation, with the exception of grantmaking. The strategy has worked well. Eight CPOs were established, and a new one is under consideration. The efforts of IDIS are funded by the W.K. Kellogg Foundation and Inter-American Foundation, with the support of the Canadian International Development Agency (CIDA).

Current situation

With the support of IDIS in nine communities, more than 200 local leaders have become involved in getting community philanthropy organized. More than 500 communities became part of the local systems of philanthropy. Local media have given great exposure to the topic and motivated communities to participate in events, seminars or workshops.

Two important developments:

- The continued cooperation with Community Foundations of Canada (CFC) that was strengthened during the year. Such efforts could result in a major proposal of cooperation to be developed in the coming year.
- The support of the Inter-American Foundation to establish an information system for CPOs, and dissemination of information about community philanthropy.

Complete list of community foundations

Number of community foundations formally established:	1
Additional community foundations at early stages of development:	9

Community foundations:

Instituto Rio, Glória - Rio de Janeiro – RJ	created in 1995
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Community philanthropy organizations (CPOs)

ACES - Associação Comunitária do Espírito Santo, Vitória – ES	1994
CADISC - Centro de Apoio ao Investimento Social, Penápolis, SP	2002
DESS - Instituto para o Desenvolvimento do Empreendimento Social Sustentável, Santa Bárbara do Oeste, SP	2003
FEAC - Federation of the Welfare Entities of Campinas, SP	1964
Fundação Semear, Novo Hamburgo - RS	1996
IDELI - Instituto de Desenvolvimento de Limeira, SP	1996

Instituto Gatis - Gestão e Articulação do Terceiro Setor e do Investimento Social, São José dos Campos, SP	2001
Instituto Sim - Instituto de Suporte ao Investimento Social, Botucatu, SP	2002
Viva Guarulhos, Guarulhos, SP	2001

Community foundation staffing

The CPOs are overseen by boards of volunteers. Paid staff are limited to a general manager, and office support personnel.

Community foundation income

Donor category, Purposes

CPOs are not community foundations in a strict sense. Their income is a result of fundraising for specific activities, such as campaigns, events, conferences. A small amount goes to pay the salary of a small staff. CPOs are funded by local donors, especially by businesses.

The environment for charitable giving

Local attitudes

Brazil has a long tradition of community philanthropy that comes from the time of the colonial period. Because of the lack of any fiscal incentives, giving for community needs is a personal activity. It is not heralded; it is not known. As a consequence, its size and benefit to the community is also unknown. IDIS is making a great effort to identify the size and importance of community giving through specific studies and research. In publicizing it, IDIS has gained the support of communities that want to learn more about their practices of giving, and learn how to organize it for greater benefits. As described above, CPOs are gaining momentum in Brazilian communities.

Legal and tax environment

There are no legal or tax incentives for giving to charities. The Brazilian federal government has established itself as a strong competitor for private giving, by providing incentives to corporations to fund some government priorities such as culture and children. Money flows for projects of government interest, replacing public funding that is lacking for those areas.

Changing attitudes and the national or regional environment

A more supportive environment for philanthropy could be brought about by studies and research that demonstrate the primary importance of individual giving for community needs. Also, lobbying in the Congress for community foundation-type organizations is a must.

Examples of community foundation activity

Viva Guarulhos addresses housing problems as a priority. Although the issue belongs to local government's sphere of responsibilities, Viva Guarulhos decided to bring business leaders and community leaders together to fund technical studies that were then given to local government to show how to implement housing projects for poor people.

IDELI discovered that local citizens and businesses were not using a particular tax incentive useful for funding activities to protect children's rights. After a successful campaign, donations reached almost 90% of the giving potential for the community fund.

Current challenges and future developments

Brazil has a government that describes itself as leftist, with a strong tendency to view the government as responsible for handling public services such as health, education, sanitation, or housing. In some ways, it is not friendly to a legal framework that encourages giving for civil society organizations by offering some fiscal benefits for donors. To give such a benefit to individuals would represent a loss of resources for their own programs. In the near term, it is difficult to foresee any changes in this attitude.

Also, the concept of community foundations is not known. A long process of education and promotion of the idea is necessary, especially with representatives in Congress.

International links

During 2004 IDIS and some of the CPOs had the opportunity to:

- Attend *Community foundations: Symposium on a global movement* in Berlin
- Have the assistance of BITC (Business in the Community, London) to implement a major initiative on cause-related marketing for business in the community.

Support Organizations

History and purpose

The Institute for the Development of Social Investment (IDIS) was established in 1999 “to promote and organize private social investment as an instrument to develop a fair and sustainable society” in Brazil. One basic principle is that wealthy individuals and businesses in Latin America need to share the responsibility for investing in social development, thus promoting a sustainable society. A second principle is that traditional philanthropy should be replaced by the idea of private social investment, giving emphasis to the role of social entrepreneurs that strategically give and monitor their investments. Thirdly, IDIS believes that such efforts require technical assistance based on existing best-known practices.

The creation and mission of IDIS were based on the recognition that managing intellectual assets is one of the most important tasks of both business and third sector organizations. Intellectual assets can easily be lost or under-exploited, resulting in loss of benefit to society. IDIS tracks human, structural and knowledge capital in the area of philanthropy and private social investment, and uses them in supporting new or existing organizations for giving. In Brazil there is no similar organization, although scattered efforts of individual consultants, or emerging study centers on philanthropy are taking shape.

About 40% of IDIS' activities are dedicated to developing and strengthening community philanthropy in Brazil. This is achieved through IDIS' DOAR (Portuguese for “to give”) program, whose main strategies include:

- promoting the concept and practice of community philanthropy organizations;
- technical support for leadership development of promising individuals and organizations in selected communities;
- technical support for new and emerging community philanthropy organizations; and

- creating a forum where community philanthropy organizations can discuss common issues and goals.

Structure and organization

IDIS is a nonprofit organization led by a Board of Directors. It has a staff of 18. Staff members are diverse, coming from different professional backgrounds and employment experience.

IDIS income results from fee-for-service (two thirds of the income) and grants for specific programs and projects (one third of the income).

Recent accomplishments

- An annual international conference with keynote speakers attended by 300-350 people. The theme in 2004 was “Business in the Community”.
- Eight conferences and workshops in different communities with almost 900 participants.
- Publications of three books in 2004: “Community Networks”, “Community Protagonist Role and Leadership”, “Use of Asset-Based Community Development (ABCD) by CPOs”
- Publication of three technical notes in 2004: “Recommendation to do a good social investment”, “Ideas for the sustainability of community-based organizations”, and “Fundraising opportunities for community projects”
- IDIS participated in the Advisory Committee for *Community foundations: Symposium on a global movement*, the WINGS-CF Advisory Committee, and the International Network for Strategic Philanthropy (INSP)
- Researching community philanthropy patterns of giving. The main research in 2004 was about cause-related marketing as a corporate strategy for giving in the community.

Current challenges/future developments

A major effort is under way to organize a network among CPOs in Brazil, with the support of the Inter-American Foundation. This major internet portal for community philanthropy is being developed with the goal of being operational by June 2005.

IDIS wants to persuade the international organizations that promote the community foundation idea of the value of the Brazilian effort to build CPOs as an alternative given their difficulty in building endowments. They believe that this is a model that is gaining acceptance in a culturally diverse setting like Brazil and would like to see debate about the topic.

Correspondent: Marcos Kisil, Institute for the Development of Social Investment (IDIS)

CANADA

Community foundations

History

Canada's first community foundation, the Winnipeg Foundation, was founded in 1921. Following a period of slow growth through the following decades, the pace picked up in the 1980s-90s and continues today. All major Canadian cities have community foundations – the new growth is primarily rural. Community Foundations of Canada (CFC) is instrumental in coaching new community foundations, promoting the concept, and building visibility, but it does not proactively begin community foundations. Today community foundations begin for different reasons than in the past. In earlier days professionals such as bankers and lawyers played a leading role in community foundation formation as a way to serve their clients. Today, while these are still important players, the impetus for start-up often comes from the grassroots: a community in distress, a community that has some new money from the sale of public utilities, etc. In the early stages the emphasis tends to be on community building rather than on endowment building.

Current situation

The most noteworthy recent development has been in the province of Quebec where there are now four community foundations, all operating in French, in a culture where philanthropy is being reborn.

The growth of the last few years is wonderful, but may well decline, partly because of the new emphasis on partnering with existing community foundations. It also raises issues of sustainability. The goal is to ensure that all Canadians are served by a community foundation, but not that all Canadian communities have their own. Canada's community foundations are deeply involved in international exchanges, some formally through the Transatlantic Community Foundation Network (TCFN) and some less formally.

