

Community leadership: Best practices
from community foundations
and applicability to Chinese
third sector development

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Abstract

China is experiencing rapid growth both economically and socially. Being the second biggest economy in the world and having elevated 300 million people out of poverty in the past three decades, China is racing fast in its economic development and at the same time struggling with pressing social issues. As a result, the third sector is facing great challenges in the community that we have never seen before.

As the Chinese word challenge “危机” suggests, challenges always come with opportunities. While the Chinese third sector is challenged by increasing social issues, there is also a world of opportunities for the third sector to grow and develop. There is increasing civic engagement in Chinese society, and the government is recognizing the roles of the third sector and opening up space for its existence and growth. With more acceptance and expectations from society, there is a need for a strong third sector. The third sector is in a critical period of building trust and demonstrating leadership.

Community foundations have proved to be an effective philanthropic model in community development and tackling social issues in North America and other countries. This paper explores how community foundations are taking on a leadership role and how the best practices can be applied towards a stronger third sector development in China.

Part 1: Introduction and Background

The Sichuan earthquake on 12 May 2008 shook up not just the earth and people in Sichuan, but the third sector in China. The earthquake stimulated an outpouring of volunteerism and public donations, the likes of which had never been seen in the history of China. The Chinese NGO community from all corners of the country responded almost immediately to the disaster.

Many scholars and non-governmental organization (NGO) practitioners argue that the earthquake energized the Chinese NGO community in important ways. NGOs from different parts of the country and different sectors responded immediately, forming partnerships with big organizations and local governments, as well as networks with other NGOs and government organized non-governmental organizations (GONGOs). The network aspect is important because it shows that NGOs are now capable of quite rapidly organizing and coordinating horizontally across different sectors and doing so independently of the government. For the first time in China's history, GONGOs have started disbursing funds to grassroots NGOs. The most publicized case was the Chinese Red Cross setting aside RMB 20 million in 2008 mainly for NGO projects in the earthquake area.

As a relatively young sector, the Chinese third sector demonstrated strong leadership in the collaborative earthquake relief effort. As a result, it not only raised awareness of and profiled the roles the third sector plays in society, but it also strengthened the growth of the third sector itself and collaborative efforts within the sector. Many new NGOs, foundations and other social organizations were created during the earthquake relief efforts or as a ripple effect after the event.

On the other hand, many NGOs and community organizations have had to close their doors due to poor management, lack of resources or as their missions became extinct after the immediate earthquake relief efforts. With a higher profile and recognition, the third sector is facing challenges in the areas of transparency, accountability, efficiency, professional operations and management.

In some way the third sector got a positive promotion through the Sichuan earthquake. The question now is how does the third sector keep up the momentum in development and continue building leadership in the community and its strength to face even bigger challenges in the future.

1.1 Motivation of the Research

As China is on its way to establishing a harmonious society that emphasizes democratic governance and citizens' livelihood, the third sector plays an increasingly important role in society. The development and prosperity of the third sector cannot be ignored.

These developments brought both opportunities and challenges. On one hand, the government and the general public have increasingly recognized third-sector organizations and their roles in the society. The social and political environment is more conducive and friendly for third-sector growth and development. On the other hand, as a result of the rapid growth third-sector organizations face the challenge to cope with rising community needs and expectations, community development and building stronger organizations. A lot of third-sector organizations are not equipped with the knowledge and skills to work with different resources, develop partnerships, build community and take on a leadership role. These weaknesses have become critical issues as the third sector and the needs of the community grow. To meet the growing needs, the third sector is expected to fund bigger projects, employ more full-time staff, manage more sophisticated operations and bring bigger impact to the community.

With that in mind, this research paper studies community foundations in the US, particularly their roles in community leadership. It is understood that although the social and political environments are different in different countries, leadership can be applied across borders. This paper also explores how the best practices of community foundation leadership role can be applied to develop a stronger third sector in the Chinese society.

To understand the motivation of the research and why the research is important now, it is important to understand the unique social environment in China and the opportunities and challenges that have been presented to the third sector.

