

# Community Foundations for East Asia Practitioners

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# CFs = Fastest Growing Field of Foundations

- the first modern CF established in **1914 in Cleveland, USA**
- the spark jumped over to **Canada in 1921**
- **1979: Northern Ireland Voluntary Trust**, the first CF in Europe, established with the support of the government
- **1990s: „explosion“** of CFs in Europe, Mexico, South Africa, Russia and other regions

# 2003 Community Foundations Status

- [http://www.wings-cf.org/global\\_report/index\\_e.cfm](http://www.wings-cf.org/global_report/index_e.cfm)
- Over 700 in USA, accumulated endowments over 30 billion USD;
- Over 100 in Canada, accumulated endowments over 1 billion USD
- 65+ CFs in United Kingdom, 50+ in Germany, 12+ in Italy, first CFs in Japan, Belgium, Portugal, Ireland, Australia...

# Characteristics of CFs

- **1. Grantmaking** foundations  
(but many also do their own programs)
- **2. Mission is broadly defined** (like „to improve quality of life in community“, „to strengthen social capital of community“ )
- **3. Geographically defined community**
- **4. Broad range of donors** - seek contributions from inside and outside of community  
(diverse portfolio of donors = high stability)
- **5 Governed by board reflecting community**
- **6. Builds endowment**, element of perpetuity

Many NGOs have some of these features. So what is the difference?

**It is combination  
of all six characteristics,  
that makes  
community foundation  
a distinctive  
brand of foundation**

# 1. Grantmaking

- A “must” for any CF, but some CFs implement also they own projects
- Clear and transparent procedures
- Competitive process
- Strict conflict of interest policy
- Size of grants: many small versus smaller number of larger grants?
- Grant programs – health, youth...

## 2. Mission is broadly defined

- Typically “To improve quality of life”, “Strengthen social capital in our community” or similar
- Enables CF to develop issue specific grant programs as needed or wished by donors
- Gives CF flexibility to modify priorities as conditions change over time
- Grants accessible to broad range of people enable networking across issues

### 3. Geographically defined community

- A town – city – county – watershed – island - state: whatever people consider “our” place
- Economy of scale matters – desired population of over 100.000 people
- Builds on self-identification with place, local-patriotism
- Allows to build bridging social capital across ethnic, religious divides

## 4. Broad range of donors

- More donors – higher stability
- Large, middle, small; private as well as public; even “people of modest means”
- Donors = element of social capital: “fundraising is friend-raising”
- “Funding pyramid”



## 5. Board reflecting community

- Reflective of community – gender balance, ethnic and religious groups, social strata, professional backgrounds, NGOs, LG, private sector
- Committed to strict conflict of interest policy
- Volunteers – not paid
- Bring expertise and funding (3W,3G)

## 6. Builds endowment

- Gives to CF perception of perpetuity – element of sustainability
- Gives CF possibility to respond to emerging threats and opportunities
- Challenging in poor communities – requires strong commitment
- Start with development plan and step-by-step long term approach

# Other Functions of CFs

- neutral players for **convening** various stakeholders in the community
- provide **leadership** – by identifying critical issues, searching for strategies to tackle them and mobilizing resources
- **empower** people by providing them with simple, fair, transparent and fast, yet competitive, access to funds for implementing their projects

# Other Functions of CFs

- **network** people within the community and outside
- bring and spread **innovations** (“best practices”)
- serve as model of **transparency and accountability**
- by its transparency and strict conflict of interest policy, CFs **rebuild the trust** towards institutions in their communities

# Other Functions of CFs

- strengthen existing and encourage establishment of new NGOs/CBOs within community
- provide intermediary for strategic giving for businesses
- provide opportunity for efficient giving by “people of modest means” -middle class or poor people, SMEs...

# Three CF country profiles from Eastern Europe: Poland, Slovakia, Russia –

- **Poland: population 39 million**
  - **GNI per capita 4,230 US\$**
- **Slovakia: population 5,5 million**
  - **GNI per capita 3,800 US\$**
- **Russia : population 145 million**
  - **GNI per capita 1,690 US\$**

# Comparable or not to East Asia?

- Thailand:

GNI per capita 2020 US\$

- Philippines:

GNI per capita 1030 US\$

- Indonesia:

GNI per capita 570 US\$

# CF Profiles 2003 - PL, SK, RU

- Poland: 17 registered CFs (13% of population), first in 1999, national network of CFs in 2002, Academy for Philanthropy
- Slovakia : 12 registered CFs (22% of population), first in 1994, national network in 2003, Ekopolis F.+ OSF
- Russia: 16 registered CFs, first in 1998, national network in 2003, CAF Russia

# CF Profiles 2003 - PL, SK, RU

- Populations served by individual CFs:
  - Poland** – 16.000 to 2,4 million  
16,34,40,41,41,50,60,70,106,125,160,  
776,2415 – in thousands of people
  - Slovakia** - 12.000 to 500.000  
(12,52,60,75,80,87,87,94,180,500 - in  
thousands of people)
  - Russia** - typically 200.000 to 700.000

# CF Profiles 2003 - PL, SK, RU

- Size of endowments:

**Poland:** from 3.000 US\$ to 197.000 US\$  
(3,4,5,74,85,106,108,131,138,154,  
169,197 - in thousands US\$)

**Slovakia:** from 3.000\$ to 500.000 US\$  
(all but one below 100.000 US\$)

**Russia:** 3 endowed CFs – Togliatti  
150.000 US\$, Pervouralsk 70.000 US\$,  
Nerekhta 20.000 US\$

# PL,RU,SK – www links

[www.filantropia.org.pl/comm found.html](http://www.filantropia.org.pl/comm_found.html)

