

Philanthropy for Local Development

How Community Foundations Can Make a Difference

A Brief Guide

Prepared by the Synergos Institute

Civil society organizations, including non-governmental organizations (NGOs) and community-based organizations (CBOs), are playing an increasingly important role in generating jobs, enhancing livelihoods, improving housing, and increasing access to education and health at the community level.

Likewise, local foundations or community foundations are being created at an increasing pace in response to the development challenges at the local level. There is evidence that community foundations are having real impact because of the local perspective and local knowledge base they bring. Most importantly, community foundations are providing critical financial support for social innovators and are helping to build strong and effective programs that have a measurable impact on poverty.

However, many challenges remain:

- Ensuring that benefits of expanded markets and opportunities reach all sectors of society.
- Ensuring that social and economic problems at the local level are addressed in a way that includes those affected by them to ensure their active participation in solutions.
- Enlisting the local business community to support community development.
- Seeking government buy-in for local development by supporting and strengthening development efforts of community organizations and the business community.

What Do Community Foundations Do?

- Raise resources locally, nationally, and internationally to build stronger communities.
- Provide leadership in identifying community needs and searching for solutions.
- Sometimes coordinate the efforts of local NGOs, community-based organizations, corporate social investment programs, and government initiatives by providing an independent space for dialogue.

- Build a permanent endowment and use the income to make grants to local organizations.
- Develop cross-sectoral partnerships to improve the environment; strengthen the quality of health, education, and housing programs; and provide sustainable employment.

Community foundations have different origins. Some are initiated by business leaders, others by civil society leaders, and still others by local philanthropists. The publication, *Building the Worldwide Community Foundation Movement* (Community Foundations of Canada, April 2000 – see information below on WINGS), provides data on the size of the global community foundation sector and shows the strength of these organizations in North America and Europe. In addition, research now underway by the Synergos Institute in New York provides data on the numbers of community foundations (including corporate foundations serving the community) in six countries in Latin America and Southeast Asia. Preliminary findings show that the community foundation sector is the largest in Mexico (74), followed by the Philippines (56), Brazil (31), Indonesia (25), Thailand (28), and Ecuador (21).

These organizations mobilize and channel millions of dollars to local community development initiatives in many fields. For example, the Brazilian foundations have an annual budget of \$100 million. It is estimated that the community foundation sector could effectively apply and administer additional resources in their respective countries in the amount of:

Brazil: \$120 million
 Ecuador: \$30 million
 Indonesia: \$30 million
 Mexico: \$70 million
 Mozambique: \$20 million
 Philippines: \$120 million
 South Africa: \$30 million
 Thailand: \$30 million
 Zimbabwe: \$10 million

How Can Philanthropists Help?

- **Support community foundations:** Consider endowment or program support. Most local foundations can handle donor-designated or donor-advised funds, as well as challenge grants, and will ensure that the resources are distributed to one or more organizations with the capacity to implement programs that have measurable impact.
- **Donate technical or management advice:** Offer your professional know-how in building the capacity of community foundations and non-profits.

Where Can You Go to Learn More?

The European Foundation Centre (EFC)

The EFC is a membership organization of over 160 independent funders that promotes the work of foundations and corporate donors active in and with Europe. Established in 1989 by seven of Europe's leading foundations, EFC today serves 7,000 organizations linked through networking centers in thirty-five countries. Its offices are in Brussels, Belgium and Warsaw, Poland.
www.efc.be

EFC Community Philanthropy Initiative (EFC-CPI)

A program of the European Foundation Centre designed to increase and strengthen organized philanthropy at the local level in Europe by building the capacity of community philanthropy organizations.
www.efc.be/projects/philanthropy

Group of Institutes, Foundations and Private Enterprises (Grupo de Institutos, Fundações e Empresas – GIFE)

GIFE is a Brazilian organization that was started in 1989 by a philanthropic committee within the American Chamber of Commerce of São Paulo. In 1995, GIFE was legally established as a non-profit organization with the mission of improving the practice and understanding of philanthropy and social responsibility. Today GIFE numbers over 50 members which help mobilize over \$350 million for social programs in Brazil.
www.gife.org.br

Mexican Center for Philanthropy (Centro Mexicano para la Filantropía – CEMEFI)

A membership organization of over 400 civil society organizations and individuals in Mexico, CEMEFI aims to promote a culture of philanthropy in Mexico and to strengthen the organized participation of civil society in the country's development. It maintains a database on non-profit organizations receiving donations and volunteer help and provides support to over fifteen Mexican community foundations.
www.cemefi.org

Philippine Business for Social Progress (PBSP)

A private non-profit foundation dedicated to promoting business sector commitment to social development. Founded in 1970 by business leaders, PBSP has become the Philippine's largest and most influential business-led social development foundation with over 160 members. It has worked with some 2,400 partner-organizations and provided over \$1.4 billion in financial assistance which supported over 4,000 projects and benefited close to 2.2 million poor households.
www.pbbsp.org.ph

Southern African Grantmakers' Association (SAGA)

SAGA is an independent non-profit membership association of individuals and organizations involved in the funding of development in Southern Africa. It was launched in 1995 to meet the needs of a diverse membership of Southern African grantmakers by providing services to the grantmaking community, both corporate and private, and by facilitating the building of development partnerships. It is providing support to a group of community foundations supported by local corporations and individuals
www.donors.org.za

WINGS: Worldwide Initiatives for Grantmaker Support

WINGS is a global network of 95 associations that support grantmakers and organizations serving philanthropy. Its aims are to foster learning opportunities for, and support between, its members and to strengthen philanthropy globally.
www.wingsweb.org

WINGS-CF (Worldwide Initiatives for Grantmaker Support – Community Foundations)

An outgrowth of WINGS, its members focus on community foundations worldwide. The above-mentioned publication, *Building the Worldwide Community Movement*, grew out of a WINGS-CF network meeting and includes a section entitled "The Growth of Community Foundations Around the World". The secretariat is located in Ottawa, Canada.
www.community-fdn.ca/WingsCF

WINGS-Corporate (Worldwide Initiatives for Grantmaker Support – Corporate)

Another outgrowth of WINGS, the members of WINGS-Corporate promote corporate social responsibility (CSR) and support corporate grantmakers.
www.wingsweb.org/network/corporate.html

The Synergos Institute

The Synergos Institute is a non-profit organization that works with local partner organizations around the world to strengthen the capacity and impact of local foundations. It conducts surveys of foundations, documents best practices, and provides technical support. Its web site has extensive information on community foundation partnerships.
www.synergos.org