1.2 Background of Third Sector Development in China

Legally registered civic groups are officially divided into three large categories with the civil affairs bureau in China: social organizations, foundations and civil non-enterprise units. However in practice, the most important distinction for Chinese NGOs is that they are frequently recognized by how closely they are linked to the government and their legal status. Under this categorization, NGOs fall into three different categories: government organized NGOs (GONGOs), NGOs that are officially registered with civil affairs bureau and non-registered NGOs.

GONGOs are large, national organizations that receive most of their funding from the government. Their staff and premises are also provided by the government. Some examples of this type of NGO are the Women's Federation, Disabled Person's Federation, China Charity Foundation, and the China Foundation for Poverty Alleviation (CFPA).

Registered NGOs are started at the grassroots level by independent individuals for specific causes, and they are officially registered with the civil affairs bureau. Some examples of this type of NGO include HandsOn Shanghai, Shanghai Roots and Roots, Beijing Global Village and NPO Development Center. Registered NGOs fundraise and operate independently but undergo government supervision.

Unregistered NGOs are officially "illegal", but are widely recognized at the grassroots level. Most of the non-registered NGOs are not able to obtain legal status due to the strict control of NGO registration by the state.

The legal status of NGOs largely affects their access to social resources. GONGOs have historically monopolized the philanthropic resources of China, including funding, human resources, access to community, social trust, etc. It is easy for most corporations and the public to give their donations and other resources to GONGOs because of their government background and status. Grassroots NGOs on the other hand have less access to resources and funding. Most of them work with very limited financial resources, and the leaders manage to keep such organizations running with great difficulty. Nonregistered NGOs face even more difficulties both in support and operations. They are not eligible to apply for funding from the government or foundations, nor are they allowed to accept any public donations. They also face a lot of obstacles in operations, accessing the community, establishing trust and organizational development.

In this unique social environment, despite NGOs' good intentions in community development, people are confused by the roles NGOs play in the community. Social needs are traditionally taken care of by the Chinese government. GONGOs have existed for a long time as the government's philanthropic arm. They work within the government system and deliver social services. Grassroots NGOs try to address

social issues that are not taken care of by the government or GONGOs and take a bottom-up approach. However, most grassroots NGOs have inadequately skilled staff, are poorly managed or are not even legally registered. With more and more social needs not met by the government as a result of rapid economic development, there is an urgency for NGOs to establish their operations and take on a community leadership role.

1.3 New Opportunities and Challenges for Chinese NGOs

The reform and opening up policy spurred economic growth in China, but it also led to some serious social problems, which the government does not have sufficient resources to address. In recognition of this, the government has begun promoting a new policy of “small state, big society” to open up space for NGO development in China. Governmental officials have stated at recent NGO conferences that the state shall encourage the development of some types of NGOs that can enhance China’s market economy. The enthusiasm for third-sector development is high. The 2008 the Sichuan earthquake energized the development of NGOs and foundations. The 2008 the Beijing Olympics and 2010 Shanghai Expo put the voluntary sector on the public horizon. The government sees the need to build the third sector to promote sustainable development and benefit China’s society in many aspects.

Part of this new trend includes relaxing the registration regulations to allow more grassroots NGOs to legally register. According to the statistics of the Ministry of Civil Affairs of China, 211,000 NGOs were registered in 2001. At the end of 2007, the total number of registered NGOs reached nearly 410,000.

The development of the Chinese social and political environment provides greater opportunities for NGO development and engagement in Chinese society. NGOs are aware of the opportunity and are eager to ride the tide and develop a stronger organization, community and third sector.

As an NGO practitioner in China, the author is excited at the opportunity for the development of the third sector. At the same time, there is to me an urgency for Chinese NGOs to bridge the gap to build stronger organizations and take on a community leadership role in development. Thus, this paper examines the community foundation model in the US, particularly focusing on good examples of its role in community leadership and how its best practices can be applied to the development of the third sector in China.

1.4 Research Methodology

The objective of the research is to learn about good examples of community leadership and how the best practices can be adapted for third-sector development in China. In achieving this goal, a mix of qualitative methods was used in the research. The research entailed a review and analysis of a wide range of documents made available through the Center on Philanthropy and Civil Society (CPCS), CUNY library system, and the Foundation Center. In addition interviews were conducted with various community foundation leaders and practitioners from the relevant fields in the US to understand their best practices. The author also talked to alumni of the Center on Philanthropy and Civil Society’s International Fellows Program from other countries to understand their respective organizations’ approaches to community leadership from an international perspective. Some online research was also done to gather additional information from organizations’ websites and other resource centers like the US Council on Foundations, the Foundation Center, etc.