[www.cafcf.ru/en/p3.htm](http://www.cafcf.ru/en/p3.htm)

[www.komunitnenadacie.sk](http://www.komunitnenadacie.sk)

# Achievements of Polish CFs 1999-2002

- 1022 grants given - total 333 000 \$
- 1720 scholarships – total 389 000 \$
- 1570 pieces of CF's media coverage
- 718 000 \$ raised for local programs
- 1 180 000 \$ raised for capital endowments
- Academy for Philanthropy's contribution: 932 000 US\$

# Polish CFs - fields of support

38%	Education
20%	Culture
13%	Social Welfare
13%	Healthcare
11%	Recreation, sports
5%	Environment

# Sample of 9 Polish CFs – source of endowment funds

48% Academy for Philanthropy

16% Local governments

14% Companies

11% Nonprofit organizations

6% Private individuals

4% Others

# CF Chronology in Slovakia I.

- 1993 CF concept brought from Michigan
- 1994 Healthy City Foundation in Banska Bystrica transformed to a CF
- 1996 Open Society Fund provides challenge support to 3 initiatives
- 1997 Three CFs exist, 6 initiatives
- 1999 Seven CFs, more new initiatives

# CF Chronology in Slovakia II.

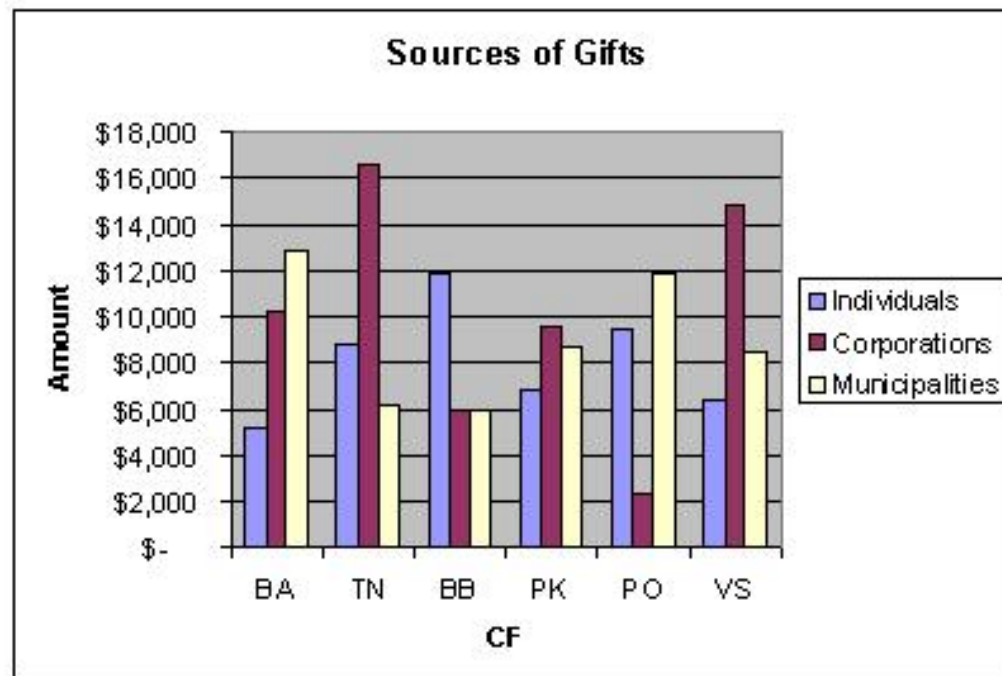
- 1999 CF Support Program by Ekopolis/ETP launched. OSF starts second phase of its program
- 2002 Ten CFs or CF-like NGOs plus five new initiatives
- 2003 Association of CFs established

# CFs in Slovakia - 2003

- 15 Community Foundations and CF-like organizations
- Annual Expenditures \$10-80K
- 1 CF has own assets larger than \$500 K
- Most CFs have own assets of \$20-50K
- Grants from donors make 60-85% of income
- Total population served 1,5 mil (22%)

# Structure of locally raised funds – campaign 2002

## Challenge Grant Results



# Key Challenges of CFs

- Economy of scale – geograph. coverage
- CF Vision and its Ownership
- Financial sustainability
- Fund development vs. grant - making
- Role of Boards
- CF Standards
- CF Network
- Training Capacity
- Legal and Fiscal Frameworks

How do we (international donors)  
build Community Foundations  
???

**We do not !**

**Local people do !!!**

# 10 Practical Steps to CFs

1. Spread information about CF concept and let it find its champions
2. Work with value driven NGOs, business and public leaders, choose for pilots communities with the highest potential
3. Expose committed local champions to functioning CFs elsewhere in ECA region
4. Find ways how to provide assistance to local group to build community credibility and local support
5. Help founding board to develop bylaws and policies (basic toolkit available)

# 10 Practical Steps to CFs

6. Provide seed funding for initial grantmaking and management costs
7. Continue to provide peer learning opportunities for staff and boards
8. Monitor performance and re-define roles and mutual expectations as CF develops, provide feedback on its community role, be flexible in endowment building
9. Create opportunities for sharing experience and knowledge with others
10. Provide support in improving legal and fiscal environment

# Summa Summarum

Community foundations are  
**the fastest growing field of  
philanthropy**  
around the world.

Their existence and functioning is no  
longer limited to the richest nations.

# But:

CFs, just like people, are „complicated animals“. They need:

- **massive transfer of know-how** in order to start
- Proper selection of partner communities and leaders
- **long time commitment and patience** to mature.