CFC and its members have developed a range of resources to assist in grantmaking, fund development, and community leadership. Most interesting developments recently are: the participation of eight to ten community foundations in a new environmental philanthropy program sponsored by CFC and a private foundation; a new focus on social justice granting which involves resource materials for all community foundations; participation of eight community foundations in a peer learning group on social justice grantmaking; and the development of new neighborhood programs in four community foundations. Aboriginal relationships are being developed in several communities, and there is a significant emphasis on youth engagement in over 40 community foundations.

In 2004 combined assets of Canadian community foundations reached CAD 2b (US\$15.4b).

Complete list of community foundations

Number of community foundations formally established:	144
Additional community foundations at early stages of development:	>24

A complete list is at < www.community-fdn.ca/who_we_are/finder.cfm >.

Community foundation staffing

There is a mix of staff and volunteers in the movement. The number of paid staff members is growing, but volunteers still run about half of all community foundations. Paid staffing is encouraged where possible, but at the same time heavy value is placed on the involvement of volunteers.

Community foundation income

Donor category

Nearly all community foundations rely heavily on the fee that is charged against the funds they hold. About 25% hold annual fundraising events. About the same percentage are also working on operating endowments, seeking out individual donors and their own board members who will help set them up. Corporations help with in-kind support in nearly all foundations, including supporting annual reports and newsletters, sponsoring annual meetings, and providing office space.

Permanent funds/sustainability

Sustainability is a big issue. Some community foundations are examining and others are already using elements of a hub approach, in which several foundations share back office services and perhaps staffing. Endowments are being built as well, but will not ensure sustainability unless they are quite significant.

The environment for charitable giving

Local attitudes

Canadians are moderately generous and are interested in their communities, so the attitudes are overall quite positive. The United Way movement is strong in Canada, and is another vehicle for local philanthropy, which in the donors' mind sometimes creates confusion. Canadians are turning more to their own communities as they see government funds being cut, but it is not clear that there are enough resources to fill gaps, not that there should be. The issue really is who does what: community (through private giving) or government? There is little consensus on this.

Legal and tax environment

Canada is said to have a generous tax system for charitable giving, although there is room for more giving, and various efforts to encourage philanthropy are under way. In early 2004 the Government of Canada reduced the minimum amount foundations are required to disburse in grants every year. It is now at 3.5% of the overall value of the permanent fund – a more manageable amount when financial markets are depressed, but clearly not an excuse to put less money into our communities.

Changing attitudes and the national or regional environment

In 2000, almost half of all Canadian donors (49%) indicated that they would contribute more if governments offered better tax credit for charitable donations (source: Canadian Centre for Philanthropy *Research Bulletin* Summer 2001, using data from the National Survey on Giving, Volunteering, and Participating).

Examples of community foundation activity

Winnipeg Foundation works with local community to help renew Centennial Neighborhood

In an inner-city neighborhood that faces a number of challenges, including a transient population, low family incomes and a high unemployment rate, it would be easy to look at the glass as half-empty. But the Centennial Neighborhood has a lot of strengths – including a core group of residents dedicated to improving their community.

In the fall of 2003, The Winnipeg Foundation launched a comprehensive community initiative to help renew the Centennial Neighborhood, an area bordered by Sherbrook and Princess Streets and William and Logan Avenues. The Foundation understood that the project would only be successful if the strategy centered around local residents identifying, and being involved in addressing, the issues of greatest concern.

At the heart of the project has been the creation of the Centennial Community Improvement Association (CCIA). The Association was born out of a series of consultations with neighborhood leaders to create a shared vision for the community. Identifying safety and housing as the two top neighborhood priorities, many initiatives have been developed by the Association.

The CCIA's Housing Committee developed an in-depth, seven-point housing plan that included a partnership with the Housing Opportunity Program and enabled the group to acquire and redevelop two boarded-up houses on Alexander Avenue. The Committee has worked closely with the City of Winnipeg to get one boarded-up house demolished and has developed a boarded-up housing registry for the neighborhood. They've also played an advocacy role in tenant relations for residents of Manitoba Housing Authority properties.

The CCIA's Safety Committee held a series of events aimed at engaging the whole neighborhood in issues of safety. Some of the initiatives included a community clean-up, a community barbecue, providing information on community safety audits, a Block Parent program and an Urban Green Team. The Safety Committee will work toward the development of a neighborhood safety plan in the coming year.

The Association is run by a volunteer board of directors, made up of nine community residents. With an organizational structure, by-laws and a clear mandate for strengthening their community, the Association provides a steady source of support to a neighborhood in transition.

For more stories about Canadian community foundations see < www.community-fdn.ca/stories/index.cfm >.

Current challenges and future developments

Current challenges include:

- sustainability;
- reflecting Canada's growing diversity
- engaging in grantmaking that truly addresses systemic issues, while staying the course with current patterns in granting.

The future for community foundations looks promising, particularly as bridges between organizations, ideas, and people in their communities. It is possible that community foundations will take on a national social issue and work collaboratively.

International links

Canada has taken a leading role in developing and promoting the global community foundation movement. Canadian community foundations have participated in the Transatlantic Community Foundation Network (TCFN) and in the governance and activities of the Council on Foundations (USA). A number of Canadian community foundations have also informally hosted colleagues from around the world over the past decade.

In addition, CFC's President and CEO currently chairs the Coordinating Committee of Worldwide Initiatives for Grantmaker Support (WINGS). She also chaired the Advisory Committee of *Community foundations: Symposium on a global movement*, the first global meeting of community foundation practitioners, support organization personnel and researchers, held in December 2004 in Berlin.

CFC incubated the community foundation constituency of WINGS (WINGS-CF) during its first three years. During this time CFC participated in a peer exchange with their support organization counterparts in Brazil.

Support Organizations

History and purpose

Community Foundations of Canada is the only support organization for community foundations in Canada. Founded in 1992, its priorities are to:

- support member and emerging community foundations;
- promote community foundations specifically and philanthropy in general;
- demonstrate philanthropic leadership in Canada and internationally, and
- ensure the effectiveness of CFC.

Structure and organization

CFC is a membership association solely for Canadian community foundations, although it devotes a significant amount of energy and staff time into working with emerging community foundations. It is governed by a board of directors that is drawn largely from community foundation staff and volunteers across the country. To view CFC's board list, go to:

< www.community-fdn.ca/who_we_are/board_directors.cfm >

CFC's core staff is located in Canada's capital, Ottawa, with two additional staff located in other parts of Ontario (in central Canada). Project staff dedicated to strengthening human resource capacity in the voluntary sector also currently share space in the Ottawa office. A group of Regional Coordinators, who assist in the delivery of services to community foundations, are located in various parts of the country. CFC's work is also supported by several key consultants located across Canada. To see the staff list, go to:

< www.community-fdn.ca/who_we_are/staff.cfm >.

CFC's main sources of income are private foundations (core funding and projects) and community foundations (both membership dues and additional grants). Project funding has come from various government departments at different stages in its life, and CFC has also secured smaller amounts of corporate funding, usually attached to events (eg sponsorship of national conference, regional meetings). A list of funders is in the most recent Annual Report:

< www.community-fdn.ca/doc/ENG_Sponsors.pdf >

Recent accomplishments

Recent accomplishments include:

- enhancing service delivery in both of Canada's official languages by making CFC's website almost 100% bilingual and adding significant new resources in French
- launch of six advanced outreach and grantmaking resources
- launch of an online Bookstore
- continued leadership in initiatives such as social justice granting and environmental philanthropy, including the development of new publications and resources
- leadership in a continually growing professional development program known as CF-LINKS, which offers peer gathering opportunities, regional meetings, workshops and teleconferences, plus several peer listservs
- hosting CFC's biennial national conference of community foundations in May 2004
- producing CFC's *Members' Guide and 2003 Statistics; 2004 Investment Survey; and 2004 Compensation and Hiring Practices Survey*
- creating a variety of tools and resources for human resource management through the Human Resources in the Voluntary Sector project (< www.hrvs.ca >) and a study to determine the feasibility of a permanent Sector Council on Human Resources, an independent nonprofit organization to provide leadership and work collaboratively on research, strategies and action related to paid employment in the sector.

Current challenges/future developments

CFC's own sustainability is an issue being addressed. Managing the growth of the movement is another challenge that will be addressed with some specific strategies in 2005.

CFC continues work in 2005 on two key areas of activity, donor engagement and alliances with financial institutions, and is beginning a new program on building ethno-cultural diversity in Canadian community foundations. A three-year national program on supporting the development of youth in philanthropy, which has already taken root in more than 40 communities in Canada, also begins in 2005. Finally, CFC is hoping to secure funding to begin a three-year project on "Building Philanthropic Knowledge and Capacity Through Technology", which will focus on using CFC's data and knowledge to enhance the work of community foundations across the country.