Part 2: Understanding Community Foundations and Community Leadership

This section introduces the basics of a community foundation and its role in leadership. The first part introduces the concept of a community foundation, its characteristics, its roles in the community and the international development of community foundations. The second part looks at community leadership, why a community foundation is in the right place for leadership and how it plays a leadership role.

2.1 Community Foundations

The community foundation model is an American concept. The first community foundation—The Cleveland Foundation—was created in 1914 with the idea of fulfilling people’s philanthropic needs as well as serving the local community.

The idea of a flexible yet permanent vehicle that encourages and sustains charitable giving on a local basis spread across the country in the next decades. According to the Council on Foundations, there were over 800 community foundations in both urban and rural areas throughout the United States in 2010. Today, community foundations across the US hold nearly US\$44.8 billion in assets. In 2005, they received an estimated US\$5.6 billion in donations from individuals, corporations, government agencies and other foundations. In 2006 they gave an estimated US\$3.6 billion to a variety of nonprofit activities in fields that included the arts, education, health and human services, the environment and disaster relief.

What is a Community Foundation?

Based on the definition by the Council on Foundations of the US, “Community foundations are independent, public charities that steward philanthropic resources from institutional and individual donors to community-based organizations. Community foundations strengthen communities by enabling people to create charitable funds that address a wide range of interests. Through visionary, diverse, and inclusive philanthropy, community foundations have become catalysts for significant community change.” (Council on Foundations)

Characteristics of a Community Foundation

According to Suzanne L. Feurt (1999), a community foundation has the following characteristics:

- **Independent:** A community foundation is a separate legally-recognized entity, operated exclusively for charitable purposes, and is independent from control or influence by other organizations, government or donors.
- **Geographically-focused:** A community foundation concentrates on a specific geographic area, typically a city or a town.
- **Knowledgeable:** A community foundation has in-depth knowledge about the geographic area it serves, including needs, opportunities, people and institutions.
- **Inclusive:** A community foundation involves all types of local citizens and institutions in its activities (e.g., governing board and advisory committees, donors, grant and program beneficiaries, etc.).

- **Permanent:** Endowed funds provide the community foundation with the ability to plan ahead and address long-term issues in the community; offer donors the opportunity for their donations to make a difference for years into the future; and provide financial sustainability for the community foundation and its beneficiaries.
- **Innovative:** A community foundation continuously seeks new ideas and approaches in working with donors, nonprofit organizations and the community at large.
- **Flexible:** A community foundation accepts various forms of assets from all types of donors and addresses a wide spectrum of community interests and needs.
- **Accountable:** A community foundation has open and transparent policies and practices concerning all aspects of its operations, and informs the general public and donors about its purposes, activities and financial status on a regular basis. (Feurt, 1999)

No two community foundations are exactly alike. Based on their location and community needs, community foundations differ in their organizational structure, governance, resource base and roles in the community. Community foundations can possess some or all of the above characteristics, and have their focused functions or area of work in the community.

The Roles of Community Foundations

According to Dorothy Reynolds in *The Balancing Act: The Roles of a Community Foundation*, a community foundation has three main roles in a community: vehicle for philanthropy, grantmaker and community leader.

- **The role of a community foundation as a vehicle for philanthropy**

One of the most important functions of a community foundation is that of serving as a vehicle for philanthropy. It receives donations from a wide range of donors including individuals, companies, charitable trusts and public bodies, with an emphasis on seeking support from local sources. Community foundations make it easy for people to engage in philanthropy. No matter the size of the gift or its form, community foundations act as vehicles to satisfy donors' philanthropy goals. A community foundation acts as a guardian of donated funds—investing, overseeing their safekeeping and benefiting the community in the long run.

A community foundation's primary aim is to build a permanent, continually growing asset base to serve the community into the future. Permanently endowed funds enable the community foundation to have a stable source of revenue to meet the needs of the future. Because of this secure source of income to support its administrative and programmatic functions, a well-endowed community foundation enjoys a certain degree of independence as it goes about meeting community needs. To donors and communities, benefits from permanently endowed funds span generations. Permanently endowed gifts from the past provide for the past, present and future.

