

What is a global fund to do?

After months of consultations, there are still some questions being raised as to what sorts of entity the Global Fund for Community Foundations should be supporting. Should it be organizations that conform, or almost conform, to the eight- or nine-point definition set out in the WINGS' *Community Foundations Global Status Report*¹ – or at least aspire to do so? Or should the net be cast wider?

It has been suggested that the Global Fund should make grants only to community foundations or emerging community foundations. If it wants to make grants to community philanthropy organizations that are not community foundations, that's fine of course, but it might be better to rename the Global Fund in order to avoid diluting the community foundation 'brand'.

If one goes down the road of thinking of the community foundation as a brand, one might be surprised to find that the brand is already rather diluted. Some of the best known developing country organizations that are accepted as community foundations apparently fail to meet some of the most basic criteria. Pondong Batangan in the Philippines, for example, collects regular small contributions from 300,000 local people but tends not to make grants, while Greater Rustenburg Community Foundation in South Africa makes grants but still continues to rely heavily on funds from a single corporate donor. Operating a precise definition of 'community foundation' while giving the name to organizations that don't meet the criteria could be confusing and obscure the truth about the sort of support that these emerging organizations actually need.

¹ The 2008 *Community Foundation Global Status Report* is now available on the WINGS website at www.wingsweb.org

So should community foundations be seen as a successful brand or model, providing a well-trodden path to success for organizations all over the world, or should the community foundation be thought of as the much looser idea that building local institutions that combine raising funds and making grants locally might (a) be a good way to promote local development and (b) help to build institutions that people can believe in in parts of the world where most people naturally distrust most organizations.

Barry Gaberman, in his column for the September issue of *Alliance*, laments the fact that community foundation people and development people don't really talk to each other, given that, in his view, community foundations have great potential as development organizations. Incidentally, he suggests five attributes for community foundations, most of which have to do with local knowledge and local ownership – though it is the fifth, sustainability, that he singles out as peculiarly fitting community foundations to take on the role of promoting development. Everyone is familiar with the phenomenon of the successful pilot development project that will inevitably peter out owing to lack of funding.

So what is a Global Fund to do? *Alliance* asked a number of people from around the world:

- ▶ Is there a danger that supporting organizations that are not yet community foundations and may never even aspire to meet the criteria set out in the *Global Status Report* will undermine a valuable idea, brand, model, call it what you will?
- ▶ If this is what it wants to do, should the Global Fund consider changing its name?
- ▶ What role can community foundations play in local development in the world's poorest countries as well as in better-off ones?
- ▶ Can they contribute to solving the world's most pressing problems, climate change, poverty, etc?

Alliance would like to thank the following for contributing to this article:



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Watering down the 'brand'?

Andrew Milner

What's in a name? Quite a lot, according to the group of people approached for this article. 'Words matter; terminology matters; definitions matter; structures matter,' as Eleanor Sacks (author of WINGS-CF's *Community Foundation Global Status Reports*) puts it. The question of whether the community foundation idea could be damaged if the Global Fund supports organizations that aren't community foundations prompted some wide-ranging discussion about the identity and purpose of community foundations. As Barry Gaberman (board member elect of the Global Fund) notes, there is still some divide 'between those who would advocate a broader model and those in favour of a more purist approach'.

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Perhaps the first point to note is that our first question really contains two sub-questions: first, should there be a clear definition of what a community foundation is? And second, if so, should that definition be based on the criteria set out in the *Global Status Report*? In answer to the second, most agree that these 'criteria' should not be taken as a rigid definition as this could exclude organizations whose aims or operation clearly fall within the spirit of the community foundation idea even if they do not always abide by the letter of the 'definition'.

In regard to the first question, most feel that the community foundation concept is strong enough to withstand any danger of its identity being compromised and flexible enough to accommodate variants which stretch the orthodox view of it, however this is conceived.