Additional resources

At the end of 2004 CFC launched a series of advanced outreach and grantmaking resources which can be found in CFC's new online Bookstore:

< www.community-fdn.ca/bookstore/index.cfm >

Correspondent: Dagne Forrest, Community Foundations of Canada

ECUADOR

Fundación Esquel-Ecuador

History

The 1990s were a critical time in Ecuador, when several theories that guided social development were questioned. Concrete problems had to be faced, such as poverty and unemployment. Citizen awareness and participation were almost non-existent on crucial national issues such as corruption, severe health problems among deprived people and malnutrition. Solutions had to be sought in a multi-disciplinary and creative manner. Theoretical challenges were not being worked upon.

Moreover, during those years, Ecuadorian society questioned whether the country itself was sustainable. Nevertheless, there were people who saw civil society emerge as a source of new opportunities and renewed responses. Esquel Foundation became a leading example of a new form of civil organization, which took on this new role and became a protagonist of social change.

The emergence of Fundación Esquel-Ecuador in 1990 coincided with deep, global, social change that affected the development patterns of countries in the South. The free trade economic model was expanding, whilst nation-states were experiencing a deep crisis regarding their inability to improve citizens' living conditions under the new circumstances. In addition, local issues increasingly hinged on a context defined by a new phenomenon: globalization.

At the beginning of the 1990s, 62% of the population in Ecuador lived in poverty. Apparently, things could not get worse. However, indicators worsened throughout the decade due to a failure by traditional development actors to recognize the need to change the model. By the end of the decade, poverty levels reached an alarming 80% of the total population.

Esquel was founded to confront these challenges together with people. It defined itself as an action organization, with the aim of fighting poverty and strengthening democracy. It was constituted as a nonprofit organization, without religious or political affiliation, and with a strong and defined mission to promote development.

Current situation

Facts and recent developments

When evaluating Esquel's achievements over the years, one can see the enormous support it has received for its initiatives. During the past 14 years, Esquel has channeled financial and technical resources to over 400 projects, which have benefited around 700,000 Ecuadorians. Furthermore, Esquel has worked in 19 of the 22 provinces of Ecuador and has invested around US\$25m in the development of the country, with the support of national and international organizations. Its qualitative achievements are equally important. It has contributed to substituting paternalistic activities with self-management and cohesion, strengthening capacity, and creating or increasing resources. It has become a reference center for the community.

Activities

The main activities of Esquel revolve around its ever-growing commitment to the fight against poverty. Its work and its projects are structured in four program areas:

- Development and Equity
- Children and Youth
- Democracy and Citizenship
- Entrepreneurial Development

Annually, Esquel has annual expenditure on programs and projects close to US\$3m of which operating costs are nearly 15%, around US\$450,000 annually. These resources allow the foundation to manage good programs and projects but more is needed if there is to be impact and change from its intervention.

Esquel undertakes efforts to increase the management capacities of NGOs and of grassroots organizations to allow them to continue their development efforts in a sustainable and efficient manner.

Through the promotion of dialogue, Esquel has been able to contribute to the development of a more active and participatory citizenship in local and national issues.

Esquel believes that all social actors have the responsibility of collaborating to solve the problems of Ecuador. Therefore it promotes social responsibility, especially in the entrepreneurial sector. Esquel works with more than 150 NGOs, 200 grassroots organizations, 180 youth organizations and several companies, through a variety of activities and networks. It has been important to maintain these relationships for fundraising, grants, partnerships, etc.

Examples of community foundation activity

The “Consortium for Local Development in Ecuador”, an initiative supported by Fundación Esquel, addresses issues and objectives identified in each Local Alternative Government (LAG) and Provincial Council in Ecuador. Its goal is to support local democratic governance in Ecuador by promoting citizen participation, inhibiting corruption, and developing sustainable economic schemes at local level. The project will work with twelve LAGs and three Provincial Districts, which need better resources to manage their own development; more space for democratic participation; and people’s own input and approaches to answer their own needs.

The main activities of the project are:

- institutional strengthening of Local Alternative Governments (LAGs) and establishment of civilian oversight mechanisms
- strengthening the participation and development capacities of LAGs and the Consortium
- local economic development and sustainability through the creation of entrepreneurial and business centers.

Community foundation staffing

Esquel has currently a staff of 45 persons, a team is committed to the institutional mission. Esquel is proud of its equal opportunities policies and counts on the support of professional staff composed of economists, sociologists, anthropologists, political analysts, administrators with emphasis in the development fields, all of whom hold degrees ranging from PhD, Masters degrees, and Bachelors degrees in their respective field. Esquel also has the support of volunteers.

Community foundation income

Donor category

Income from donations for the year 2004 were as follows:

National donations:	US\$ 122,611
International donations:	US\$ 2,499,147
Total	US\$ 2,612,758

Each of the four programs receives funding from domestic foundations, and from foreign donors, primarily foundations but including USAID, and multilateral agencies. The entrepreneurial development program has the financial support of 24 business people

Permanent funds/sustainability

Esquel Foundation is not building endowment.

The environment for charitable giving

Local attitudes

International assistance and cooperation for development have existed in Ecuador since the late 1950s. Many theories garnering development and “progress” have come and gone yet many situations have not changed. Nevertheless, what has changed regarding cooperation for development is acceptance that people can and should determine what they believe development is for them. Esquel has tried to put an end to paternalistic attitudes that have done nothing but create dependence and “client-based” programs.

Esquel urges people to become protagonists of their own change. Participation is the only mechanism that promotes dialogue and a culture of joint action. Esquel realizes that this path, while not easy, is the only sustainable alternative – promoting certain processes as likely to be effective; modifying components; building action mechanisms that feed other experiences; preparing the most fragile sectors to confront change – which affects structures at the global and local level and respects people’s priorities.

Legal and tax environment

No incentives exist from the Ecuadorian Government.

Changing attitudes and the national or regional environment

Ecuador is a country with deep-seated historical relationships based on inequality and oppression. Wealth and power have always been wielded by oligarchic sectors that in turn have systematically denied access to resources and capital, cultural or otherwise, to other sectors. In this case, social exclusion and stratification coincide with an ethnic factor and make ethnicity a reason for poverty.

In this sense, it is important that cooperation, philanthropy, and assistance focus on the root causes of poverty and inequality as opposed to applying superficial solutions. Thus the fight against poverty is not an issue confined to a transfer of resources but rather represents a multi-faceted strategy aimed at tackling the roots of inequality, poverty, misery and social exclusion. This strategy implies access to use and knowledge of productive resources; education and health; gender equality; infrastructure; technology; environmental respect; in addition to co-financing, credit and investments.

Esquel believes that civil society organizations like it constitute such a response and offer concrete, sustainable solutions.

Current challenges and future developments

Ecuador, today, faces extreme political and social challenges. Esquel sees current turmoil in Ecuador as an opportunity for change in which civil society can participate in making institutions strong. It is a time when civil society can explore new methods of representation and in doing so become a prominent participant in the fight against poverty and inequality.

Today, the country demands strong institutions and organizations, which respond to meeting basic social requirements. The country cannot place its expectations on a weak democracy. That is why Esquel is convinced that new methods of participation must be promoted. These methods must favor good governance, dialogue and consensus based on objectives and national interest strategies.

These are perilous times in which political institutions have lost legitimacy. The problems Ecuador faces internally as well as externally have answers but it is time to give the underprivileged the space to determine what development means to them.

Support needs

Esquel believes cooperation and joint work are effective tools. Networks allow us to multiply efforts, by making use of installed capacities. At the same time, joint work strengthens social organization and local capacities. Esquel fosters the development of networks to intensify bonds of solidarity and trust, strengthen exchange and cooperation, promote civic engagement and increase productivity. Specifically networks support the growth of community organizations and their capacities, that is, it forms social capital.

International links

Esquel is part of the following international networks: Inter-American Democracy Network, an organization which brings together over 200 NGOs from the entire continent; REDEAMERICA, a network of 52 foundations and enterprises in the Americas; the AVINA network of leaders; United Way International; CIVICUS; the Ecuadorian Consortium for Social Responsibility; and WINGS, among others.

Additional resources

< <http://www.esquel.org.ec> >

Correspondent: Boris Cornejo, Fundación Esquel Ecuador

JAMAICA

Community foundations

History

There are two community foundations in Jamaica – The Grace & Staff Community Development Foundation and the Walkerswood Community Development Foundation.

Grace & Staff was established in 1979 by Grace, Kennedy and Company (the largest commercial food company in Jamaica) and its staff to serve the inner city community, which lies adjacent to the company's headquarters. Its funding comes from the company, staff and other donors.

Walkerswood is more recently established (1999). Walkerswood Community Foundation was established to serve a rural farming community, which has used farm produce (hot peppers) to build an agricultural business for the community's economic development. The community foundation receives support from local leaders in the community, as well as other donors.