Community foundations facilitate donors' needs in philanthropy. Donor-advised funds allow donors to set up funds for specific projects, causes or charities they believe in. By developing well-organized programs that encourage donors to support specific community causes, donor-advised funds provide the community foundation with the opportunity to increase interaction between the foundation and donor and develop a relationship with an individual. This can result in donors' support of the foundation's endowment development.

- The role of a community foundation as a grantmaker

Using interest income from invested assets, a community foundation makes grants to nonprofit organizations to address a wide variety of local needs in its community. Since the community foundation is an independent organization with a mission to improve the quality of life of the local community, community foundations may take a holistic view of the local community's needs and development. Grantmaking and program support can cover areas like poverty alleviation, education, health and human services, environment, economic development and arts and culture. Different community foundations establish their priorities in grantmaking by monitoring local needs, analyzing gaps in service and funding and responding to changing needs.

By making grants to nonprofit organizations, community foundations also help nonprofit organizations establish their operations, assist their capacity building, and ultimately enable them to make differences in the community.

- The role of a community foundation as a community leader

It is natural for community foundations to be community leaders. Because of their experience and knowledge in working with a variety of donors, nonprofit organizations, grantees and government agencies, community foundations often have special insight into community issues and a broader perspective than many other organizations. Also, because of their financial independence, community foundations often take a long view of community well being, and are well positioned to address thorny issues and to take risks.

Community Foundation Development Around the World

Although it originated in the US, the community foundation concept has spread to many other countries around the world in the past decades.

According to the "2010 Global Status Report on Community Foundations" published by WINGS, the number of community foundations existing globally in the year 2000 stood at 905. Ten years later the number nearly doubled and stands at 1,680. Most of the growth occurred in Europe, where it has been spectacular. In 2000, there were 103 community foundations in Europe. At the end of 2010, there were 631. The fastest growth was in Germany where there were ten community foundations in the year 2000, and 240 in the year 2010. In other continents, like Africa and Asia, numbers have remained below 100 for the past decade. (WINGS-GSR, 2010)

The growth of community foundations has been fuelled by emerging ideas of civil society. Because of cutbacks in government services, political reform and changes in government policies in recent years around the globe, pressure is put on communities to provide many social services traditionally offered by the government. Increasingly, people in the community want a direct voice in making informed decisions about identifying community needs, setting community priorities, finding solutions, allocating resources and monitoring results.

Civil society organizations play an increasingly important role in society. They play critical roles as service providers, social innovators, advocates, watchdogs and other functions. Often developing from the grassroots, they can act quickly and flexibly in response to community needs. However, they often lack sufficient financial and human resources to conduct and sustain their work for the long term. Many need assistance in developing new sources of income, developing staff skills and volunteers and building a sustainable organization.

Community foundations can be a valuable tool for helping communities deal with the changing role of government, engaging the community, and strengthening the nonprofit sector. Many countries have adapted the community foundation model. However, based on the different characteristics of the society, community foundations around the world vary in their structures and ways of operating.

2.2 Community Foundations in Developing Community Leadership

In “On the Brink of New Promise”, the authors of the study point out that the challenges community foundations face in the next era are huge. Besides competition from the commercial sector and many more players in community philanthropy, the changing dynamics and needs in the community will challenge the core assumptions around which community foundations have built their operations. The authors suggest that community leadership is the key to meeting the challenges and opportunities.

The leadership task lies in creating three subtle but significant shifts in assumptions and priorities:

- A shift in focus from the institution to the community
- A shift from managing financial assets to long-term leadership
- A shift from competitive independence to coordinated impact (Bernholz, 2005)

The report has generated much discussion about the development direction of community foundations and their role in community leadership. Although leadership has always been part of community foundations’ rhetoric, many community foundations put more emphasis on asset building and financial management because assets are easy to measure while leadership is not.

So, what is community leadership and why is a community foundation in the right place to take the leadership role?

