A different kind of wealth

Mapping a baseline of African community foundations

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Executive Summary

Africa is rising. As it looks to its own economic growth, driven by its own resources, the question is no longer how to prevent the continent from sinking further into poverty, but rather how its wealth can be shared more equitably.

It is within this context that a new discourse around African philanthropy is developing. This is framed both by the need to shrug off a culture of aid dependency and the emergence of a new set of African philanthropic institutions.

The phrase 'philanthropy in Africa' has often tended to conjure up two quite diverse images. On the one hand, there are the well-intentioned multi-million dollar budgets of large (often international) foundations. On the other, the well-established cultures and practice of small grassroots-contributions and systems of social solidarity at the community level – the significance of which has never really been tapped by the formal development sector.

Across the continent, however, a new generation of local philanthropic institutions is emerging, some seeded with money from outside the continent, others entirely home-grown – and all seeking to draw on local resources and tap into different forms of wealth, which include cash but also include other, less tangible, forms of social capital such as trust and credibility. These organizations seek to occupy the spaces between large, formal philanthropy and more local level mobilization of communities and their assets, and to build bridges between the two. At the same time they also promote a form of development which is community-led and community-owned.

This report focuses on this group of institutions. They include community foundations, other types of community philanthropy institutions and local foundations – all operating in different parts of the African continent. The group is small but growing rapidly and has importance beyond its size. This report lays a baseline for the field and, although our data is incomplete, this is the beginning of an important story.

Using information collected from the Global Fund for Community Foundations grantmaking processes and from its broader engagement with the African community foundation field, this report has five main findings:

1 **Asset rich or asset poor?** Most of the organizations in this cohort are small from a financial perspective ('asset poor') so perhaps not worthy of the attention of the broader development field, and yet they have much to offer in terms of community development, social capital and social justice (and so, in that sense, are 'asset rich'). The importance and value of such organizations is that local people are shaping them to develop stronger, more resilient communities that are trusting, open and equitable. Very few other types of organizations can do this.

2 **Diverse yet connected.** These organizations come in all sorts of shapes and sizes, but they are bonded in their values and practices. Organizational shape matters less than organizational culture. These organizations not only reflect their local context and history but also local peoples' concerns to build on the strengths of that culture while addressing some of the weaknesses.

3 **The need for a new African narrative.** These two messages are not yet fully understood – firstly, around the significance (or not) of these organizations and the kinds of assets they are building and, secondly, around the fact that they tend to identify as a distinct group, despite their apparent differences. There is therefore a need to build a new African narrative that can explain these tensions and which can stand alongside the standard global community foundation narrative, which derives

from the United States. This report is a baseline that attempts this. It is not perfect and it is not complete: but it is a start.

4 **Learning from previous efforts to support this work.** Attempts to stimulate community philanthropy have often failed to grasp the key nature of the field and as a result these have tended to fail. However, with the first established African community foundations and community grantmakers now maturing, there are strong examples of success from which to learn.

5 **Moving the field forward.** The report concludes with some key recommendations on how to develop the field further, including providing support to individual institutions and their networks, engaging with other stakeholders in philanthropy, development, government and the private sector, and investing in the knowledge base.

About the report

This report is a first attempt to establish a baseline for the field of community foundations and other types of community philanthropy organizations in Africa. This is an important field united by a focus on building local assets, promoting local giving and strengthening the communities in which these organizations operate. The report draws on data collected by the Global Fund for Community Foundations (GFCF), both through its grantmaking and knowledge building programme, and information provided by non-grantee partners interested in being included in this cohort. The study is not comprehensive, but it represents a particular cross-section of organizations at a particular moment. We see this publication as one point on a journey that was started a long time ago and will continue far into the future. We thank those individuals and institutions that contributed data and stories.

Background

In November 2010, the GFCF convened a two-day meeting of African community philanthropy practitioners in Nairobi, Kenya. It was the first meeting of its kind on the continent, and in a sense the first formal recognition that such diverse groups constituted a 'field.' The meeting was also the catalyst for this report.

In planning the meeting, invitations were extended to current and past grant partners of the GFCF (most of which described themselves as community foundations). We also reached out to a broader group of grassroots grantmakers, women's funds, national foundations and community philanthropy organizations that we saw as potential fellow travellers in development, with shared values and ways of working.

The purpose of the meeting was two-fold. Firstly, it was an opportunity for face-to-face interaction between practitioners working in different individual organizations. The number of community foundations, community philanthropy institutions and other types of local grantmakers, although growing, is still quite small across Africa. This can make for a lonely existence for staff and boards, with few opportunities to meet with and learn from peers. Secondly, and perhaps more importantly, we wanted to use the meeting as an opportunity to continue to build the case for African community foundations. Such vehicles are highly relevant to many African contexts, offering the potential to draw on deeply rooted cultures of giving and self-help and modelling democratic governance and accountability.

The meeting addressed issues of differences and similarities. While it was acknowledged that specific terms like 'community foundation', 'women's fund', 'community grantmaker', etc. were all important in conferring identity, it became clear that these distinct categories

tended to segment further an already sparsely populated field. Moreover, there were strong similarities in the values and strategies across many of the organizations present. Was it helpful, we asked, to begin to think of this larger group as a 'tribe' of like-minded institutions – perhaps with different 'family names' but with more similarities than differences? If so, could we begin to find ways to work together more effectively so as to advance this work, raise its visibility as a distinct field of development and amplify its collective voice? The answer from the meeting was an emphatic 'yes'.

Setting the context: Beyond the single narrative

This report seeks to identify an emerging 'field' in Africa. However, no single narrative can explain the diversity of organizations included in this report. There are many roots and contexts at play here that have led us to where we are today, at a point of muddled convergence where external factors and local, African, traditions and contexts meet. In particular, we need to pay attention to, but interpret with caution, the well-established narrative within the global community foundation movement that traces the origins of this distinct type of place-based and public philanthropic organization to Cleveland, Ohio in the United States. It was here that the first community foundation was established in 1914. Fredrick Harris Goff, a well-known banker at the Cleveland Trust Company, sought to eliminate what he called the 'dead hand' of organized philanthropy. He created a dynamic, corporately structured foundation that could utilize community gifts in a responsive and need-appropriate manner.

At the time, Goff's vision of creating a permanent pooled charitable fund for the benefit of Cleveland which could be directed to the city's changing needs was truly innovative. The fund offered an alternative to many of the legacy gifts and endowments left by the wealthy for 'charitable purposes', which were often inflexible and short-sighted in their purpose. Over time, community foundations were established in the mould of Cleveland all over the United States (there are now 650[1]) and later the concept spread north to Canada (in 1921)[2] and then crossed the ocean to the United Kingdom (in 1975)[3] and Germany (1996)[4]. In the mid- to late-1990s, following the fall of the Berlin Wall, community foundations were established (with support from international donors including private foundations) in countries across Eastern Europe. In the context of this narrative, the community foundation concept 'arrived' in Africa in the mid-1990s when a consortium of private foundations supported a joint programme to introduce the community foundation in post-apartheid South Africa, and when the Kenya Community Development Foundation was established in 1997.[5]

While this is certainly an important narrative, illustrating the power of a compelling idea that continues to resonate in multiple cultures and settings, it is only part of the story. The problem with a simple linear narrative is that it runs the risk of disregarding the fact that community philanthropy is a universal good that is found in all communities everywhere and is part of the human impulse to cooperate that plays such an important part in our ability to survive and thrive as a species. Although the first self-described 'community foundations' may only have been established in Africa in the late 1990s, the idea was not falling on fallow turf but rather offered a more formalized framework for naturally

1 Based on data provided in the *WINGS Global Status Report on Community Foundations 2010* (www.wings-community-foundation-report.com/gsr_2010/gsr_home/home.cfm).

2 See the Winnipeg Foundation (www.wpgfdn.org).

3 See the Community Foundation for Wiltshire & Swindon (www.wscf.org.uk).

4 See the Stadt Stiftung Gütersloh (www.buergerstiftung-guetersloh.de).

5 The UThungulu Community Foundation (www.ucf.org.za) was established in 1999 and the Greater Rustenburg Community Foundation (www.grcf.co.za) in 2000.

occurring traditions of giving and sharing. Those traditions are well encapsulated in the African philosophy of *Ubuntu*, defined by Liberian peace activist, Leymah Gbowee, as 'I am what I am because of who we all are.' The idea of Ubuntu means that you are known for your generosity. Instead of thinking of ourselves as individuals, separated from one another, we are connected and what anyone does affects the whole world. Generosity spreads outwards in a ripple that benefits the whole of humanity.