Current status and recent accomplishments

The community foundation model is not well known as yet in Jamaica. The work of the two existing community foundations is however nationally recognized and they are known for the philanthropic reach into the communities they serve

Complete list of community foundations

Grace & Staff Community Development Foundation, Kingston, Jamaica
Walkerswood Community Development Foundation, Walkerswood, St. Ann, Jamaica

Community foundation staffing

The two foundations have a small core staff of professionals, assisted by volunteers both at the Board level and the operational level.

Community foundation income

The two foundations are building endowments to support their programs and future developments.

The environment for charitable giving

Local attitudes

The community foundations have developed because of the leadership in the two communities, which recognized the need for organized giving

Legal and tax environment

Under Jamaican law, foundations are approved charitable organizations under Section 13(1) (q) of the Income Tax Act, and their income is exempted from tax under the Income Tax law section 12(h). Foundations are registered with the registrar of companies as a company limited by guarantee and not having a share capital under the Companies Act subsection (1) of Subsection 20. The legal framework is guided by the Memorandum of Association and the Articles of Association. Companies and individuals are allowed tax waivers on their donations.

Changing attitudes and the local/national environment

A more supportive environment for philanthropy could be encouraged through:

- Education in the role of philanthropy in developing countries such as Jamaica, as well as increased tax exemptions and tax waivers on donations.
- Better levels of tax incentives beyond the present to individuals and corporations to encourage formation and expansion of organized giving.
- Research and documentation on the work of foundations in Jamaica. Lessons learned and best practices can then be shared with the wider community.

Current challenges and future developments

- Raising awareness of their work and its value, and
- Securing the engagement of the government and the private sector as donors, as well as international funders.

Community foundation profile(s)

The Grace & Staff Community Development Foundation has established an after school home work center for inner city children. This is a point of light in the part of Kingston, the capital of Jamaica, where it is located in a disenfranchised neighborhood.

Walkerswood Community Development Foundation is helping to bring together small NGO's that are in districts near to the Foundation's location for management education and for learning better farming practices.

*Correspondent: Jeanne Robinson, Jamaican Foundations and Corporate Donors
(2004 report)*

MEXICO

Community foundations

History

The Centro Mexicano para la Filantropía (CEMEFI) – Mexican Center for Philanthropy – introduced the community foundation model in 1993 in Mexico when it organized a workshop on this topic and invited Suzanne Feurt, then representing the Mott Foundation, to participate. She detailed the experiences of these types of foundations in the US 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 the Community Foundation of Oaxaca. Soon after, similar efforts began in other cities around Mexico.

In 1998 CEMEFI participated in organizing the International Meeting of Associations serving Grantmakers (IMAG) in the city of Oaxaca for more than 50 organizations from around the world. (It was this meeting which led to the creation of WINGS and WINGS-CF). Participants included many people experienced in developing and supporting community foundations and contact with them encouraged CEMEFI to launch a project for the promotion of community foundations in Mexico. Invited to participate in this process were CEMEFI's member 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) and the new community foundations that had arisen by that time (Oaxaca Community Foundation, Morelense Community Foundation, Bajío Community Foundation, Celaya Region Community Foundation and León Foundation). To this day the group continues to meet in workshops. Despite very diverse origins and dates of establishment, methodologies and development models, the community foundations that have been established thus far 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 Community Foundation Group decided to formalize into an affinity group leaning on CEMEFI's institutional infrastructure, creating a coordinating committee to follow up on the Group's decisions.

Current situation

Community foundations in Mexico are present in 13 out of 32 states. Most of them are developing jointly as part of the Community Foundation Group. Community foundations in the Group continue their strengthening process, participating in endowment building and improving their performance against agreed standards. The number of community foundations participating in the Group has decreased since last year due to this measure, as three of them realized they were not prepared to comply with the recently established standards. The group now consists of 16 community foundations of which 12 have reached

compliance, four are in the process of compliance, and four more initiatives are interested in becoming a community foundation. The rate of community foundation formation is still increasing, though with a more complete idea of how to build a community foundation and the benefits it brings to the community.

Community foundations are making grants mainly to organizations working in the areas of education, health, and community development; some have developed specific programs for youth and for environment. Other important activity relates to the strengthening of civil society organizations (CSOs). It is important to note that community foundations are developing services for corporations and other donors, mainly as flow-through or “temporary” funds, but in this way they are increasing their grantmaking in important ways.

Complete list of community foundations

Number of community foundations formally established:	19
Additional community foundations at early stages of development:	4

CEMEFI lists community foundations at < www.cemefi.org/index.cfm?page=FCDIR >. The list is in Spanish and organized by regions, and provides contact information, links to websites, as well as short profiles with main programs and region served. 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.

Community foundation staffing

Volunteer Board members govern each community foundation.

The number of professional staff varies from nearly 100 in the largest community foundation (Chihuahua) to one or two in the smallest. All community foundations have at least one paid, professional staff member.

Most community foundations have volunteers as well, involved primarily in programs. The percentage of volunteers to paid staff varies.

Community foundation income

Donor category

Community foundations in Mexico receive donations from a number of different sources. The mix of donors varies significantly from one community foundation to the next, 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.

Purposes

The funds received are mainly advised flow-through funds. At the same time, at least 13 community foundations are building their endowment and assets with unrestricted permanent funds. Most of them also receive grants for specific programs. Operating costs are supported by Board members in most cases.

Permanent funds/sustainability

The Community Foundation Group is currently working on a project to promote endowment building. They are focusing efforts on specific campaigns for this purpose.

The environment for charitable giving

Local attitudes

Mexico has a strong culture of giving, but not a strong culture of organized philanthropy. There are around 20,000 organizations, but fewer than 6,000 are properly registered and able to give tax-deductible receipts. Fewer than 80 are grantmaking foundations. The community foundation sector is young and growing rapidly: community foundations in Mexico are a strategic model of philanthropic actions, inclusive of community perspectives and expectations, professional in resource mobilization and grantmaking and of benefit to local communities.

People in general are concerned about community development, but not much about philanthropy as such: 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 can be generous with time, talent and money but giving is not organized and, therefore, major impact is not commonly achieved. People prefer to give directly to people in need or to CSOs that operate tangible programs for people in need, rather than give through foundations.

Legal and tax environment

The legal framework includes tax exemptions and tax credits for donors. CSOs and foundations must go through a complex process to obtain the authorization to give tax-deductible receipts for donations, and must renew their permits each year. CEMEFI and other institutions provide assistance with new regulations. CEMEFI provides assistance with legal and fiscal issues and lobbies for better fiscal conditions for the sector.

Changing attitudes and the national or regional environment

For a more supportive environment for philanthropy, there will have to be a culture change, to develop civic participation and social responsibility. Strengthening the existing community foundations and promoting new ones 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.

Examples of community foundation activity

Fundación del Empresariado Chihuahuense is a grantmaking, nonprofit 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 successfully lobbied the state

government to renew the levy. Under this 1994 law, 29,000 business owners in the state contribute the equivalent of 10% 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 about US\$6m annually. Only 5% of the funds are spent on administration, and 95% are 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, remodeling 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 totaling more than US\$25m, improving the lives of people in more than 100 communities throughout the State of Chihuahua.

Current challenges and future developments

The major challenge community foundations are facing at this moment is endowment building. Leaving a legacy to the community is not a tradition in Mexico. There is no tax incentive to give legacies to charity, although they are not highly taxed in the first place. 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 begun a program for endowment building through matching funds, which will allow around 13 community foundations to increase or build an endowment, but most of all to create the infrastructure for doing it. This includes training in fundraising, capital campaigns, financial administration, etc.

In addition, the Community Foundation Group has developed standards for Mexican community foundations that include a diagnostic process, the implementation of capacity building programs and finally reaching compliance.

International links

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

Mexican community foundations have been involved in peer-to peer-exchanges nationally. They also share experiences and learning during the three workshops organized annually, and participate in international meetings such as the US Fall Conference for Community Foundations. Some of them participated in the 2004 Community foundations Symposium in Berlin.

Support Organizations

History and purpose

The Centro Mexicano para la Filantropía (CEMEFI) – Mexican Center 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 is: "To promote the Culture of Philanthropy and Social Responsibility in Mexico and to strengthen the organized participation of civil society." It has broad purposes and a wide range of services including:

:

- services to its members, facilitating their development and improvement.
- encouraging more volunteer work and involvement in community development.
- encouraging corporate social investment
- information and understanding of the philanthropic sector's services, roles and relationships
- training of professionals and researchers for the philanthropic sector
- maintaining communication and collaboration between the sector and government

CEMEFI's institutional commitments are: respect for the human being, independent of gender, race or social, economic, political or religious situation; the promotion of voluntary participation; building a more equitable society; and encouraging a democratic culture.

CEMEFI's mission-driven programs include public policy development, information provision, research in philanthropy and many more activities. They maintain a strong priority to in promote and support community foundations throughout Mexico, especially through offering consultancy and capacity-building activities; developing the Community Foundations Group; and creating resources and tools for their better management and operations.