“A community leader can be defined as an individual or organization that identifies an issue, has a general sense of a desired outcome and conducts a process that includes a broad range of community interests.” (Reynolds, 2008) A community foundation may provide leadership on pervasive community problems by serving as a facilitator, convener, catalyst and broker. As a neutral body, it can facilitate joint action with other organizations, stimulate partnerships, build bridges across sectors and bring local projects to the attention of national and international grantmakers.

Because of its special characteristics, a community foundation is in a unique position to take on a leadership role in a community. Community foundations have the reach, relationships, capacity and foundation to create a more inclusive impact.

Here are a few reasons why community foundations are in the right position to take up a leadership role in the community.

- Community foundations are able to have a holistic view of the community. Community foundations work with all parts of the community. They seek to understand the local landscape.
- Community foundations are able to think long term and take strategic actions instead of responding solely to short-term issues. Community foundations are forever. Because of the permanent

endowment, community foundations do not depend on annual fundraising or certain donors to carry out their work.

- Community foundations may choose to take risks and take on controversial issues in the community. The permanency enables community foundations to take risks and make independent decisions. The reputation and credibility of community foundation also helps it to address controversial issues.
- Community foundations can build bridges and cross sectors with relative ease. Community foundations work with the nonprofit sector, the private sector and the government sector. They respond to the society's needs, and they work with individuals, donors, grantees. Often, they are able to reach out to different groups and interests in the community. This gives community foundations the ability to build bridges across sectors.
- Community foundations can provide a neutral ground. They strive to represent every part of the community, every faith and belief. They can bring different parties and groups together at a neutral table. It's a powerful leadership role to bring people together despite differences and move toward the common good of the community.
- A community foundations can leverage various resources in this leadership role, including their knowledge base, money and in-kind donations, connections, as well as contacts and the credibility of the foundation and its board members.

Community foundations risk irrelevance if they fail to seek community leadership. In the study "Community Change Makers: The Leadership Roles of Community Foundations", the authors categorized a variety of strategic leaderships roles for community foundations beyond grantmaking. The roles outlined in the study include:

- Building useful knowledge
- Shaping community discourse
- Growing and linking local leadership
- Brokering regional solutions
- Maximizing access to government resources
- Nurturing high-impact philanthropists
- Collaborating for local systems reform
- Advocating and partnering for policy solutions
- Enhancing community capacity
- Strengthening accountability

There is no one leadership model for all community foundations. The above roles identify the basic blocks of community leadership that a community foundation can develop. Based on specific community needs, a community foundation can choose from a range of strategic roles and complement the existing competencies of its community.

The following section will study the leadership roles of community foundations in

- Engaging the community
- Building bridges in the community
- Building a stronger nonprofit sector
- Developing the next generation of community leaders

Through examples and case studies, this paper examines how community foundations work internally and externally to achieve leadership in these roles.

Part 3: Case Studies - Community Foundations in Leadership

This section focuses on the following specific leadership roles community foundations play in the community:

- Engaging the community
- Building bridges
- Building a stronger nonprofit sector
- Developing the next generation of community leaders

Through examples, this section analyzes how community foundations play the leadership roles to tackle challenges their communities face.

3.1 Engaging the Community

Community foundations cannot be true to their name if they do not engage with people in the community. Community buy-in is central to the work of community foundations. Naturally, community foundations take leadership in engaging the community. A community foundation deploys a wide range of strategies for promoting different forms of participation, including proactive grantmaking strategies to reach informal or marginalized groups; public fundraising or volunteering events; and sometimes even participation in the foundation's decision-making mechanisms (including grants committees etc.). Other strategies used by community foundations to listen, learn and build confidence in their community include NGO forums, youth banks, community consultations, community meetings and community monitoring systems.

This section looks at several examples of community foundations engaging their communities. Brooklyn Community Foundation raises awareness and engages the general public through the Do Gooder Campaign and public fundraising. The Community Foundation for Northern Ireland reaches disadvantaged and marginalized communities through the VOICES program. The Community Foundation for Greater Atlanta uses donor services to engage donors in community issues.

Example 1: Brooklyn Community Foundation—Engaging the General public

With a long history as a private banking foundation, one of the main challenges since the bank's conversion to a community foundation is community engagement. Raising awareness, getting community buy-in and developing donors from the community are the priorities Brooklyn Community Foundation (BCF) undertook in its first several years as a public foundation.