As Eleanor Sacks explains, 'The WINGS-CF list of characteristics – it is not claimed that they are criteria – has always been followed by a clarification, saying that, based on local traditions of philanthropy and local

conditions, some of the characteristics may be emphasized over others. One of the hallmarks of community foundations is that they respond to local conditions and local needs. It is not surprising, therefore, that some community foundations make grants to individuals or operate programmes [neither of which are part of the orthodox concept] in areas where there is a weak non-profit sector. In Germany, where the community foundation movement is particularly strong, most community foundations are operational, following the traditions of local philanthropy in that country.'

Akwasi Aidoo (TrustAfrica) speaks of the 'need to avoid the "tyranny of concept" that often goes with the purist tendency towards definitions', preferring to consider any criteria for definition as a 'work in perpetual progress'.

Maureen Smyth (Mott Foundation) also feels that the elements of the WINGS-CF definition should not be set in stone and may even need to be revisited. She gives as an example the grantmaking element, which may be too limiting in certain parts of the world. 'Of course,' she says, 'the Global Fund could come up with its own definition, especially taking into consideration realities in developing countries. The Fund could also explore making "discovery grants" to groups that may not fit the WINGS-CF definition of a community foundation but offer great potential.'

Implicitly, Boris Strecansky (Centre for Philanthropy, Slovakia) is in favour of some sort of definition of community foundation, but he is in principle opposed to the idea 'that anything that is outside of the existing framework or model should be disqualified from the support of a donor'. While donors should 'be prepared to cross boundaries and stay open to a "grey" zone', he feels that the Global Fund's core grantmaking should stay focused on the community foundation criteria. 'In its consideration of proposals from the "grey zone", it should sensitively judge the applicants' situation and understanding of their future and assess that against its mission: to develop local philanthropy through support of community foundations globally.'

A comparison with same-sex marriage

'There's a group of people,' says Barry Gaberman, 'who passionately believe that the eight or nine elements of the WINGS-CF definition are very important to adhere to and that if one allows some slight reinterpretation of any one of those criteria... it's going to water down the brand and allow in a whole bunch of models that are just not as effective. Now the reality is that



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community foundations are going to be the most prevalent model of community philanthropy. But allowing there to be other kinds of community philanthropy efforts will do nothing but strengthen what we really want to strengthen, which is the development of community itself.' The community foundation concept, he believes, 'is really so compelling and so powerful that it's always going to be the cornerstone of what I'd like to call community philanthropy.'

He draws an analogy with same-sex marriage. 'There's a huge group of people who think quite passionately that the defining characteristic of marriage is that it's a union between a man and a woman,' he explains, 'and a pretty vocal minority who feel we need to broaden this to a union between two people. The former group fear that allowing the broader concept would destroy their brand. The reality is that in the vast majority of cases marriage is going to be a union between a man and a woman, and it's very unlikely that it's going to destroy the brand at all.'

Making grants in developing countries

Jenny Hodgson (director of the Global Fund) warns of the danger that too rigid an approach to criteria may create 'an "us and them" situation'. In developing countries with emergent philanthropic sectors, she points out, there are 'precious few institutions that fit all the criteria'. From a practical point of view, therefore, if the Global Fund were to adhere rigidly to them, it would find it difficult to make grants in some countries. 'Often,' she adds, 'new organizations which look pretty much like community foundations emerge independently from within their own communities and in response to local circumstances. Surely they should have a role in shaping that "brand" too? This is not a one-way street.'

Criteria aside, the essential principles of the community foundation concept are, she argues, 'powerful and clear: permanence and local ownership in contexts where the word "donor" has always meant "foreign" and where institutions are so often an instant target of distrust.'

Moreover, community, she argues, should not be understood in a narrow geographic sense: 'Some of the

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most dynamic growth in local philanthropy and local grantmaking, particularly in the Global South, has been among the women's funds and environmental funds, whose constituents represent a distinct if "non-geographic" form of community. A limited application of criteria would potentially exclude them and yet they are often the very organizations that would stand to benefit from participating in – and enhancing – global networks of like-minded institutions.' At the same time, she suggests, 'other organizations may go through the motions of adopting the "correct" criteria on paper simply to "qualify", when they would be better off beginning a longer conversation about their institutional needs.'