Structure and organization

CEMEFI is a nonprofit organization, without party, racial or religious affiliations, founded in 1988. It is authorized to give tax-deductible receipts for donations. Its headquarters are in Mexico City although programs and activities are nationwide. Its primary governing body is the General Assembly of Associates, which approves the general goals of CEMEFI by ratifying and formalizing the decisions of the Board of Directors. It is made up of 193 associates (93 foundations and operating associations, 55 corporations and 45 individuals).

The Board 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' President and the Executive Committee. The Executive Committee is made up of Advisors who meet monthly.

The operational structure includes a staff of 27.

Currently, 396 assistance and development institutions from throughout Mexico are affiliated to CEMEFI along with 17 individuals and 20 Governmental agencies who receive direct services from CEMEFI.

Because of its individual and institutional members, and its link with national and international organizations, CEMEFI is seen as the most important source of reliable information on the sector. CEMEFI's income is made up of 40% member and affiliate dues, 12% from services and 46% grants from Mexican and foreign donors.

Recent accomplishments

Among CEMEFI's achievements, the following are the most relevant:

- Corporate social responsibility recognition program for businesses and corporations including technical assistance for the development of social responsibility programs as well as for compliance with the developed standards.
- Legal counsel and successful lobbying for fiscal for civil society organizations, including the recently approved and launched specific legislation in favor of the promotion of NGOs which relates directly to Community Foundations.
- Visibility for the philanthropic sector and especially for Community Foundations through bulletins and a community foundation section on the CEMEFI website.
- Promotion and help in the establishment of community foundations.
- First Mexican Directory of Philanthropic Institutions providing information on their performance to donors. Community Foundations associated with CEMEFI take responsibility and benefit from the section regarding their own region.
- Philanthropic Information Center, specializing in philanthropy including books, profiles and materials for community foundations field.
- CEMEFI has become an international representative of the Mexican philanthropy sector, of Mexican Community Foundations Group 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 the creation of more foundations and grantmakers, especially more community foundations, aiming to have at least one in each State by the year 2008.
- To promote social responsibility and increased civil participation.
- To continue promoting performance standards for every NGO and particularly improve and increase compliance of community foundations' standards.

Correspondent: Lourdes Sanz, CEMEFI

PUERTO RICO

Puerto Rico Community Foundation

History

The Puerto Rico Community Foundation came to life in April 1985, born out of an idea that arose during a forum sponsored by the National Puerto Rican Coalition. The idea – to establish a philanthropic organization on the island – was endorsed by Bill Díaz, Program Director of the Ford Foundation. The Ford Foundation subsequently commissioned a study to prove the viability and appropriateness of such an organization in Puerto Rico and found that there was substantial support. Thus, the Puerto Rico Community Foundation (PRCF, or FCPR to use the Spanish acronym) established itself as a nonprofit philanthropic organization whose purpose is to support processes of change in the communities of Puerto Rico.

Current situation

Facts and recent developments

PRCF serves the whole island of Puerto Rico with a population of about 3.9m; of this population, nearly 59% live in poverty. Puerto Rico is located in the Caribbean at a strategic geographical point where it serves as a bridge between North America, Central America, and South America.

PRCF is both a grantmaking institution and an operating foundation that runs a diversity of programs in collaboration with community-based organizations. In the twenty years of its existence the Foundation's programs have evolved in accordance to community needs. In the past six years PRCF commissioned, together with other local foundations, two studies to research community needs in Puerto Rico that have provided insights for the design and implementation of PRCF's programs. Its program areas include Community Development, Education and Philanthropy. Another program area is called Transformational Leadership Area, because of the relevance of leadership in community development.

PRCF has an array of donors or social investors ranging from families and individuals to corporations. In the beginning of the Foundation, 20 years ago, the corporate sector was the main funder, but its role has diminished throughout the years. For the past two years, PRCF has been developing strategies to re-engage and strengthen the relationship with the corporate sector. One of the strategies has been to position itself as philanthropic advisors to help in the development of corporate philanthropic programs.

For the past three years, PRCF has worked to increase its visibility: it refreshed its logo and increased its public activities to be highlighted by the local press. A monthly column in the main paper of the island has also increased awareness. This column is written by PRCF's president and presents different aspects of philanthropy, and perspectives of local issues from the philanthropic point of view. The column has become very popular with readers.

Activities

In 2005 the PRCF is celebrating its 20th anniversary. The main focus of this celebration is to organize and host educational activities to promote philanthropy. The first activity was an accountability meeting with Foundation's stakeholders called "Twenty Years of Transformational Philanthropy". The second activity, planned for June, will be a workshop

called “Philanthropy of our Times, Time for Philanthropy” to encourage participants to factor in time to be a philanthropist. The keynote speaker of the workshop will be Julie Morgenstern, a time management and organization “guru”.

Also, this year PRCF will share with other foundations a local initiative commenced in 2002 to promote and highlight philanthropy among the community at large. This is the introduction of a Green Philanthropic Ribbon (GPR) to be worn as a sign that the wearer supports philanthropy. The goal is that foundations, nonprofits, corporations and governments around the world will adopt it as a symbol of the importance of the “Power of Philanthropy”. PRCF will try to generate as much participation as possible in the use of the GPR during November 15, Philanthropy Day. PRCF will also host an International Conference for Foundations in November organized by the Ford Foundation. In due time PRCF will share lessons learned about the GPR initiative.

PRCF last year established a Donor Services area with seminars and forums for new donors, an area that is also thriving.

Community foundation staffing

The Puerto Rico Community Foundation has a total of 21 staff members and 12 coaches that help to develop the Education Program, a new initiative begun last year. The staff is divided into:

- Development (which includes Donor Services, Development and Communications): five persons
- Program Area: ten persons
- Administration (which includes accounting, human resources and administration): six persons

Community foundation income

Donor category

2004 Contributions to PRCF

Local Foundations and nonprofits	21%
Corporations	7%
Federal (US) government grants	4%
Local State Funds	7%
Individual Contributions	1%
USA Foundations	60%

Purposes

The purpose of the contributions for 2004 represented program support, endowment support (including the establishment of permanent endowment), and temporary funds. PRCF’s goal and challenge is to engage local community in the strengthening of its endowment. PRCF was able to promote a change in local tax laws to benefit local contributors that support the PRCF (see below).

Permanent funds/sustainability

Of all contributions made to PRCF in the last 20 years, 29% have been directed to support PRCF’s endowment, strengthening its sustainability but also its grantmaking capacity to benefit the communities in Puerto Rico. Currently PRCF’s endowment is US\$25.3m. The next goal is to raise it to US\$35.3m.

The environment for charitable giving

Local attitudes

In Puerto Rico, philanthropy is considered the same as charity (donating to charitable organizations), and as the exclusive domain of the rich, well-known individuals. Nowadays, there is a boom of corporate social responsibility. PRCF is taking a leading role in changing donors' attitudes towards philanthropy.

Legal and tax environment

Up to 2004, residents of Puerto Rico were able to deduct philanthropic giving up to 15% of their total gross income. In 2004, the PRCF requested the support of government in creating a legislation to increase the maximum deduction of contributions to PRCF. The Law was approved in September 2004; it allows PRCF's donors to deduct up to 30% of their total gross income. This becomes an incentive for local donors, while it strengthens PRCF's endowment and grantmaking capacity.

Changing attitudes and the national or regional environment

As part of its 20th anniversary, PRCF focuses its celebration on educational programs that emphasize the power of philanthropy and the possibility that everyone can be a philanthropist. PRCF also promotes itself as the main philanthropic advisor for Puerto Rico's donors.

Current challenges and future developments

There are over 4,000 nonprofit organizations in Puerto Rico, and PRCF's major challenge is the great competition to reach high profile donors, as many of them are already engaged with other local causes. However, PRCF has identified education as an area both of great interest for donors and of great needs, especially in the middle schools. To target both, PRCF designed the Transformational Education 2014 Program, an ambitious and exciting program that intends to transform 200 middle schools in Puerto Rico. The Program's goals are:

- to reduce by 20% the drop-out rate,
- to increase by 20% kid's grade promotion, and
- to reduce by 20% teacher absenteeism.

PRCF's asset development goal is to increase the endowment by US\$10m.

Support needs

Our main need is to secure a systematic flow of funds to sustain our programmatic area. It is a challenge to maintain programs and nurture the permanent fund at the same time

International links

PRCF has been mentored by the Ford Foundation since its beginning. In 2005, the PRCF was selected, among other 20 international foundations, to work in the social justice initiative that Ford Foundation launched this year.