In 2010 BCF launched the Do Gooder Campaign. In keeping with the motto to "Do Good Right Here," the first annual Brooklyn Do Gooder Awards Campaign celebrated the altruism, philanthropy and commitment of five Brooklyn "Do Gooders" who are working toward a stronger Brooklyn. The campaign was conducted through print and online social media. Through printed posters, brochures, press releases, the website, electronic newsletters, Facebook and Twitter, the campaign received 300,000 votes in two weeks. There were 25,000 new registered users on the website. Six "Do Gooders" were chosen as recipients of the first-ever Brooklyn Do Gooder Award. Each Brooklyn Do Gooder awardee received US\$5,000 to reinvest in his or her Brooklyn charity of choice.

Through the Do Gooder Campaign, BCF successfully engaged nonprofit organizations, residents of the community and corporations to focus on community issues and raised awareness of the community

foundation. The Do Gooder Campaign will become an annual event to recognize the Do Gooders of Brooklyn and encourage community participation.

The BCF also tries to engage the community through challenge grants and public fundraising. In 2009 the historic Macon Branch of the Brooklyn Public Library in Bedford-Stuyvesant wanted to purchase a special book collection costing US\$250,000. Instead of the BCF funding the cost, it proposed a challenge grant to the community; the foundation would match the amount of money the community raised. Over a three-month period, 500 people from the community raised US\$100,000. "It was everyone from little school children, to some of the businesses along Fulton Street," said Marilyn Gelber, president of BCF "and what that showed is that people really can come together and give time, energy and money...when a project really speaks to their values and their ideals. Even if it's not a wealthy community, it's a community that can come together and raise money and really achieve a purpose that supports their values, and in this case it was literacy. It was learning and it was history."

The BCF also deployed public fundraising as a strategy to engage the community and raise awareness. Canisters were put in supermarkets around Brooklyn for people to drop a coin or small change to show support to BCF. "The objective of the public fundraising is not to raise a lot of money, but to raise everyone's awareness of the BCF and being part of the big Brooklyn family helping each other," said Philip Li, the foundation's chief operating officer.

Example 2: Community Foundation for Northern Ireland—Engaging Marginalized Communities

Working in a deeply divided society, the Community Foundation for Northern Ireland (CFNI) understands the importance of engaging different groups in the community. The objective of the VOICES program is to engage disadvantaged and marginalized groups and have their voices heard in the community. The program funds organizations working with groups that are overlooked and historically are victims of discrimination. The program has reached out to Muslim women, the lesbian and gay community, Irish travelers and the Roma. The VOICES program allows the voices of these groups to be heard within the larger mainstream Irish community, thus building awareness, mutual respect and at the same time empowering these communities.

Beyond grantmaking, the program also seeks to build a platform to bring these organizations together to share their experiences and build capacity. Training will be offered to give these organizations better skills in public campaigning and affecting policymaking. All 39 grantees of the VOICES program were invited to participate. Through such workshops, these communities will develop the tools to have their voices more effectively heard in the bigger community.

"VOICES program makes people feel valued, respected and included in the society. It also raises the awareness of marginalized group in the bigger community. From the history of Northern Ireland conflicts happened because people were put down and discriminated. We need to recognize that and engaging all groups in the community. In the long-run, the VOICES program's objective is to build a inclusive and peaceful Northern Ireland community." This is according to Jude McCann, the VOICES program coordinator.

Example 3: Community Foundation for Greater Atlanta—Donor Engagement

Giving can get people involved. Community foundations in the US traditionally work solely with financial planners, lawyers and accountants to solicit potential donors and encourage them to put the community foundation in their estate plans. In recent years there has been a shift to living donors. Besides receiving monetary gifts from donors, community foundations are actively engaging donors in community issues and projects. A good example of donor engagement is the Community Foundation for Greater Atlanta. In 1998 the foundation made significant changes by breaking down the boundaries between its fundraising and program divisions and establishing a donor relations staff. The staff's job is to understand donors' needs and desires; orient donors to community needs and to strategies for change; help donors clarify their goals; and develop grantmaking plans. To further assist donors, the foundation publishes guides like "Extra Wish", which identifies special small grants opportunities, and a "Grantmaker" series that profiles specific organizations. As a result, the foundation's work to support donors has generated more than US\$1 million in grant funds for community projects. The effort also generated more active donors, who are more engaged with the community. (Hamilton, Parzen and Brown, 2004)