Africa is a continent rich with traditions of solidarity and reciprocity. In Kenya, for example, the practice of *harambee* as a form of local fundraising to cover the costs of funerals, weddings and school fees, was well-established and drew heavily on a local culture of giving which had a social as well as a financial aspect.[6] And in Southern Africa, *ilima* (coming together to help those without) was a mechanism for the sharing of communal labour for harvesting and house-building.[7] A 2005 publication, 'The Poor Philanthropist' shed new light on the complex systems of giving and mutual support such as burial societies, stokvels and merry-go-rounds that exist within poor communities in Southern Africa. The report noted, however, that such practices (described in the report as 'horizontal' or 'Philanthropy *of* Community') tended to be overlooked within mainstream development ('vertical' or 'Philanthropy *for* Community'). It argued that formal community development efforts could be strengthened and made more sustainable if they blended local values and practices – which were based on relationships and trust and were high in social capital – with external resources knowledge and experience.[8]

Essentially, the type of systems and organizations described in the report mainly come from the grassroots of societies, and they rarely come in neat categories that conform to ideal types of organizations. In a year-long consultation undertaken by the Aga Khan Foundation and the Charles Stewart Mott Foundation, 'community philanthropy' was more often likened to a human impulse rather than an organizational form. For example, people recognized that community philanthropy, in the sense of 'local people helping each other, by sharing resources for the common good,' is a naturally occurring asset, found in all communities and cultures, and encouraged by all major religions and traditions.[9]

Rather than trying to find the essence of the idea in a short phrase, it is best to look for a series of characteristics that are present in such initiatives. The advantage of the latter approach is that, rather than being theoretical, the definition is empirical in the sense that it can be verified by comparison with institutions and activities in the real world. The following list of characteristics has been proposed to describe the essential characteristics of community philanthropy:

- Organized

- Self-directed

6 In the 1980s and 1990s, however, as Kenya's political scene became more turbulent, *harambee* became less a system for community resource mobilization and more a tool through which local politicians would seek political influence and promotion.

7 Moyo, B. (November 2011). *Transformative Innovations in African Philanthropy.* The Bellagio Initiative.

8 Fowler A., Mulenga C.F.N., Oliver-Evans C., and Wilkinson-Maposa S., (2005). *The Poor Philanthropist: How and Why the Poor Help Each Other.* The Southern Africa – United States Centre for Leadership and Public Values at the Graduate School of Business, University of Cape Town, South Africa.

9 Mayer, S. (2005). *Community Philanthropy and Racial Equity: What Progress Looks Like.* Effective Communities Project, Minneapolis, Minnesota, United States.

- Open architecture[10]

- Civil society[11]

- Using own money and assets (both for local redistribution but also as leverage for additional external resources)

- Mutual responsibility for building an inclusive and equitable society[12]

Looking at the list, it is vital to understand that it is the combination of features that adds up to 'community philanthropy'. The first four items – organized, self-directed, open architecture, civil society – could apply equally well to any non-governmental organization. For community philanthropy to be present, these four qualities need to be combined with the fifth item on the list – using own money and assets. This asset-based dimension relates both to attitudes and to the accumulation and mobilization of a wide range of assets that are both monetary and non-monetary.

Pre-existing cultures and traditions are one source of inspiration for African community foundations. But they must also be seen in the context of other, often external, efforts and initiatives to seed local foundations and funds. Key amongst those external efforts was the idea of the 'politically autonomous development fund,' mooted in international development circles in the mid-1990s, as an alternative model for the delivery of international aid. On paper, at least, the definition of such a fund had much in common with the community foundation concept, both in logic and in features. Significantly, however, there was no mention of the role of local resources and local philanthropy as a key ingredient in the mix. The fund was 'a public but politically independent institution; it caters for both government and civil society; it is a funding, not an operational entity; it aggregates finance from many sources; it brings donors and recipients together in new ways; it is national in scope of operation.'[13]

Proponents of such a model argued that a key inhibitor to Africa's development was the massive failure of democratic governance in the form of weak public institutions, which resulted in low levels of trust among ordinary people in public authority. The idea of the autonomous development fund, therefore, was that it would serve as an intermediary between donors and recipients and in so doing, promote 'greater local responsibility and accountability and motivating Africans to take important steps towards improved governance.'[14] Not only would there be cost efficiencies on all sides in terms of administration by the use of a single funding mechanism, it was argued, but such a mechanism would offer new models of behaviour and practice all round. By devolving power and resources to a pooled fund, not only would donors be demonstrating their willingness to build relationships with recipients based on trust, but they could

10 'Open architecture' is a term borrowed from computer applications. It means that anyone can design add-on products and is the opposite of being closed or proprietary.

11 'Civil society' is here defined as 'the totality of many voluntary social relationships, civic and social organizations, and institutions that form the basis of a functioning society, as distinct from the force-backed structures of a state (regardless of that state's political system), the commercial institutions of the market, and private criminal organizations like the mafia.'

12 This list was developed by a group of community philanthropy and development practitioners at a meeting in Bangladesh in September 2011 which formed part of a broader process of consultation conducted by the Aga Khan Foundation USA and the Charles Stewart Mott Foundation to explore ways in which to stimulate and develop community philanthropy as a means of contributing to the sustainability of civil society and supporting the effectiveness of development aid. See Knight, B. (2012) *The Value of Community Philanthropy.* Aga Khan Foundation USA and Charles Stewart Mott Foundation, Washington D.C., United States.

13 Hyden, G. (1995). *Reforming Foreign Aid to African Development: A Proposal to Set up Politically Autonomous Development Fund.* Development Dialogue by the Dag Hammarskjold Foundation, p.35.

14 Ibid, p.36.

also disabuse themselves of the idea that greater control over their 'own' projects would necessarily yield better results. And furthermore, such a mechanism could be instrumental in targeting resources not just centrally but also at regional and local levels.

In practice, the results were mixed. Although initial efforts to establish an autonomous development fund in Uganda did not in the end come to fruition, the consultations and discussions that took place around the idea lend an important and valuable perspective to the debate around African community foundations and other types of innovative institutional forms. Specifically, the extent to which they can serve as models for good governance, bridge different sources of power and resources and also increase levels of public trust was raised (even if the role of local resources and assets was not part of the equation).[15]

Another attempt to explore community development foundations as potentially important partners to international donor agencies, particularly in enhancing development effectiveness, came out of the World Bank in a 2000 report. By building long-term assets in the form of permanent endowments from multiple funding sources, it was argued, community development foundations could play a key role in increasing the capacities of civil society to respond to societal challenges and increasing local ownership in development processes.[16] However, efforts to establish community foundation pilots in three countries (including Tanzania) met with mixed success and the idea was not taken much further in terms of the World Bank's mainstream programmes.[17]

While the first African community foundations were being established in South Africa and Kenya, other types of new philanthropic institutions were also beginning to emerge on the continent. As with the community foundation concept, although the blueprints for this new generation of 'public philanthropies' drew inspiration and elements of practice from philanthropic models developed in other parts of the world, these institutions, have sought to ensure that they remain deeply rooted in the local African context. Organizations such as the African Women's Development Fund, the Nelson Mandela Children's Fund and TrustAfrica are driven by visionary African leadership, drawing on local knowledge and experiences, while at the same time pursuing progressive agendas that embrace the values of social and economic justice.[18]

The emergence of community foundations and other forms of formal community philanthropy institutions and grassroots grantmakers in Africa, therefore, cannot be traced back to one particular place or one particular moment. Instead, as a group they contribute to a much broader and richer narrative which draws from multiple sources and which blends local cultures, the lessons of historical experiences and analyses of the role and limitations of external development aid. In the following sections we will take a closer look at data on a specific cohort of community foundations and community foundation-like institutions, as well as what they are achieving in terms of practice and outcomes.

15 The Foundation for Civil Society in Tanzania (established in 2002 by a group of official development agencies as a long-term support mechanism for civil society organizations) and the Southern Africa Trust (established in 2005 to support civil society participation in policy dialogue – again with international donor funding) can be seen as more recent iterations of this same kind of thinking.

16 Malombe, J. (2000). *Community Development Foundations: Emerging Partnerships.* World Bank, Washington D.C., United States.

17 It would be remiss not to point out that the origins of the GFCF lie in a grant from the World Bank's Development Grant Initiative, with matching funding from the Charles Stewart Mott Foundation and the Ford Foundation.