In addition, PRCF holds strong relationships with organizations such as the International Youth Foundation and The Synergos Institute. It has close relationships with The Rockefeller Foundation, The Carnegie Foundation, Mott Foundation and McArthur Foundation, as well as

with foundations in Latin America and the Caribbean. PRCF's goal is to become a bridge for foundations engagement in the western hemisphere of the globe.

Additional resources

See the PRCF website: < www.fcpr.org >

Correspondent: Yarice A. Hidalgo, Puerto Rico Community Foundation

UNITED STATES OF AMERICA

Community foundations

History

The modern development of community foundations was sparked in 1914 by the creation of The Cleveland Foundation, in Cleveland, Ohio, the first community foundation in the United States. Frederick H. Goff, a local banker, had the deceptively simple idea to consolidate a number of charitable trusts overseen by the trust banks into a single organization. This organization, a community foundation, would focus its grantmaking in a defined geographical area to meet the needs of all the people. The community foundation would exist in perpetuity and be governed by a local board of citizens.

The growth of community foundations began to take off after the Tax Reform Act of 1969, which gave community foundations the preferred tax status of public charities. Community foundation growth was further enhanced in the 1980s by the retreat of the federal government from funding social programs, and in the 1990s by the booming economy and the beginnings of the intergenerational transfer of wealth from the World War II generation to their heirs and philanthropic institutions.

Community foundations in the last two decades have increasingly focused their development efforts on living donors through donor-advised giving programs. Donor-advised funds allow donors more direct participation in their philanthropy, which donors value. The largest donations to community foundations still come from bequests, but increasing the number of donors, through the use of donor-advised funds, has furthered the culture of philanthropy in the community and allowed community foundations to grow more quickly.

Growth in the numbers of community foundations in certain parts of the country also has benefited the direct support of national and regional private foundations.

Current situation

The most recent Columbus Foundation Survey of US community foundations reports that in 2003, the latest year for which figures are available, 645 community foundations had total combined net assets of US\$34.9b, a 17% increase in total assets from the previous year. Gifts also increased by the same percentage to US\$3.8b. Grants paid were up 2% from the previous year to a total of US\$2.6b. The Council on Foundation's latest estimate of community foundations in the US remains at about 700, the same as for 2003.

Complete list of community foundations

Number of community foundations formally established: 700+

The Council on Foundations lists the addresses of US community foundations by geographic area at: < www.communityfoundationlocator.org/search/index.cfm >

The annual survey of community foundation assets conducted by the Columbus Foundation, including gifts to community foundations and grants made, is available at: < www.columbusfoundation.org/GD/gd_templates/pages/gdPageSecondary.aspx?page=38 >

Community foundation staffing

Most community foundations in the United States are professionally staffed, and new community foundations usually hire at least one professional staff member, typically the CEO, as part of their start-up process. US community foundations work extensively with volunteers in all phases of their operations. In addition to their volunteer Board members, volunteers are often used: to review applications and make site visits as part of the grants review process; on Board committees where outside expertise is needed – such as the investments and audit committees; on special projects, where the views of the community are sought to help set grantmaking priorities; on the selection committees for scholarships and awards.

Community foundation income

Donor category

Donations to community foundations in the United States come overwhelmingly from individuals. Some contributions come from local and national private foundations and from family foundations. Relatively little funding comes from corporations and governments.

The environment for charitable giving

Local attitudes

Even though the United States has had large social welfare programs beginning with the Great Depression of the 1930s, it has never been a social welfare state. From its earliest days, citizens of the United States have been accustomed to seeing to the needs of their families and their communities. Local giving has taken place through houses of worship and through direct contributions to nonprofit organizations for the services they provide and the causes they represent. More recently, philanthropically-minded individuals have found that giving through community foundations is an effective way to provide for their community's needs now and into the future.

Legal and tax environment

The tax, legislative and legal environments in the US are highly supportive of charitable giving. Community foundations have the preferred tax status of public charities, which means they are not subject to the taxation that falls on private foundations. Donations to community foundations receive the highest tax deductions allowable under the law for gifts from individuals.

Changing attitudes and the national or regional environment

The attitudes in the US toward organized philanthropy in general, and individual philanthropy in particular, are highly positive, although much work needs to be done to maintain trust in the foundation sector.

Current challenges and future developments

Following corporate scandals and media reports of wrongdoing in the broader US philanthropic sector, US grantmaking foundations—including community foundations—face the potential of eroding public trust and, for the first time in 35 years, stricter governmental regulation. Partially in anticipation of such threats, as well as in recognition of the need to differentiate community foundations from other charitable giving options, in 2000 the US

community foundation field adopted National Standards for US Community Foundations. As of April 2005, 483 US community foundations had declared their intent to comply with the National Standards, and the field had launched a confirmation of compliance process.

Community foundations in the US also continue to face challenges from competitors caused by the success of the community foundation model. Financial institutions, institutions of higher learning, and other nonprofits have discovered that donor-advised funds are a way to increase charitable giving to benefit their organizations. The commercial charitable gift funds, such as those run by Fidelity Investments and Vanguard, have been aggressively marketing their donor-advised products.

The challenge for community foundations is to market their value-added services to donors. Community foundations' expertise in grantmaking and knowledge of community needs and the local nonprofit sector means they can offer services tailored to donors, services that connect donors to the causes they care about in their communities and increase the impact of their philanthropy.

International links

For many years, US community foundations have been involved in international networks and collaborations, most recently efforts such as the Transatlantic Community Foundation Network and the Transatlantic Community Foundation Fellowship program. These activities have proven to be very valuable learning experiences for all involved – the sharing of experiences and strategies has led to deeper understanding of how community foundations grow and develop in different cultural contexts and the application of new ideas back home.

Support Organizations

History and purpose

The United States is well served by organizations that support the development of community foundations at the national and regional levels.

The Council on Foundations is the national membership organization for all grantmaking foundations in the US. Its Community Foundation Services department addresses the needs of member community foundations through information, training, technical assistance and networking services on a wide range of issues affecting community foundation operations and development. The department also staffs the Community Foundations Leadership Team – a group of elected and appointed leaders who work with the Council to set strategic direction and policy for the community foundation field. The Leadership Team has identified several areas of work as part of the National Agenda for Community Foundations (2004-2006) described in the next section.

The Council's Fall Conference for Community Foundations, held annually, regularly attracts more than 1200 community foundation staff and board members from the US and around the world. In addition to Community Foundation Services, several other Council departments provide services to community foundation members including International Programs, which serves the international interests of US community foundations as well as the general interests of non-US community foundations.

Community Foundations of America (CFA) was formed in 1999 by a group of larger community foundations to conduct research and develop products and services, especially in

the areas of technology, relationships with financial institutions and accountability tools (< www.cfamerica.org >). The Council's Leadership Team and CFA closely coordinate their work through an operating agreement.

There are numerous regional associations of grantmakers, some of which have programs specifically tailored for community foundations in their areas. These include the Council of Michigan Foundations, the Indiana Grantmakers Alliance, the Ohio Grantmakers Forum, the Southeastern Council on Foundations, the Donors Forum of Wisconsin, the Connecticut Council for Philanthropy and the Association of Baltimore Area Grantmakers (for the state of Maryland). Statewide associations or networks of community foundations also exist in many areas including California, Florida, Iowa, North Carolina, South Carolina, Virginia and West Virginia. In some areas community foundations in a region will coalesce around common issues such as the environment or shared grantmaking.

The US is also home to a large number of national funders that have recognized the ability of the community foundation model to address local issues. National funders that are currently active include: the Charles Stewart Mott Foundation, the Ford Foundation, the W.K. Kellogg Foundation, the Lilly Endowment, and the John S. and James L. Knight Foundation.

Structure and organization

The Council on Foundations is a membership association of all types of foundations. Total membership is about 2,000, of which 25% are community foundations. In 2004, membership dues accounted for 50% of the Council's total revenue with project grants totaling 26% and conferences, publications and other activities totaling 24%. The Council employs about 90 full-time staff.

The Leadership Team serves as the main group that governs the work of community foundations. It is composed primarily of board members and senior staff of community foundations. Fifteen members are elected from the field and the remainder (up to 15) are appointed. Members of the Council's board serve on the Leadership Team and the Leadership Team chair attends Council board meetings as a guest.

While the Council's Community Foundation Services department is primary provider of services to community foundation members, several other departments also provide assistance including Legal, Government Relations and Research.

Recent accomplishments

The National Agenda for Community Foundations 2004-2006, supported by the Leadership Team, the Council on Foundations and Community Foundations of America, focuses on building the capacity of individual community foundations to grow philanthropy in their communities.