3.2 Building Bridges in Community

Community foundations can play an important role in creating opportunities for civil society organizations to improve their communications with government and the private sector and work together on common agendas. Two common ways they build bridges between sectors are:

- Convening people working on similar issues both within and across sectors by sponsoring meetings, workshops, working groups, etc.
- Building partnerships—relationships between individuals or groups around cooperation and responsibility—to achieve a mutual goal that will result in a greater impact on a social or economic goal.

This section looks at several examples of community foundations taking on a leadership role by building bridges to bring different community stakeholders together to address community issues. The Berks County Community Foundation convened different groups to work towards the goal of preserving 200,000 acres of farmland. The Long Island Community Foundation brought various stakeholders together to create the Sustainable Long Island initiative. The Brooklyn Community Foundation built partnerships across different sectors to promote science education and initiated the NYC Haitian Community Healing & Hope Fund. The Community Foundation for Northern Ireland built bridges for peace building.

Example 1: Berks County Community Foundation - Farmland Preservation Program

The Berks County Community Foundation (BCCF) was founded in 1994 to help individuals, families, organizations and businesses achieve their charitable objectives. BCCF has always taken a leadership role around community issues. In 1998 Berks County residents were worried about protecting the farmland that is integral to the way they think about Berks County. A lot of community groups tried to figure out how to preserve the land. But the groups had different goals and priorities. One of the biggest hurdles was getting them together to identify cohesive objectives for farmland preservation. Using a grant of about US\$4,000, the foundation brought in a consultant who worked with the groups until they had developed one goal, which was to preserve 200,000 acres of farmland.

At that time, the county was spending about US\$1 million a year to buy conservation easements—guarantees from farmers that their land would never be developed. The effort was insignificant; there was little chance that the easements would succeed in keeping developers away.

BCCF encouraged county commissioners to use the US\$1 million to borrow money so they could start buying more conservation easements before additional land was developed. By the end of the year, the commissioners floated a US\$35 million bond issue that with matching grants from the state led to about US\$50 million being spent on farmland conservation in Berks County over a five-year period. At the end of that period, BCCF reconvened the interested parties. They re-evaluated their goals, and another US\$35 million bond was floated with matching state grants.

“A \$4,000 grant that ultimately triggered about \$100 million in state federal investment took us from a community that was in danger of really losing its farmland to one that will always have it,” Kevin Murphy, president of BCCF, said. “I think that’s an example of where a grant has had a huge impact.”

Example 2: Long Island Community Foundation – Sustainable Long Island Initiative

The Long Island Community Foundation (LICF) was created in 1978 by New York Community Trust to serve the community in Long Island. LICF has always emphasized its role in providing leadership in the identification of current and future community needs, and addressing these needs and solving problems by bringing different stakeholders in the community together to work collaboratively. One of the examples is the Sustainable Long Island initiative.

For decades people living and working on Long Island were concerned about environmental issues. Many individuals, environmentalists, philanthropists, business leaders and organizations were working to address the issues. Despite individual efforts, the problems were getting worse rather than better. As the need to protect Long Island’s diverse population grew, this group of leaders realized they could not continue to solve problems individually; they needed a new approach. In 1996 LICF took the initiative to bring leaders from different organizations and sectors together to discuss a collaborative model in tackling the problems. Elected officials, professors from universities, environmental activists, philanthropists and experts from outside the community worked together. As a result of the convening, different stakeholders of the community had a chance to develop a model that would bring about positive change by working side-by-side. The Sustainable Long Island initiative was launched in 1997. LICF housed the initiative in the foundation for a year. In 1998 Sustainable Long Island developed into an independent nonprofit organization.

In addition to environmental issues, LICF tackled other critical issues in the community like racism, education, hunger, youth violence and affordable housing through convening and building partnerships. Initially LICF would fund proposals from different organizations to address the issues. However, the proposals reached a critical mass and LICF realized that grantmaking alone was not going to solve the big problems, which need to be addressed from a larger perspective. There was a need to bring all the organizations working on the same issue together to create a regional perspective and strategy. Through the role of convening, groups that do similar work but had never collaborated or partnered to reach the same goal. Through the partnership, organizations from the same field benefited by learning from each other and sharing experiences.