The dangers of dilution

Luc Tayart de Borms (King Baudouin Foundation) clearly feels that too much energy is being expended on this discussion. 'One wonders if the term community foundations is so important except perhaps for a maximum of 20 people in the world who feel they have to defend a certain philanthropic church. Community foundation is already translated in different ways in different languages and different cultures,' he points out, 'in Germany as *Bürgerstiftungen* (citizens' foundations), in Belgium as *Streekfondsen* (regional funds), so why spend so much energy (mostly negative) trying to defend a brand which in reality has different interpretations?'

For Eleanor Sacks, the expenditure of energy is worth it. 'There are still too many parts of the world, especially in countries outside of Europe and North America, where the numbers of community foundations are low, and where they are still experimenting to find the right mix of attributes, structures and policies to fit their local cultures of philanthropy. Globally, a community foundation brand will be developed, perhaps with significant regional variations, but it will be some time before it happens.'

The term is still a contested one, she says, WINGS-CF's 'characteristics' notwithstanding. And she does see a real risk in dilution of the term at this stage. 'If the Global Fund continues to support some organizations that are not community foundations,' she says, 'it has the potential to cause confusion and set the global community foundation movement back.'

A question of balance

Monica Patten (Community Foundations of Canada) agrees that 'supporting organizations that do not think they have, or will have, some characteristics of a community foundation will dilute the brand'. She

mentions particularly organizations that are 'primarily about delivering services and programmes, with the emphasis on primarily' and 'single-focused organizations'. The goal of a community foundation, she says, 'is to build capacity in the community, to be part of its development, and to do that through supporting others'.

However, she continues, dilution will be a real danger 'only if the criteria are seen as a fixed definition'; the characteristics usually associated with community foundations 'cannot be seen as static'. Their work is evolving, she says, especially in the area of community leadership. Many community foundations are as committed to offering non-financial assets as financial ones. 'The brand is evolving.'

But, she insists, there must be some key characteristics. In her view, 'building an endowment, or even aspiring to do so, may for many be the least likely to be key. But being independent and autonomous in governance, collecting and distributing resources, offering leadership on critical issues and ideas through financial or non-financial assets and resources, are pretty fundamental and are characteristics of a certain kind of organization that we have come to know as a community foundation. I would hope that the Fund explores the aspirations and goals in those areas with grant seekers.

'The Fund needs to be very careful not to be (or be seen to be) all things to all people,' she concludes. 'Balance is needed. And I think the Fund has managed balance very successfully to date.'

Rory Tolentino (Asia Pacific Philanthropy Consortium) thinks that dilution is a risk worth running and she urges the need to keep in mind what the Fund is ultimately for. For her, its purpose is 'to encourage local communities to discover their power... the idea of communities taking care of themselves and their own needs is a powerful idea, whether the term community foundation is used or not. I guess the question I have is why the brand would become more important than the idea of community resource mobilization and meeting community needs.'

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Keep the name or change it?

Most contributors to this article feel the name should stay – in the short term at least – and that including the term community foundation in it does convey a general idea of what it is about.

'I'd stick with the name,' says Akwasi Aidoo, 'and allow it to incorporate the changing reality of the community foundation landscape that it seeks to cover. Besides,' he adds, 'the simplicity of the current name is a communication asset.' Boris Strecansky agrees that the current name gives the Fund 'in its global positioning a clearer and stronger anchoring'. Monica Patten, too, 'would leave the name as it is, provided the notion of community foundation is more loosely described'. 'I think that the term community foundations – perhaps more loosely defined – should be kept,' says Andrés Thompson (Kellogg Foundation). 'Community philanthropy organization is also a term that implies definitions not globally shared.'