18 It is also important to note the emergence of corporate foundations and more strategic corporate social responsibility programmes: however although these represent important potential constituencies for community foundations, they were perhaps less instrumental in directly shaping and influencing the emergence of the community foundation field.

Sources of data

The data for this baseline report on African community foundations comes from a range of sources, including:

- Conference calls and interviews with individual community foundations and community philanthropy organizations;

- Face-to-face discussions at the African Community Foundations Peer Learning and Exchange, hosted by the GFCF in Nairobi, Kenya in November 2010. This included participants from 17 local foundations and community philanthropy organizations from seven countries in Africa, as well as others involved more broadly in the field of local philanthropy development both in Africa and beyond (the United States and Slovakia);

- Data collected from GFCF grant applications plus demographic data provided by non-grant partners through an online survey (in total, 21 organizations from Africa; contrasted with a comparison group of 20 organizations from Central and Eastern Europe);

- The GFCFs experience of providing small grants, technical and networking support since 2006. To date, the GFCF has made grants totalling U.S. $2.5 million to 146 organizations in 48 countries. Its grantees include 23 organizations in eight countries in Africa.

Defining the territory

The set of institutions included in this report is diverse, reflecting the emergent nature of the field of what one might call 'organized community philanthropy' in Africa. While each individual organization may have emerged out of quite different and specific circumstances, what binds them as a group is their adherence to some shared ways of working, similar approaches and common values. These similarities were explicitly confirmed at the Nairobi peer learning event, at which most of the organizations referred to in this report were represented.

The typology of organizations described in this report includes:

- Self described community foundations which identify with the global community foundation movement: broadly speaking, these seek to mobilize resources for local grantmaking and build a culture of organized (institutional) giving. Among this group are the Kenya Community Development Foundation, the Akuapem Community Foundation (Ghana) and the clusters of community foundations in South Africa and Tanzania;

- Other types of 'mission-driven' public philanthropies and grassroots grantmakers established to address a specific cause or issue, such as women's rights, social justice etc. Although often set up with international funding, many of these are deeply committed to building up a local constituency base of donors supportive of their cause. These include the Ikhala Trust and Social Change Assistance Trust (both in South Africa) and the Urgent Action Fund (Kenya);

- Local community-owned foundations that have emerged in contexts where significant assets have emerged which 'belong to' or are 'for' communities (such as property, income generated from the extractive industries etc.) These include the Newmont Ahafo Development Foundation (Ghana) and the Mozambique Island Community Development Foundation

Emerging models: Cultural heritage as a community asset in Mozambique and a corporate community foundation in Ghana

In recent years, new models of community-owned foundations have begun to emerge in Africa whose origins derive more from the corporate sector rather than from philanthropy or development. These new institutional forms are significant – particularly for communities with natural resources which have a high market value in the global economy, whether these are minerals, forestry, property or land – because their model involves creating significant and long-term assets which are community-owned and community-controlled.

Established in 2009, the **Mozambique Island Community Development Foundation** (Fundação Comunitária da Ilha) lies at the heart of an ambitious and innovative strategy to use the island's cultural heritage as an engine for its economic growth and development. The former capital of colonial Portuguese East Africa, Mozambique Island was an important trading post on the sea route to India. It has a rich cultural heritage and is particularly famous for its stone buildings which blend local, Portuguese, Indian and Arab influences. However, many of the island's historic buildings stand in ruins and most of its 16,000 residents continue to live well below the poverty line in the densely packed Makuti 'stone-town'.

Using grants and sponsorship, the business plan for the foundation – itself a membership organization and open to the entire community – is to purchase derelict heritage buildings which can then be leased to and restored by private investors as hotels, guest-houses etc, on a revenue-sharing basis. In turn, as a community development institution the foundation will use the returns generated on the property side of its activities to target development projects in the broader community, paying particular attention to the development of local tourism initiatives such as home-stays, handicrafts etc.

Central to this approach are the principles of community ownership and control. In a context where property ownership has not normally been associated with the poor, the idea of a community-owned fund which owns and serves as steward of that community's biggest asset – i.e. its historic properties – and which in turn generates a financial return that can be ploughed back into that community to support its long-term economic and social development, offers a radically new way of thinking.

The **Newmont Ahafo Development Foundation** in Ghana offers another alternative model for long-term community development. In this case, the foundation has emerged from within the mining sector, an industry often associated in Africa with tense, highly contested, controversial and divisive relationships with local communities, compounded by short-term thinking and uneven distribution of resources at the local level. The foundation, which was formally established in 2008, emerged out of an agreement between Newmont and the Ahafo Social Responsibility Forum (which was comprised of the 10 mine-affected communities, local and regional authorities and civil society).[19] Under the agreement, Newmont makes an annual contribution to the foundation equal to US $1 per ounce of gold produced plus 1% net profit from the mine. Part of this annual amount includes a contribution towards the foundation's endowment fund, the overall proportion of which is set to increase annually. The foundation's board includes both Newmont representatives and community members, although at some point the company sees itself moving off the board completely and its early programmes have focused on infrastructure and education.

19 Arsenova, M. and Sequeira, D. (February 2010). *Strategic Community Investment.* International Finance Corporation, Washington D.C., United States, p.17.

Location

Of the 21 organizations included in this study, the majority are concentrated in Southern and East Africa, with a scattering found in West Africa (two in Ghana and one Nigeria) and North Africa (two in Egypt). It is also worth noting that most are found in Anglophone contexts (with the exception of Mozambique and Egypt). A number of factors – beyond different colonial experiences, the existence of more open regulatory frameworks for civil society and more organized and formalised civil society sectors in those countries – may explain this geographic bias.

The first of these is language. Much of the discourse around community philanthropy and community foundations in Africa so far has taken place in English, unsurprisingly, not least because of the community foundation's U.S. heritage (and the fact that information about community foundations and philanthropy in general is widely available on the Internet), as well as the programmatic interests of U.S. private foundations in supporting the development of local foundations, particularly in East and Southern Africa. It is also worth noting that, in contrast with the operational nature of many foundations in continental Europe, the Anglo-American foundation model is itself more commonly associated with the practice of grantmaking as a development tool (a key feature of this cohort of organizations) rather than direct implementation of programmes.[20]

In other parts of Africa, particularly in French, Portuguese and Arabic speaking countries (with the exception, perhaps of Mozambique), there has been less research and less external investment in developing the fields of both formal and informal philanthropy. This is particularly true of institutional forms like the community foundation which are more public or multi-stakeholder in their orientation and which seek to mobilize philanthropic resources from multiple sources. That they are not documented, however, does not mean that they do not exist and there is certainly a gap in knowledge that needs to be addressed.[21]

Donor interest and investments in the field have also played a role: private philanthropic foundations, like the Ford Foundation, Charles Stewart Mott Foundation, Kellogg Foundation, the Aga Khan Foundation and Synergos have all played important roles in supporting the development of local and national foundations and in strengthening philanthropic infrastructure over a prolonged period of time, particularly from regional office bases in Southern and East Africa. Such efforts have included a pilot project to seed ten community foundations[22] in South Africa in the mid-1990s (of which three are still operational and two included in this research), the Ford Foundation's Africa Philanthropy Initiative and East Africa Philanthropy Initiative, as well as support to grantmaker associations and support organizations.[23] There is no doubt that all of these efforts, which were long-term in duration and comprised of grants, technical support and peer learning, contributed to the overall sense of a 'philanthropic sector', particularly in East and Southern Africa. Other efforts by international donors to seed community foundations include a World Bank pilot initiative in Tanzania, implemented through the Tanzania Social Action Fund, which led to the creation of four community foundations, although with more mixed results. The role of outside intervention in supporting this work is explored later in the report.

20 Another factor that should also be acknowledged is that the GFCF itself currently operates predominantly in English.

21 See Ibrahima, H. and Mohamadou S. *Institutional Forms of Philanthropy in West Africa*. International Development Research Centre, Canada.

22 Supported by the Charles Stewart Mott Foundation, Ford Foundation, and the W.K. Kellogg Foundation.

23 These include Allavida, the East Africa Association of Grantmakers, and the Southern Africa Grantmakers Association.

Age and size

Most of the organizations in this cohort are young in age, small in capacity and at an early stage in their development. Only two organizations in this cohort were established more than 15 years ago (both of these are in South Africa, one founded in the 1920s and the other during the 1980s), while the rest belong to a much younger generation of new philanthropic institutions founded after 1997. This was when the Kenya Community Development Foundation was formally constituted and the Ford Foundation's foundation development efforts in Africa really began to gather momentum. Eight of the cohort are still at a very early stage in their development, established within the last five years.