Regarding recent accomplishments, the Leadership Team, the Council and CFA in support of the National Agenda have:

- developed a financial tool to enable community foundations to forecast the impact of strategic and operating decisions on their expenses and revenues;
- launched a compliance process for National Standards and expanded an effective practices Web site;
- responded to Members of the US Congress on proposed legislative changes that would significantly affect donor-advised funds, gifts of qualified appreciated property and supporting organizations;

- launched a new training course on community leadership and developed a handbook for new staff and board members;
- produced marketing tools on outreach to private foundations and financial institutions, conducted national research about the attitudes and behaviors of professional advisors toward community foundations, created articles and other content for use by community foundations, launched a customizable electronic professional advisors newsletter and formed peer learning groups;
- initiated technology projects to improve web presence, customer relations management, seamless processing and grants management;
- expanded efforts to measure the impact of grants and community leadership activities and completed research on collecting and disseminating data on local nonprofits; and
- developed new strategies and structures for engaging national, regional and local financial institutions in establishing donor-advised funds with community foundations.

For more information, see the Leadership Team's 2004 Report to the Field at < www.cof.org/files/Documents/Community_Foundations/CFLT/2004/2004CFReport.pdf >

Current challenges/future developments

The Leadership Team has launched a strategic planning process that will conclude in late 2005 with a new vision statement and priorities for the field.

Additional resources

COF resources for community foundations are available under the Community Foundations section of the Council on Foundations website at < www.cof.org > and the Community Foundations of America website at < www.cfamerica.org >.

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US-MEXICO BORDER REGION

Community foundations

History

The history of community foundations in the US-Mexico border region is varied. The earliest community foundations were established in the larger US cities between 1975 and 1980, as part of the increased community foundation formation that followed the 1969 Tax Reform Act. At that time only San Diego, El Paso and Community Foundation for Southern Arizona (in Tucson) worked in “border” communities (defined as communities within 100 miles of the US-Mexican border).

In the 1990s, some of these established foundations created affiliates in the border communities. The El Paso Community Foundation established a family fund (the Mascareñas Foundation) as a support organization to focus on grantmaking in the Mexican border region in 2001. The San Diego Foundation established the International Community Foundation in 1990, as an independent 501(c)3, with operational subsidies from the San Diego Foundation. By the late 1990s, the International Community Foundation had turned its attention to neighboring Baja California. The New Mexico Community Foundation began expanding its work to the border region in the late 1990s; the Foundation is currently exploring the establishment of community funds or community foundation affiliates in border communities. The Community Foundation in Southern New Mexico was established in 2002 as a result of a local public hospital privatization.

With the exception of El Paso, community foundations were not established in the mostly small towns and cities of the Texas-Mexico border area. The first exception was the Brownsville Community Foundation, founded in 1997 with a grant of public funds from the City of Brownsville’s Community Development Block Grant. In response to the US-Mexico Border Philanthropy Partnership (see below), new community foundations are now in the process of formation in Laredo, Texas and the Lower Rio Grande Valley.

The Mexican border region has a unique history – both in terms of community foundation development and the development of civic participation. Much of the movement to end the one-party rule and highly centralized government in Mexico emerged in the northern border states. This opened the door to opposition governments and increased civic engagement in other parts of the border and eventually the rest of the country. It was within this context that an independent philanthropic initiative of businessmen emerged in the state of Chihuahua. Responding to the devastating floods in 1994, a group of businessmen presented a proposal to the state legislature for the formation of the Chihuahua Businessmen’s Foundation (Fundación del Empresariado Chihuahuense – FECHAC). Under this proposal, the state government would assess a 1% payroll tax to be directed back into the Foundation. The Foundation’s board was made up of representatives from each of the different participating business chambers. Each of the state’s main cities established local chapters, with a state umbrella organization coordinating activities. The FECHAC chapters in Ciudad Juárez and Ojinaga are participating in the US-Mexico Border Philanthropy Partnership.

By 2003, exposure to the community foundation model had influenced the FECHAC to consider their potential development as a community foundation. The Inter American Foundation will support a study to consider this development and outline possible implementation plans in 2004.

In the state of Sonora, the local businesses established the Fundación del Empresariado Sonorense (FESAC) in 1999 with voluntary contributions from each of the participating business chambers. In 2003, influenced by growing interest in the community foundation movement, the FESAC expanded its board to include some community representation.

In the state of Baja California, in the late 1990s, several prominent civic leaders from Tijuana began participating in the San Diego-based International Community Foundation. In 2000, the Fundación Internacional de la Comunidad (FIC) was founded in Tijuana and the Hewlett Foundation made a significant grant to support operations and an initial environmental grantmaking fund. Following in FIC's footsteps, the Fundación Comunitaria de Matamoros and the Fundación Comunitaria de Tecate both incorporated in 2003. In Ciudad Juarez, a group of local civic leaders and philanthropists came together to form the Community Foundation for the Northern Border (Fundación Comunitaria Frontera Norte) in 2002.

The US-Mexico Border Philanthropy Partnership, a collaborative of nine funder foundations (Ford Foundation, Annie E. Casey Foundation, Mott Foundation, McCune Charitable Foundation, Meadows Foundation, Houston Foundation, Inter American Foundation, Fundación Gonzalo Rio, Hewlett Foundation) and twenty-one border community foundations managed by the Synergos Institute, has contributed since fall 2002 to the establishment and/or further development of border community foundations. This development assistance includes support for capacity building (administrative, board, resource mobilization) and border programs. Through the Partnership, the Synergos Institute has provided support to the start-up and to "younger" foundations as well as to unique and expanded border programs at the more established community foundations. (For more information see the US-Mexico Border Philanthropy Partnership website at www.borderpartnership.org.)

Current status and recent accomplishments

There are currently 12 community foundations operating in the US border region (including affiliates and community foundations in formation). An additional two community foundations (the International Community Foundation and the Mascareñas Foundation – a supporting organization of the El Paso Community Foundation) are incorporated in the US but operate in Mexico. On the Mexican side, using a broad definition of "community foundation" (to include the businessmen's foundations), seven community foundations operate on the Mexican border. The rate of community foundation establishment is steady.

The community foundations have been involved in peer-to-peer exchanges through the US-Mexico Border Philanthropy Partnership, the Mexican Center for Philanthropy's Community Foundation Group (for the Mexican-based community foundations), and the Council on Foundations, Grantmaker Affinity Groups, and the Southwest Conference on Foundations (for the US based foundations). Some Mexican border community foundations have also participated in international exchanges through the Council on Foundation's annual community foundations conference.

The community foundations have been involved in a variety of efforts to reach new donors. An especially interesting new initiative is the International Community Foundation's and Fundación Internacional de la Comunidad's building of a Baja Social Venture Fund. (See below)

Complete list of community foundations

Contact information can be found at: www.borderpartnership.org.

Community foundation staffing

Given the diversity of the US/Mexican border community foundations, there are also very diverse staffing patterns. About one-third are run by volunteers, another one-third have minimal staffing (one full-time staff member) and another one-third have entirely professional paid staffs (from 5 – 40).

The experience of the US-Mexico Border Philanthropy Partnership suggests that it is essential to have at least a half-time professional staff person to support community foundation operations and resource development, once the founding board is established and meeting regularly.

Community foundation income

As noted above, the US-Mexican border region is home to a diverse group of foundations. To provide a general context, about one third are new foundations and have not yet done grantmaking; another one-third have limited grantmaking and programmatic experience; and the last one-third have fairly significant annual grantmaking capacity (over US\$200,000).

Very few of the 12 US border community foundations can support their operations from endowment revenues. Only the US-based community foundations established between 1975 and 1980 have permanent endowments exceeding US\$1m, ranging from US\$1.5m (New Mexico Community Foundation) to US\$375m (San Diego Foundation). The International Community Foundation controls just over US\$1m in assets, and holds about US\$400,000 in its permanent endowment fund.

In the US border region, income for the established foundations is largely derived from individuals (90%), although some of the “younger” foundations (New Mexico Community Foundation, Community Foundation for Southern Arizona, International Community Foundation) also depend on significant contributions from foundations. The start-up US community foundations are largely dependent on foundation support – or, in the case of affiliates – subsidies from their “parent” community foundation.

In the Mexican border region, no foundations survive on individual contributions or endowment revenues. The Fundación del Empresariado Chihuahuense depends on the voluntary tax for nearly 100% of their revenues. The Fundación del Empresariado Sonorense operates with voluntary business chamber contributions (about 50%) and international foundation funding (about 50%). The emerging community foundations currently depend nearly 100% on international foundation funding. The Fundación Internacional de la Comunidad depends largely on international foundation funding (80-90%), although this organization has begun to develop income streams from government, corporations and, to a lesser degree, individual donors.

The Mexican community foundations and their start-up US counterparts are increasing efforts to build endowments. Several of the Mexican border community foundations are participating in an endowment challenge grant initiative, operated by the Mexican Center on Philanthropy with funding from the Inter American Foundation.

In the US, community foundations are using a number of strategies to build permanent resources, including:

- Participating in challenge grants;
- Attracting agency endowments;
- Leasing facilities they own to other nonprofit organizations to provide an income stream.