Barry Gaberman is more ambivalent. While the name doesn't capture the breadth of what the Fund will do, he feels 'comfortable' with leaving it as it is for the time being. But he admits that 'as long as community foundation is the only term in there, there will always be a debate about whether you're wandering away from the core mission.' His preference is for 'something like the Global Fund for Community Foundations and Community Philanthropy – I think it would retain the core concept and suggest there is a broader set of models that it is still legitimate to look at and support.'

Daniel Owen (World Bank) takes a similar view. 'The community foundation term has been extremely useful up to this point,' he says. 'It has served as a powerful organizing principle and it has brought stakeholders around the table, including the World Bank, major foundation donors and community foundations. However,' he says, 'the name will need rethinking at some point in the future as the Fund establishes and refines its role and objectives.'

Of those who feel the Fund *should* change its name, the most forthright is Eleanor Sacks. 'Obviously my answer to the question is yes,' she says. She describes herself as 'neutral about the kinds of organizations the Fund should support' but cautions: 'For the sake of the global community foundation movement, and the operations of the Global Fund as a grantmaking organization, including how it positions itself with funders, the Global Fund needs to clearly define its mission and what it will and will not fund.'

Luc Tayart also favours a change of name, for typically pragmatic reasons. 'In the context of the huge financial crisis and the economic downturn, we will need to mobilize all our energy for the common good, especially on the local level.

We will need credible, locally anchored philanthropic vehicles that can help local development and local social cohesion. So let's try to be pragmatic and give the Global Fund a broader name for the 21st century: Global Fund for Local Community Philanthropy.'

Probably few would disagree with Maureen Smyth that it's time to move on. 'What's in a name?' she asks. 'To quote Shakespeare, "A rose by any other name would smell just as sweet." Let's move beyond dissecting names and look for that essence of a community foundation. It's about local people taking responsibility for their communities, mobilizing local resources, and addressing issues they care about. Community foundations are vehicles for this important activity not an end in themselves.'

Can they play a role in development?

'Certainly yes,' says Andrés Thompson. 'A vital one,' believes Rory Tolentino. 'Because they raise funds from the community, they have the potential for developing consensus on what the community needs in an egalitarian fashion, with no one person dominating the discussion. And because the community contributed collectively, the ownership will be community-wide and the demand for transparency and accountability and responsiveness to the community is higher.'

This point about ownership and self-reliance is echoed by Akwasi Aidoo. Community foundations, he says, 'can be the levers that help to lift the poor and disadvantaged within local communities, where the benefits of macro-policies and projects notoriously do not often trickle down.' They can do this by 'amplifying the voices of the poor to the hearing of those who control the anchors of power within local communities, serving as vehicles for resource mobilization among emigrant community members of means, and ending the mindset of dependency on external aid for local development.'

For Boris Strecansky, community foundations 'tremendously enrich the local institutional milieu

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and as such contribute towards building effective institutions that are concerned with citizens and community interests.'

Community foundations, believes Daniel Owen, can address 'the very real and pressing concerns of people by serving as local institutions that represent them faithfully, that can be trusted, that can play a key role in rethinking local governance, especially in contexts of weak capacity and conflict, and can endure over the medium to long term'.

He stresses their role in providing sustainable solutions. Funding what he calls 'boutique community development projects' is not a solution to poverty and inequality. The solution, he argues, 'lies in organizing for poverty reduction by leveraging the capacity of communities in partnership with a range of institutional actors; linking community management of resources and local-level empowerment with good governance and institutional accountability, especially in the public sector; and putting control over decision-making and investment resources into the hands of local people and local communities.'

Rory Tolentino, too, mentions the sustainability issue. 'Community foundations can be the ultimate exit strategy of external donors,' she says.

What about global problems?

What about the bigger questions, whose effects are felt globally, like climate change, inequality and disease? Can organizations whose roots and reach are firmly local affect them? Clearly Daniel Owen thinks they can, adding to what he says above: 'In efforts to address the challenges of climate change, we are likely to witness a surge in local-level institutional responses and community-based mitigation and adaptive strategies. Local foundations that can mediate in governance, that can anchor public-private-civil society partnerships locally, and that facilitate and support local giving for asset creation have an obvious role to play.'