The following scatterplot relates the age of the foundation to the total annual budget.

### Chart 1 Scatterplot comparing age and total annual budget of foundation
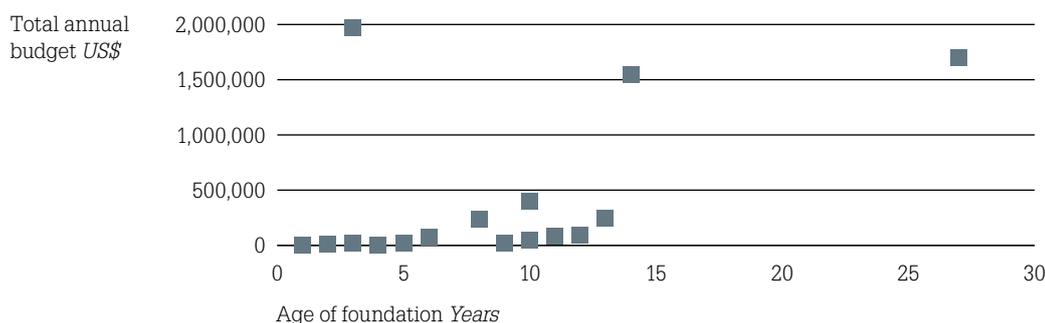
Note: One exceptional foundation, which is more than 90 years old with a substantial budget has been left out of the scatterplot because, statistically speaking, it is an outlier and skews the data.

The chart shows that almost all the foundations are small in terms of their budgets and few of them manage to achieve a budge in excess of $500,000 per annum. Older foundations tend to be larger than smaller ones and a regression analysis revealed that time explained 34 per cent of the variation in size of budget.

Foundations were also asked to identify where they saw themselves on a spectrum of institutional development (from nascent to thriving). The results are shown in Chart 2.

Chart 2 Self assessment of African foundations on their stage of development
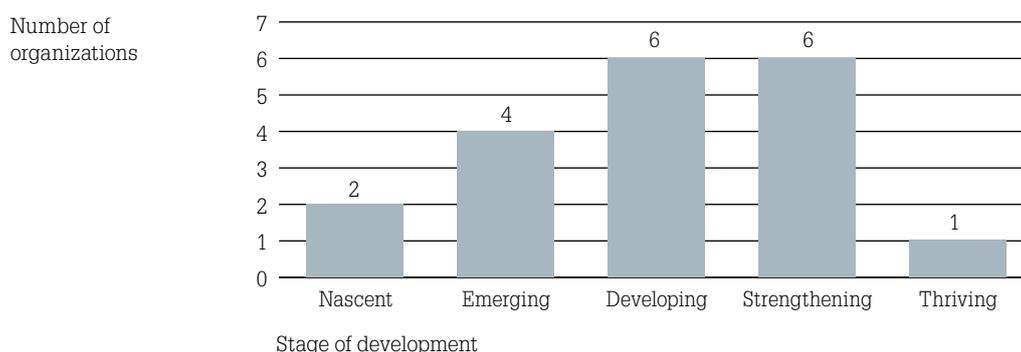
Note: Two of the 21 African foundations did not answer this question so responses add up to 19.

Although 3 of the 19 organizations placed themselves at the extreme ends of the spectrum (one 'thriving' and two 'nascent') the majority saw themselves as either 'emerging', 'developing' or 'strengthening'.

These responses appear to depict a field in which although many of the individual institutions are still preoccupied with getting themselves established, there is now a

core group of more mature organizations which can serve as models to, and leaders of, the sector.

Boards and staff

In terms of staffing, 15 of the 21 organizations have five staff members or fewer and two of the start-up community foundations rely entirely on volunteer staff. Each of these organizations have formal boards in place and these vary in size from 4 board members to 16. Although the quantitative data itself does not reveal much detail about the composition and role of boards among this cohort, it is possible to make some observations on issues of board governance (from both qualitative responses from participating organizations and knowledge of their organizations).

Firstly, much of the literature on community foundations (which derives predominantly from the North America and Europe) highlights the importance of a diverse board which is representative of the community it serves and its role as a key platform for participation of different community stakeholders.[24] However, board governance seems to be a more complex issue among many of the foundations in this cohort, with the boards of several of what can be considered 'successful' community foundations surprisingly small in numbers (four or so board members). It seems that while community foundations are still at an early stage in their development and are still trying to carve out their distinct niche as rather different types of local development organizations, there is a tendency to keep the board small. There also exists a preference for board members who are like-minded individuals supportive of and committed to the overall direction, values and approach of the foundation. Equally, and perhaps somewhat paradoxically, where boards are appointed to new community foundations through more open, participatory processes – and in these cases, the number of board members tends to be larger – other tensions can emerge. This is particularly true in regard to differing expectations of what a community foundation is and what it should be doing. Conflicting loyalties can arise too when board members can feel pulled between the interests of the foundation and the interests of a particular group or constituency that they see themselves representing.
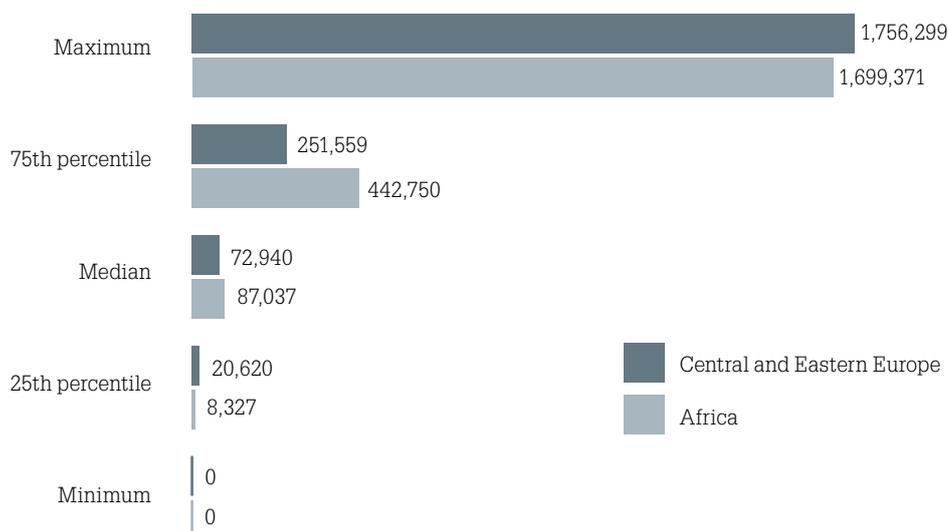
Also, because the community foundation sector in Africa is still small and geographically scattered, board members (and staff) have few peers to learn from, which can also pose a challenge for emerging institutions. While board members may be more familiar with the conventional NGO model, the emphasis on building local philanthropy (and especially endowments) and on making small grants rather than delivering projects and programmes directly in a community foundation can be quite new. Where board members have themselves been involved in the planning process leading up to the establishment of the community foundation from the start (as in the case of the Uluntu Community Foundation, a start-up organization in western Zimbabwe, where the board met regularly before the foundation was formally incorporated and has continued to do so since) they can serve as an important resource and can play a key role in the evolution of the organization. For many of the organizations in this cohort, however, ongoing investment in their boards was identified as a key priority.

24 The evaluation of the first three years' work of the GFCF found that the combination of a board with a clear vision and a membership that was reflective of the diversity of the local community was a critical factor in ensuring the success of a community foundation in its early stages. Of the cohort of organizations included in this study, the largest proportion was located in Central and Eastern Europe, where boards tend to be larger and more diverse.

Budgets and grantmaking

Overall, the average annual budgets of most of these organizations are quite small. Although the cohort includes a handful of larger organizations, most operate on much less. Chart 3 shows the distribution of the total annual budgets of the African community foundations and compares them with their counterparts in Central and Eastern Europe.

Chart 3 Variations in budgets of community foundations in Africa and Central and Eastern Europe *US$*

Maximum	1,756,299 / 1,699,371
75th percentile	251,559 / 442,750
Median	72,940 / 87,037
25th percentile	20,620 / 8,327
Minimum	0 / 0

Central and Eastern Europe

Africa

The table shows that the annual budget of half of the group in Africa is $87,000 or less. The equivalent figure for foundations in Central and Eastern Europe is $72,940. There is no significant difference between the distributions of budgets on the two continents.