Under the US-Mexico Border Philanthropy Partnership, endowment challenge grants from funder foundations have been/will be made available to community foundations for endowment building.

The environment for charitable giving

Local attitudes

The US-Mexican border spans 3,000 miles, two countries: one economically developed with a dominant Anglo culture; the other economically in development with a dominant Hispanic culture. The local attitudes towards community philanthropy are as varied as the landscape.

On the US side, attitudes are more conducive to the development of community philanthropy, particularly in the larger urban areas. The more predominantly Hispanic and smaller border cities and towns have not had the same level of exposure to the community foundation concept, so attitudes are only now developing.

In the Mexican border region, there has been a tradition of church-based philanthropy and central government funding for social services, community development and arts and culture – coupled with significant, mostly church-based, US charitable activities. In the past two decades, as the government has pulled back from these areas and civil society has begun to emerge as a stronger actor, attitudes have begun to change. There is a greater interest in the establishment of civil society organizations equipped to address community needs, and a greater interest in contributing funds towards these efforts. Although there is still a tendency to look to outside funders, increasingly attitudes of self-sufficiency and local empowerment (key to support for sustainable community philanthropy) are growing. Even so, community foundations are new and unknown institutions. The level of trust necessary to encourage giving by individual donors must increase before significant progress can be made.

Legal and tax environment

There are few legal obstacles for giving to community foundations in the US border region.

In the Mexican border region, there are also few legal obstacles, but there are also few (if any) legal and tax incentives for giving to community foundations. The less than favorable attitudes described above have to date worked against the development of individual donors and the establishment of funds by individuals in the Mexican border community foundations. However, the community foundation movement there is still in its infancy, and there has been some success in raising local corporate contributions.

Changing attitudes and the local/national environment

In both the US and Mexican border areas, where community philanthropy is a new concept, there must be significant outreach and education of key opinion leaders and the general public.

In the Mexican border region, a legal and tax environment that creates incentives for community foundation contributions would be helpful.

Current challenges and future developments

The greatest challenge for the development of community foundations in the border region is to ensure that the new and emerging community foundations establish a sound financial base

for the future, and that they have the board and administrative capacity, program effectiveness and financial resources to ensure their future existence, and in order to wean themselves from external support for grantmaking and operations.

On the US side of border, the well-established community foundations can contribute a vision of the future for the new and emerging foundations. The new and emerging foundations, however, also can provide an important vision of community connections and community empowerment with which to inspire the established community foundations.

On the Mexican side of the border, the new and emerging community foundations are able to look to the success of the businessmen's foundations in supporting development of the nonprofit sector and in effective grantmaking to chart their own paths for the future. The businessmen's foundations would also do well to observe the creative resource development activities that have been initiated by the Mexican border community foundations.

Community foundation profile(s)

The Yuma Community Foundation

(www.azfoundation.org/static/affiliates/Yuma_Community_Foundation.html) recently secured a multi-year contribution from a local housing developer to support their work in asset development for low-income families. The concept for the program was based on the Annie E. Casey Foundation's philosophy for Family Economic Success (www.aecf.org/initiatives/fes/fes). The Casey Foundation, a funding partner of the US-Mexico Border Philanthropy Partnership, encouraged participating border community foundations to consider how they might partner most effectively with local nonprofits to build family assets as a means of improving quality of life (a key goal of the US-Mexico Border Philanthropy Partnership). The El Paso Community Foundation, New Mexico Community Foundation and Arizona Community Foundation attended Casey-sponsored sessions to learn about best practices for family asset building. They partnered with local nonprofits to support projects to promote financial literacy, including information about the Earned Income Tax Credit and Individual Development Accounts. The Yuma developer established a non-permanent fund with the Yuma Community Foundation to provide matching grants for Individual Development Accounts.

In Baja California, the **International Community Foundation** (www.icfdn.org) and the Fundación Internacional de la Comunidad (www.fundacionicomunidad.org.mx) have partnered on the establishment of a Baja Social Venture Fund (www.icfdn.org/funds/bajasvp.htm). Modeled on social venture funds recently established in many US communities, the ICF Baja Social Venture Fund aims to secure forty US\$5,000, two-year commitments by "venture social capitalists" for projects in Baja California. The FIC Baja Social Venture Fund has also targeted forty individuals, but has eased entry for "junior" philanthropists at US\$1,500 over two years. The Baja Social Venture Fund is one of the best border examples of creative resource development and cross-border collaboration.

Additional resources

www.borderpartnership.org

www.synergos.org

See also the country profiles "Mexico" and "United States of America"

Support Organizations: Synergos Institute

History

The Synergos Institute, founded in 1986, seeks to build the local human, financial and social capital needed to create sustainable solutions to poverty. One of the ways in which it seeks to accomplish this is by working with partners in Latin America, Southern Africa and Southeast Asia to strengthen the capacity and impact of local grantmaking foundations that raise and direct resources for social investment. Synergos has been particularly active in Latin America where it helped build five national community development foundations in Mexico, Ecuador and Brazil and collaborated with three associations of foundations and centers for philanthropy in these countries. In Mexico, Synergos has actively engaged an additional 20 community foundations and spearheaded the first national study of grantmakers that uncovered 75 grantmakers throughout the country.

Synergos has worked in Mexico for 14 years and with grantmaking foundations there for seven years. A combination of Synergos' experience in Mexico, a strong interest in US-Mexico border issues, and previous collaboration with one donor in the US-Mexico Border Philanthropy Partnership (The Ford Foundation) led Synergos to become the managing partner of the feasibility study on options for building philanthropic institutions (conducted between January 2001 and October 2001).

Recent accomplishments

In fall 2002, the Synergos Institute outlined a three-year strategy for creating the Border Philanthropy Partnership that included creation of a donor collaborative, facilitating grantmaking to border community foundations and implementing a capacity-building program for border community foundations. The highlights below illustrate recent accomplishments along each of the Synergos Institute objectives for the Border Philanthropy Partnership:

1. Develop and strengthen community foundations along the US-Mexico border in order to strengthen local participation in development efforts and build local social capital.

The Synergos staff has worked with the Border Community Foundations (BCFs) to enhance administrative and board capacity, increase endowment and program funds and improve programs related to border community quality of life. Synergos Institute's technical assistance includes individualized coaching and support, facilitation of peer learning exchanges, referrals to community foundation resources, practitioners and consultants, and design/implementation of support workshops. Twice yearly, the Synergos Institute organizes a "Learning Community" in a border city, a 2½-day event composed of structured roundtable discussions, presentations, peer consulting and local site visits.

2. Stimulate an increase in local philanthropy in the US-Mexico border region. The communications efforts of the Border Philanthropy Partnership have stimulated an increase in local philanthropy. The formal and informal communications of the 21 community foundations, nine funder foundation partners and Synergos Institute have contributed to a "buzz" in the philanthropic and border issues community about the Border Philanthropy Partnership. These communications have enabled several BCFs to identify potential new partners – government agencies, family foundations, and local corporations and businesses.

A crucial requirement for even greater visibility and resource mobilization is an enhanced community philanthropic infrastructure in the border region. Over the past year, six new BCFs have legally incorporated (Border Women's Development Fund, The Tejas Foundation,

The Texas Valley Communities Foundation, the Fundación Comunitaria de Tecate, the Fundación Comunitaria de Matamoros and the Fundación Comunitaria Frontera Norte).

3. Stimulate on-going collaboration among donors interested in having a lasting impact on the quality of life along the border through more effective grantmaking. The nine funder foundations have greatly benefited from their collaborative participation in the Border Philanthropy Partnership. Their staff members' participation in these activities have increased their awareness of border quality of life issues and community foundation activity. This increased awareness has contributed to a sense of community among the funders themselves and among the funder foundations and their community foundation partners.

4. Increase opportunities for collective learning and problem solving. The creation of biannual Learning Communities has been the most important and successful vehicle for peer learning and information sharing within the US-Mexico Border Philanthropy Partnership. The Learning Communities enable the boards and staffs of the BCFs and the funding partners to get to know each other and share experiences and learning. The Learning Communities have led to the development of collaborative project ideas and for reporting about community foundation and border philanthropy partnership progress. They also have led to the formation of "affinity groups" within the larger Partnership. The Border Philanthropy Partnership will soon unveil an interactive web page that is expected to quickly become another tool for peer learning and information sharing.

5. Improve the quality of life for families and communities in the border region. After only one year, it is clear that an important community philanthropy infrastructure is being put into place. The new community foundations are increasing social capital in their areas, contributing to the development of social networks, and strengthening community leadership. Border Community Foundation grantmaking and other program activities will only move into full gear during the next year. The increased social capital and new programmatic activity are certain to result in an improved quality of life for families and communities in the border region.

Correspondent: Judy Harper, Synergos Institute (from 2004 report)