Many of our respondents take a similar view. 'Government bodies, public policy think-tanks and large international funders can identify the issues and promote solutions,' says Eleanor Sacks, 'but solving the world's most pressing problems can only be done locally, and community foundations are there already doing the work.'

Boris Strecansky echoes this idea: 'Many global issues can have local solutions and community foundations can find a role exactly there.' This will depend, however, on how successful community foundations are in

keeping their local roots: 'in maintaining contact with the "ground" and awareness of the necessity and importance of "bottom-up" approaches in their work, they can make a difference at a local level.' However, he does not think community foundations can grow into a massive citizens' movement with a highly political agenda – 'for that purpose they are not fit. But they can be the *source of support* of active citizens, which is in my view the greatest asset of civil society and good development.'

For Barry Gaberman, the potential role of community foundations in solving these larger problems is part of the argument for the Fund's not restricting itself to 'pure' community foundations. 'The strength of philanthropy really lies in its diversity,' he says. 'It seems to me that if you have the broader concept and support a number of models that complement community foundations under the rubric of community philanthropy, you just increase the chances of dealing with these problems.'

Making connections

Jenny Hodgson agrees on the importance of the local, but conceives the role of community foundations in the solution of great problems slightly more modestly than does Eleanor Sacks. 'Strong community foundations,' she believes, 'can play an important role in connecting a global agenda such as that of climate change with local resources and needs. They can provide a "horizontal", transparent and cost-effective way of getting resources to a wider range of local partners with small-sized grants that do not "saturate" individual organizations.' For Rory Tolentino, 'the most promising thing about community foundations is that they can be used as a vehicle for communities coming together and lead them to develop enough confidence to tackle the problems as they see them.'

Andrés Thompson, talking specifically about Latin America, believes that 'community foundations might serve as an institutional form to channel local development efforts in a sustainable way'. He also feels that they 'may help bridge that gap' between the philanthropic and development communities.

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All hands to the wheel

For Monica Patten, 'the days of asking who does what are over. The question now is how we do this together. No one sector,' she argues, 'can overcome the systemic and complex issues' that face us on its own.

Barry Gaberman also believes that 'the world's most pressing problems are not solvable by any one model of philanthropy or even by individual and organized philanthropy taken together. It requires all three sectors to solve them, each working in the way that gives them a comparative advantage.'

Akwasi Aidoo reminds us that the world's most pressing problems affect the poorest people most. 'People live in communities,' he points out, and these are the heartland of community foundations. They can attack the biggest problems in three ways: 'First, by piloting people-centred solutions at the local level to demonstrate practical ways of addressing these mega-problems. Second, by serving as local partners to policymakers, the private sector and other global institutions that seek to alleviate the impact of these problems. Third, by playing a representational role at the global policy-making level, especially if they are effectively networked through an intermediary such as the Global Fund for Community Foundations.'

A vision for the future

Perhaps the most fitting place to leave this discussion is Monica Patten's vision of community foundations' possible future: 'The most exciting day will be when community foundations across the world combine to use their array of skills and opportunities to tackle a global issue that faces all of us . . . alongside multiple partners including those most deeply affected by the issue, demonstrating our solidarity with them and bringing our collective resources, financial and non-financial, to the fore. That day will show the rich array of assets community foundations have and that there is no community foundation that has all that it takes . . . but collectively we may at least be part of addressing really difficult issues.'

As for definitions, British art historian Kenneth Clark, who devoted a good deal of his work to the study of civilization, concluded that he did not know what it was but thought he could recognize it when he saw it. It may be that the proponents of community foundations, purists or otherwise, will have to rest content with a similar basis for defining community foundations. The community foundation concept, as many of our respondents point out, is still evolving and will resist watertight definition. @