As far as the size of grants made by African community foundations were concerned, there was significant variation, with average grant amounts ranging from US $10,000 down to as little as US $25. However, in much of the African context where international donor aid has played such a big role these amounts are all nonetheless quite small. They are perhaps indicative of a development approach which is about more than just grants, where groups and organizations that are normally beyond the reach of international donor agencies are deliberately targeted. It is striking, however, that grant sizes in Africa are larger than those of a similar cohort of 27 organizations in Central and Eastern Europe, where international development aid money is much less readily available. The mean grant in Central and Eastern Europe is $1,400, while in Africa it is $2,730. This is a statistically significant difference.[25]
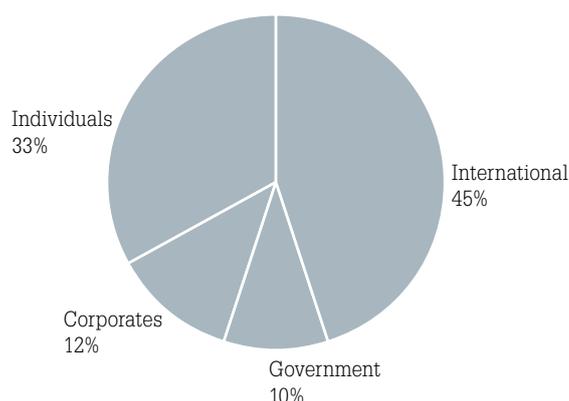
Sources of money

We were interested to find where these organizations got their money from. We asked respondents to say what proportion of their income came from international donors, governments, corporates and individuals. Full information was forthcoming from 15 of the 21 foundations, which enabled us to analyse the organization's finances in detail. The 15 organizations had a total annual income of $2,126,799. Chart 4 shows the sources of the money.

25 Using an Independent Samples for Comparison of Means, p = 0.04.

Chart 4 Percentage contribution towards annual budgets of African foundations from different sources

Figures are percentages of $2,126,799.
This is the sum of the total annual budgets of 15 foundations

Individuals
33%

International
45%

Corporates
12%

Government
10%

Although international money is the largest source, the amount from individuals is impressive. Moreover, almost all organizations had multiple types of sources of income so that they were not dependent on a single source. Eleven of 15 organizations had three or more different sources of money. The only organization that was dependent on one source was a small organization that was totally reliant on individual contributions.

It appears that all of the organizations are actively seeking funding from a range of different sources, including individuals, businesses and local governments. Indeed, many are finding increasingly creative ways to mobilize assets and build philanthropy. These include donor giving circles, a form of community philanthropy well established in the United States and particularly vibrant among African American communities, which are also reminiscent of more traditional forms of community giving in Africa, such as stokvels, burial societies etc (Community Development Foundation for Western Cape) and celebrity-endorsed designated funds within community foundations (Greater Rustenburg Community Foundation).[26] Other interesting practices which relate to asset mobilization as a deliberate community development strategy include the use of matching funds to encourage communities to contribute to their own development (as used by the Social Change Assistance Trust in South Africa); the creation of devolved, community funds which are invested as part of the community foundation's overall endowment and the interest on which is released for development initiatives in line with community priorities (as practiced by the Kenya Community Development Foundation); and, the institutionalization of the practice of inviting grantees to donate back to the community foundation, as a deliberate way of creating a more equal power dynamic and enhancing local ownership in the foundation (West Coast Community Foundation).

Endowments

The creation, preservation and growth of endowment funds has sometimes been a vexed issue among community foundations in developing and emerging market contexts. While the endowment funds of their North American cousins range from the millions into the billions of dollars, few community foundations in the Global South are anywhere near the stage where the endowment fund can really serve as an engine for the organization's long-term sustainability. In fact, in recent years, there has also been a shift away from emphasising endowment-building too early on in the life-cycle of a community foundation, particularly in contexts where organized local philanthropy is still emerging and where levels of public trust – specifically, trust of organizations, are particularly low.

26 See Black Gives Back (www.blackgivesback.com).

Chart 5 Size of endowments among African foundations

Number of organizations
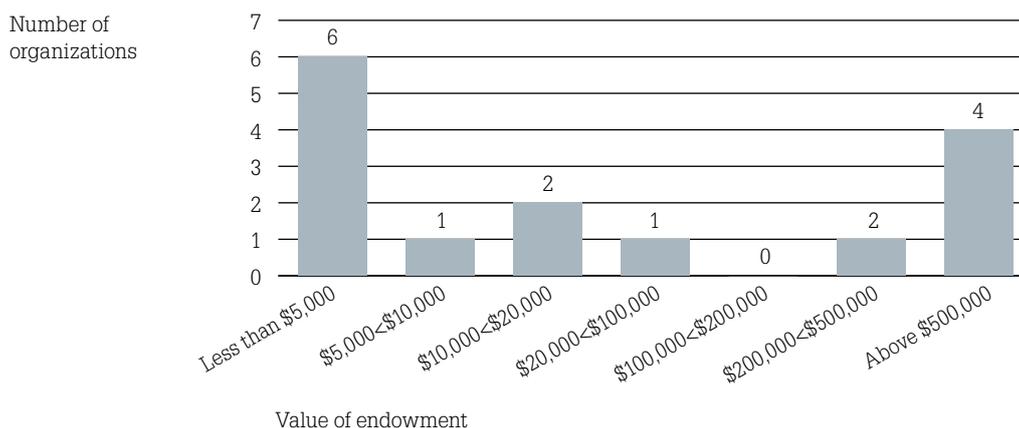
Value of endowment

The data on this cohort of African community philanthropy organizations shows that just over half (12 out 21) have some form of endowment (compared with 14 out of 20 in the comparative Central and Eastern Europe cohort), even if these are small. Of the African cohort with endowment funds, the most frequently occurring size of the fund is either very small (4 have US$5,000 or less) or quite large (4 have endowment funds over US $1 million).

# Data on outcomes: building voice, local assets and trust

Data collected by the GFCF here and in a previous report, *More than the Poor Cousin*, all point to the fact that, although the overall number of community foundations in developing and emerging market contexts continues to grow, the majority are still working with quite modest financial resources.[27] Given that the amounts of money are quite small, we wanted to explore what it is that these organizations are doing which goes beyond the financial and transactional aspects of their work. This led the GFCF to develop a set of outcomes indicators which all grant applicants are asked to complete which emphasises the kinds of changes, beyond merely raising money for grantmaking and capacity building that community foundations and other types of community philanthropy organizations are seeking to bring about. Broadly speaking, these twenty indicators fall into three types of social capital: 'bonding', 'bridging' and 'linking'.

In the *More than the Poor Cousin* study, which was based on data collected from a global cohort of 49 community foundations (from Latin America, Africa, the Middle East, Eastern Europe and Asia), despite the contextual and organizational diversity of the group, there was a clear convergence around particular outcomes, namely 'building trust in the community', 'building community assets/local philanthropy', 'capacity building of local institutions' and 'building the field of community philanthropy'.

It is interesting to note that although there is much overlap between the global cohort and this cohort of African-only institutions in terms of highest ranking desired outcomes (score > 4.5), in addition to building trust and building community assets, the African cohort includes a much stronger emphasis on poverty reduction and on increasing local people's participation with local authorities. This seems to suggest an implicit or emergent theory of change among the African cohort which would benefit from further testing/inquiry which links: a) people overcoming distrust and working with each other, b) people being encouraged to draw on their combined assets to c) advocate with authorities in particular around issues such as d) poverty reduction.

27 Hodgson, J., and Knight, B. (2010). *More than the Poor Cousin? The Emergence of Community Foundations as a New Development Paradigm*. Global Fund for Community Foundations, Johannesburg, South Africa.

Chart 6 Outcome indicators in Africa compared with Central and Eastern Europe

■ Africa ■ Central and Eastern Europe
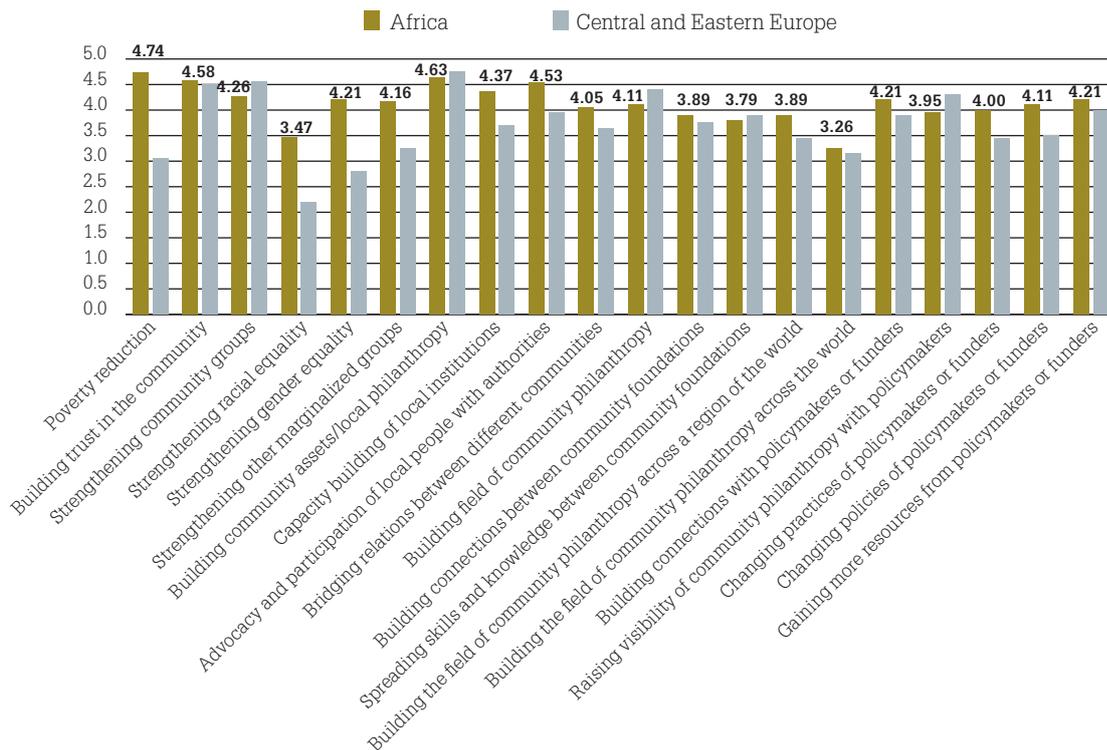
It is also interesting to note that when compared with the cohort from Central and Eastern Europe, in addition to poverty reduction, advocacy and participation of local people with authorities, African foundations scored more highly on outcomes related to strengthening racial equality, strengthening gender equality, and strengthening other marginalized groups.

To probe the findings on outcomes further, we factor analyzed the 20 outcomes to look at the underlying structure of the data.[28] As a result of the analysis we found a group that could be clustered around a 'social change or social justice agenda' and another that was about 'building philanthropy and assets.' While Central and Eastern European foundations scored significantly higher on 'building philanthropy and assets' (p<0.01), the African foundations score much more highly on 'social justice' (p<0.0001). We found three other clusters – on 'building trust', 'enhancing community capacity', and 'developing policy', though these were equally important in Africa and Central and Eastern Europe.

As baseline data these findings may be explained by several factors. Firstly, with fewer sources of international development funding (both from bilateral and multilateral institutions and private philanthropy), community foundations in Central and Eastern Europe have necessarily focused on building up local philanthropy and cultivating local donors in their communities. In this, they have often been more successful than many African community foundations and community grantmakers. When community foundations are relying more on local philanthropic resources to do their work, there is a strong correlation between local donor support and increased social capital (in the form of trust, legitimacy, buy-in). However, at the same time, because local donors in emerging philanthropic contexts may be more conservative in their interests or at least drawn more towards causes and solutions which sit at the 'charitable' rather than 'strategic' or 'social change' end of the philanthropic spectrum, it can also prove more difficult to be proactive

28 Factor analysis uses the interrelationships between items in the analysis to find a smaller number of variables that explain most of the variance. This yields patterns or clusters of items that go together.

on difficult or sensitive social justice-type issues. Finally, in many parts of Africa, much of the political and development discourse has been framed around notions of rights and social justice, and the availability of international donor funding has certainly also further enabled a more established and progressive discourse among civil society organizations in which notions of rights, justice, sustainable development etc. sit easily. This is less the case in Central and Eastern Europe, particularly among institutions like community foundations, which have tended to position themselves more as community bridge-builders and facilitators than as activist- or mission-driven organizations.[29]

This first section has examined data collected from African community foundations that focuses on the demographics of the field such as age, size, budgets etc. and it has also analyzed a set of indicators across the 20 organizations which helped us to begin to draw a picture of the distinct roles – beyond the financial transactions as grantmakers – that they see themselves playing in their communities. The data draws a picture of a field that is young and small but which identifies itself as distinct from other types of civil society organizations, working around an axis of community assets and philanthropy, building local capacities and building trust.

In this next section we look at how this combination of often modest financial resources and this focus on a distinct set of development outcomes translates into practice.

Building strong and active communities

As a group, these community foundations all see themselves as playing an instrumental role in strengthening local communities. Wording from the mission statements of many in this cohort reflects this aspiration, as well as a sense of what a strong community should look like: somewhere where energies are 'catalyzed', where 'ordinary people are provided the opportunity to fulfill their potential', where people 'seek local solutions to local problems', and where people see 'an improvement in the quality of their life.' There is a clear emphasis on a type of development which is 'people-led', which is further underpinned by a set of assumptions, less tangible in nature and, touched upon in the previous section, around a strong community being one in which there are high levels of trust; which has access to resources and assets; and, where there are strong local capacities for organizing (with a particular emphasis on institutions and groups, rather than just on individuals).

In practice, this often translates into ways of working which includes strengthening small community-based organizations, NGOs and informal groups with small grants and other forms of support, promoting fresh thinking around the role and existence of assets and voluntary giving, and playing a facilitative role, often from the back-seat. Where community foundations are working particularly effectively, it seems, is where their ways of working derive from and in response to a particular analysis of a 'problem'; where, for example, grantmaking is an expression of empowerment and a precise development tool, or where efforts to build local philanthropy come from a belief that African resources should drive African development.

When the Kenya Community Development Foundation was established in the late 1990s, for example, the framing of the institution was very much forged out of the frustrations of its founders around the failures of development aid. Their analysis of the problem was

29 This is not to say that domestic philanthropic sources in Africa are necessarily more progressive, just that the availability of international funding has made them important (certainly in terms of demonstrating buy-in and enhancing local legitimacy), but not the only option. Indeed, a number of the organizations in this cohort described the challenges of mobilizing local resources – from the corporate sector and from communities themselves – for social justice ends, citing short-term business interests and also cultural conservatism as key factors.

that many mainstream development programmes excluded communities from their own development processes and rendered them the passive recipients of aid. Local grassroots organizations were consistently excluded from the development loop when it came to accessing funding because they were often institutionally weak and less well-connected than larger urban-based NGOs. Too many development projects, therefore, were implemented by larger NGOs, whose links into the community were weak and whose systems and processes were designed to respond to the requirements of international donors rather than the communities that they were meant to be serving. As a result, the overall lack of local ownership meant that development projects would fade away once donor funding had come to an end. When the Kenya Community Development Foundation was established, therefore, its main approach was to use small grants and capacity building to strengthen a layer of local community development associations and NGOs so that they could take a more active role in local development processes. Similarly, other foundations have developed their systems and ways of working to address specific challenges confronting the communities in which they work. The Ikhala Trust, for example, in South Africa's Eastern Cape, uses a combination of grants and technical support to target marginalized communities often overlooked by other development agencies while the West Coast Community Foundation (also in South Africa) seeks to reignite the spirit of local participation and mobilization that helped overcome apartheid but is seen to have fallen away in many communities in the Western Cape.

Meeting people where they are: leading with development

The relationship between the Kenya Community Development Foundation (KCDF) and the community of Makutano is particularly illustrative of this kind of facilitative or soft leadership role. It dates back to 1997 when the newly formed Makutano Community Development Association (MCDA) responded to a newspaper advert posted by the also newly registered KCDF, which described its way of working not as 'giving funds but building the capacities of communities', a 'development institution not a grantmaker.' Over a period of 15 years, KCDF has provided financial, technical and capacity building support to a process of community transformation, which has included the emergence of over 80 small community based organizations working collaboratively with the local development association on a range of issues, as well as number of significant infrastructural improvements including a road and school. Throughout, KCDF has been an important but not the lead partner, a resource to the process involved as and when needed and fully committed to the idea of strengthening the community's abilities to organize itself and drive its own development agenda, particularly by supporting the emergence of local community capacities in the form of community based organizations.[30]

Similarly, in South Africa, although an obvious entry point into the local community for a new community foundation might be to issue a call for grant applications, the Community Development Foundation Western Cape (CDF) was keen from the start to ground its relationships with the community in ways that were about more than money, and for the foundation to allow itself to be led by and respond to the interests and demands of the community. For CDF's director, those early days involved spending considerable time listening to members of the various different communities that the foundation seeks to serve, overcoming their mistrust of 'outsiders' (even when those outsiders only came from down the road) and not bringing preconceived ideas or projects to the table. Not leading

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30 See Mahomed H., Peters B. (2011). *The Story Behind the Well: a case study of successful community development in Makutano, Kenya*. The Global Fund for Community Foundations and the Coady International Institute, Johannesburg, South Africa

with grant money from the start was very important: philosophically the foundation saw itself playing a role which went far beyond the provision of money and wanted to avoid any potential complications that money might bring.

From humble beginnings to revolutionary change: Community Foundation for South Sinai and the Waqfeyat Al Maadi Community Foundation

We have seen how, paradoxically community foundations' strength often lies in their invisibility, their ability to lead from behind and, in so doing, facilitate people and processes along the way. In Egypt, two emerging community foundations which had both been working modestly and under the radar found themselves taking on new leadership roles that went far beyond their previous expectations following the January 2011 revolution.

The Community Foundation for South Sinai (*Al mo'assessa-t-al ahliya lijanoub sina*) was established in 2006 as a mechanism for promoting local, small-scale development among Bedouin communities in Egypt's South Sinai. Traditionally nomadic (although now most lead only semi-nomadic or sedentary lives), the Bedouin have a rich culture of their own, quite distinct from that of the rest of Egypt. Because they comprise a statistically small number of the total Egyptian population of 80 million (an estimated half of one percent, of whom some 40,000 live in South Sinai), the Bedu are an invisible group among policy makers. Any statistics that relate to them specifically are swallowed up in national and regional demographic data. Not only are the specific needs of this population therefore rarely heard but there is mutual distrust between the Bedu, the Egyptian government and the Egyptian population as a whole. Data on the South Sinai's Bedu, however, reveals high levels of (both) economic marginalization.[31] It also points to high levels of disengagement in political processes.

Although the Community Foundation for South Sinai was established with serious and long term aspirations its initial ambitions were, like its funding base, modest: early activities included economic development projects such as olive oil production. However, in January 2011 when Egypt's massive people-led revolution swept across the country the foundation – encouraged by local community leaders – saw an unprecedented opportunity to harness this newfound democratic momentum in Egypt's South Sinai. 'Making Bedouin Voices Heard' was an ambitious process led by the foundation to create new spaces for dialogue and engagement and to promote civic participation, particularly among Bedouin women and youth. The foundation's Coordinator, himself a Bedouin, trained 10 community facilitators – five men and five women – to conduct a series of community meetings. Over five months between July and November 2011, community meetings were held in over 60 places (men and women met separately) and these were attended by approx 7% (2,747) of the total Bedouin population. They came together to discuss priorities, ideas and rights and as a result of the meetings, 12 individuals (including three women) put themselves forward to stand for parliament and over 4,000 people registered themselves as voters. The newly-registered women in particular materially affected the election outcome.

31 Approximately half of those with jobs earn less than US $1 a day while 88% of the population experiences food poverty, as compared to the national average of 44%.

This programme has put many Bedu on the demographic map for the first time and it should have long-term policy implications, since unregistered people are not included in the sampling frame for national demographic studies.[32]

In Cairo, the Waqfeyat Al Maadi Community Foundation also suddenly found itself on the front lines of Egypt's revolution. Working from its modest three-room base on the ground floor of an apartment block in the residential area of Maadi (a suburb of South Cairo), the foundation (*Waqfeya*) had become a focal point for the local community, offering art classes to local children (from both well-to-do and poorer parts of the community) and a space for local NGOs to meet, building up a base of several thousand volunteers and friends. It had also made some initial grants to support local income generating activities aimed at moving people's thinking away from a dependency mindset towards a more engaged and sustainable type of development. This was all within the larger overall framework of reviving and modernizing the donor-advised model of Egyptian endowments *waqf* as a mechanism for driving locally-led, locally-owned development. As events of the January 2011 revolution in Egypt began to unfold in Cairo, residents of Maadi were very much on the front lines of this massive citizen mobilization. When members of the Maadi community were killed by government forces in Tahrir Square the *Waqfeya* found itself quickly thrust into a leadership role, a focal point for community members to rally around during an important period of community activism and crisis, mobilizing across the community, across different faith groups and negotiating with authorities. The *Waqfeya* was responsible for organizing a large public, interfaith funeral with high profile speakers and subsequently for supporting the creation of the first Martyrs' Families Association, which meets at the foundation's premises. But, throughout, it sought to avoid the media limelight and rather to provide a platform through which individual community members and groups could engage with each other and with state structures.

Community foundations and power

As has been described earlier, many of the community foundations in this cohort see their work as being about building vibrant communities and giving voice to the voiceless, where grantmaking is one in a set of community development tools which include capacity building, convening etc. However, with grantmaking comes the inevitable danger of an uneven power dynamic, in which the grantmaker – even if they are 'local' – can decided to award or withhold funds and, even if unintentionally, influence decisions and processes on the ground. When community foundations are working with marginalized, grassroots groups which may never have received or managed money before, there can also be challenges associated with perceptions among communities of staff or board members as elite, educated, urban-based 'outsiders.'

For some of the newer community foundations in this cohort, which are still in the processes of getting established and for whom the practice of grassroots grantmaking is still quite new, the challenges of managing power relations can certainly be real and complex. However, some of the more established organizations, particularly those which have a stronger social justice orientation or are more developmental in their approach, are using a range of different strategies aimed at creating more equal relations with their grant partners and also at facilitating communities' access to power. Some of these strategies have been mentioned above but are worth noting. Firstly, grantmaking is rarely a stand-alone activity but is usually part of a set of wider processes. Many of

32 Gilbert, H. (2011). *Nomadic Peoples.* 'This is not our Life, it's Just a Copy of other People's': Bedu and the Price of 'Development' in South Sinai', p.7–32.

these community foundations engage in extensive listening or community consultation processes, open-ended in nature and aimed at building up relationships with communities and reaching a more complex and nuanced understanding of the context. In the words of one community grantmaker in South Africa, too narrow or limited a discussion of community needs means that: 'People tell you what they think you want to hear'. In the case of another institution, what began as community consultation around drug abuse (initiated because a local donor had expressed an interest in supporting such a project), turned into a much more meaningful and important set of conversations focused on how to strengthen and mobilized a highly marginalized community where deep issues of distrust and division existed. What has emerged is a much more extensive and inclusive process of community mobilization across a range of different issues and sectors. Similarly, the use of asset based approaches (where communities 'map' their financial and non-financial assets and strengths as the basis for any discussion around future action, or encouraging grantees to make small donations back to the foundation, are both ways in which different organizations have sought to create flatter power dynamics with their partners, where they become co-investors and co-owners in their own development processes as well as with the foundation itself.

As both grantmakers and fundseekers themselves, community foundations straddle many of the dynamics that exist around the distribution of power in a donor/grantee relationship. For some community foundations (again, particularly those that are more mature, with a strong track record in grantmaking and more developed relationships with multiple stake-holders, including donors and grantees), this appreciation of what it means to have – and not to have – power keenly informs the way it behaves with its grantees. This can mean both ensuring that communities take ownership of social change processes (by strengthening local groups, bringing their voice to the table, providing platforms, acting as convenor etc.) and also knowing when it is necessary and important for the foundation itself to step forward and assert its voice, with the legitimacy that it derives from multiple relationships with different stakeholders.

The role of assets and philanthropy

As we have seen from the financial data, this cohort of institutions is quite diverse in terms of their funding. Some have sizeable resources, others (most) are trying to grow them and others still are working with communities to identify them and harness them (in particular by using the methodology of asset-based community development which has been taken up by a significant number of African community foundations, particularly in South Africa).[33]

If we are to make the case that these organizations together constitute the foundations of a unique and distinct field, then what is the thread that brings together organizations of such diversity, which provides the link between a corporate community-owned foundation where all of its relatively large resources come from mining profits and a community grantmaker with modest resources and no endowment which works with communities to help them to identify its assets?

Wilkinson-Maposa offers a helpful starting point with her categorization of the 'vertical' (Philanthropy *of* Community) and 'horizontal' (Philanthropy *for* Community). Perhaps even more helpful is Ruesga's classification of community foundations as 'grassroots philanthropy' of three types:

33 ABCD is a philosophy and methodology developed by John Kretzmann and John McKnight at Northwestern University which focuses on the resources and strengths that exist within a community as a starting point for sustainable community development. The Coady International Institute in Canada has been particularly influential in supporting ABCD work in Africa.

- philanthropy *to* the grassroots where community members are primarily beneficiaries of external funders;

- philanthropy *with* the grassroots where community members play a decision-making role, guiding the external funders to ensure that 'their efforts are rooted in the concerns of the people they wish to serve';

- and philanthropy *by* and *from* the grassroots where community members, acting out of civic duty, contribute time and money to address issues directly affecting their own communities.[34]

If we see community foundations as having the kind of 'open architecture' which allows for – and indeed proactively seeks to build – all three types of grassroots philanthropy so that they co-exist under its single institutional roof, then what we have is a framework or a spectrum on which all of these institutions can locate themselves – all starting from one particular point, all looking to expand and grow, with varying degrees of control, ownership, participation.

	Within a community foundation (examples from Africa)
Philanthropy to the grassroots	**Community foundation as trusted intermediary** Sources: re-granting, donor-advised funds: community foundations increase the flow of resources to communities, able to provide long-term, cost effective, locally-grounded grantmaking to multiple groups;
Philanthropy with the grassroots	**Community foundation as community development organization** Sources: unrestricted donations to the foundation (local and international) Devolved decision-making processes, capacity building of local organizations, community foundation as bridge between donors and communities.
Philanthropy by and from the grassroots	**Community foundation as facilitator of communities** Creation of community/devolved funds; use of asset-based approaches at community level etc.

It is here that the institutional framework of the community foundation as a repository of multiple sources of financial and social capital (including trust with both donors and partners), knowledge, long term relationships, a platform for blending different types of philanthropy etc, perhaps offers the most potential. As described elsewhere, such organizations offer the potential 'to play important interstitial roles in society, harness the power of small grants and investments, help communities build on the assets they can mobilize themselves, build constituencies among people who are oppressed and excluded, and negotiate the territory between such marginalized groups and governments.'[35]

It provides a starting point at least for future discussion and it might go some way to explain why different institutions in this cohort identified overlap in their practice and their challenges, despite their apparent diversity.

34 Ruesga, A. (2011). *Civil Society and Grassroots Philanthropy*. In Edwards, M. (2011). *The Oxford Handbook on Civil Society*. Oxford University Press, Oxford.

35 Hodgson J., Knight B, and Mathie A. (March 2012). *The New Generation of Community Foundations*. Global Fund for Community Foundations, Johannesburg, South Africa.

The role of outside intervention

Across Africa, there have been a number of different efforts – by international funders as well as by national agencies – to support the development of community foundations. However, these have often been separate and unconnected responses to specific individual contexts and have produced mixed results. This disconnectedness has been further exacerbated by the absence – beyond the occasional case study – of a discourse around foundation development as a distinct field and area of practice ,which this report seeks to begin to redress.[36]

In South Africa and Tanzania, there are lessons to be learnt from two processes which involved setting up clusters of community. While the logic for the creation of these institutions was impeccable (in South Africa, community foundations stood to offer new platforms for multi-stakeholder engagement and community building in post-apartheid South Africa and in Tanzania, community foundations offered great promise as vehicles for sustaining and deepening the highly participatory social development programmes of the World Bank), in both cases the momentum behind both processes came from external agencies and were led by local institutions also new to the community foundation concept. Furthermore, because these were clusters of community foundations that were being seeded, there was a natural process of benchmarking and comparison across the groups which perhaps put pressure on processes that may have benefited from a more hands-off, organic and locally led approach. In South Africa, only three of the original ten pilot community foundations are still operational and in Tanzania, all four of the community foundations have faced significant challenges around growth and leadership.

Evidence of community foundation building efforts would suggest that where external support has been most effective, it has modelled some of the value and approaches of effective community foundations themselves. This includes an understanding that the process of establishing a foundation is as important as the final product and that the community foundation is more than an intermediary or a service provider. It also includes investment in the institutions a long-term view, and providing the space for them to grow at their own pace and an understanding that resilient organizations emerge through processes of debate and contestation.

Finally, it is clear that healthy, dynamic, rooted community foundations require, almost more than anything else, strong local leadership and vision from people who will own the idea as relevant, innovative and transformative, and convince others of the same.

As the first section of this report notes, in its ideal form, the African community foundation sits at the confluence of a number of different discourses and narratives. It has the potential to blend systems of African philanthropy (both its traditions of solidarity and social giving and the emergence of its new philanthropists) and development on the other (offering an organized system for transparent and accountable stewardship and distribution), to mobilize across communities and to facilitate between communities, and all under one institutional roof.

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36 DuPree, A.S., and Winder, D. (2000). *Foundation Building Sourcebook*. The Synergos Institute, New York, United States.

Where next?

The report so far has drawn attention to 'a different kind of wealth' which African community foundations and other types of community philanthropy institutions are seeking to create in their respective communities. This 'wealth' that they are building includes money, but it also includes social capital, in the form of trust, inclusion, social cohesion etc. These 'intangible' assets, which are essentially about how people relate to and feel about both each other and themselves, form the bedrock of healthy, resilient communities and yet they can be very hard to target as development outcomes and to programme around by external agencies. As described in this report, strong community foundations are uniquely positioned to play a role in harnessing both financial and non-financial assets in ways which can strengthen and empower local communities and which can break the culture of dependency on external agencies and their short-term project funding cycles. In this way, these institutions can complement external development funding to create assets that make communities more resilient to future economic shocks or reductions in traditional development aid.

The question then arises of how to nurture this family of community philanthropy institutions so that it grows from its current baseline and is able to achieve a sufficient scale to make difference to thousands of people's lives throughout Africa. In doing this, it is important that local people lead the process and external agencies behave sensitively, imparting resources to assist the process without imposing bureaucratic rules that damage the energy and drive of local people. Funders who wish to see this sphere develop need to be nuanced in their approach, proceed carefully with due respect to time and process, and be willing to travel with the field as it evolves. Such mindfulness means that there is a need to experiment with different approaches and learn from both success and failure.

There is no magic bullet about how to develop the field. However, there are clear lessons which have emerged from different attempts to stimulate and grow the field, as well as a growing network of mature and maturing African foundations, trailblazers for the field, which can serve as models and valuable sources of learning. Specific areas for future investment include:

1 **Support to individual institutions.** 'Seeing is believing,' and it is at the level of individual institutions that some of the theory around the role of community philanthropy gets translated into practice. And yet we have seen that many of these organizations are operating on very modest resources – whether due to poor visibility or whether by choice (when they decide not to accept funding which they feel constrains their mission). In order for these institutions to continue to be socially innovative, to invest in their own systems and structures and to learn from each other, there is a need for the kind of patient capital which keeps the ownership and momentum with the community foundations themselves;

2 **Development of the infrastructure and networks for the emerging community foundation field.** This is important as a way of delivering services to the emerging field but also as a way of strengthening its collective identity and its voice. The emergence of the regional networks such as the Africa Grantmakers Network, the Southern Africa Community Grantmakers Leadership Forum and the East Africa Association of Grantmakers are all potentially important platforms for this field, as are some of the more mature community foundation and grantmakers themselves;

3 **Partnerships.** Development tends to take place in silos, and there is often little connection between the worlds of philanthropy (and in particular, community

philanthropy) and official development assistance. It is important to reach out to official development agencies – as well as the growing field of African philanthropy (private foundations, in particular), government agencies and the corporate community – to build the case that demonstrates the added value of community philanthropy based on evidence that sees the world from their standpoint.

In order to achieve any of this, however, there needs to be further investment in learning. As has been discussed in this report, the work of community foundations, with their holistic, responsive, open-ended approach and their interest in accumulating assets (as against just spending down project funds) in many ways goes against the tide of much mainstream development. There is a fairly low level of understanding about community philanthropy at present: although the knowledge base is growing it is still quite thin. Further research is necessary, first, to map successful initiatives in the field and, second, to provide better evidence about the importance of both local multi-stakeholder philanthropic institutions and, more broadly, of a community philanthropy 'lens' to successful development.

The Global Fund for Community Foundations
(GFCF) is a grassroots grantmaker working
to promote and support institutions of
community philanthropy around the
world. It works with individual community
foundations and other local grantmakers
and their networks with a focus on low- and
middle-income countries. Through small
grants, technical support and convenings,
the GFCF helps these local institutions
to strengthen and grow so that they can
fulfil their potential as vehicles for local
development which is community-driven.
In developing its grantmaking model, the
GFCF has integrated evaluation with its
administrative systems so that all procedures
involved in making the grants yield
evaluation data.

Global Fund for Community Foundations