For each of the initiatives, LICF brought different stakeholders in the community together to solve problems and leverage resources. For example, the LICF’s grant to Sustainable Long Island was only US\$20,000 a year. However, by building partnerships and leveraging resources, the annual budget of

the organization is now US\$1.3 million. LICF believes that “size doesn’t matter” when you have a strategic and regional vision. Other success stories of such a collaborative approach include ERASE Racism, Long Island Fund for Women and Girls and The Early Years Institute.

Example 3: Brooklyn Community Foundation – Building Partnerships Across Sectors

The Brooklyn Community Foundation (BCF) works with the nonprofit, private and public sectors. It sees the big picture of the community and is in a unique position to connect different partners to social issues. Two such examples are the Science, Technology, Engineering and Mathematics (STEM) program and NYC Haitian Community Healing & Hope Fund.

Science, Technology, Engineering and Mathematics (STEM) Initiative

To help youth in Brooklyn explore careers in the field of science, technology, engineering and mathematics, BCF explored the possibility of partnerships among schools, educators, the Polytechnic Institute of New York University (NYU-Poly) and J.P. Morgan Chase Foundation. As a result, NYU-Poly’s Central Brooklyn Science, Technology, Engineering and Mathematics (STEM) initiative was founded.

The STEM initiative pairs teachers from economically disadvantaged Brooklyn schools with graduate fellows from NYU-Poly’s engineering programs to design dynamic, hands-on classroom lessons, thereby helping to develop both teachers and graduate fellows. Since 2007 the program has served 18 Brooklyn elementary, middle and high schools. With BCF’s support, the program will expand to 36 schools in Brooklyn and serve minority students and female students.

In this program, BCF brought different groups together and built a successful partnership to improve science education for youth. In the long run, the program helps the youth to pursue higher education and careers in science and technology. “BCF always takes a long view of the community development. In the STEM initiative, by bringing different partners together, we not only successfully funded and implemented the program, but also developed future professionals in STEM. This increases the talent pool in Brooklyn and ultimately will bring companies to the community and provide more job opportunities to Brooklyn,” said Philip Li, chief operating officer at BCF.

NYC Haitian Community Hope & Healing Fund

Following the 2010 Haiti earthquake, BCF quickly identified the needs of the people and families in Brooklyn and the New York City community affected by the earthquake. New York City is home to one of the largest Haitian communities outside of Haiti—more than 130,000 individuals—the vast majority of whom live in Brooklyn and Queens.

BCF convened a meeting between United Way of New York City, New York State Health Foundation, the Altman Foundation, the Annie E. Casey Foundation, Capital One Bank, the UJA Federation, Carver Bank, St. Francis College and a number of community organizations to discuss the issue. As a result, the NYC Haitian Hope & Healing Fund was founded to address the short- and long-term needs of individuals, families and communities in the New York City area affected by the January 12, 2010 earthquake in Haiti. An advisory committee was formed, which was comprised of leaders from the Haitian community of New York City and experts in the long-term effects of disasters on local communities.

To date, the NYC Haitian Community Help and Healing Fund has raised US\$429,000, US\$250,000 of which has been granted to 12 New York City nonprofit organizations working in four key areas: case management, legal, healing, and education.

Example 4: Community Foundation for Northern Ireland – Building Bridges for Peace Building

The Community Foundation for Northern Ireland (CFNI) has worked since 1979 within and between the divided communities of Northern Ireland. In the main city, Belfast, many of the most deprived communities are divided by the 30 foot high “Peace Wall”. The community foundation funded and supported community action during the years of violence and, more recently, during the period which has been marked by transition from violence. In this context the community foundation prioritized work around peace-building initiatives, believing that local communities and previously marginalized groups must be involved in the peace process.

Two groups that were crucial to the work of peace building were the victims of political conflict and the politically motivated ex-prisoners and ex-combatants. CFNI took the initiative in funding a self-help Victim’s Support Group, which was founded by survivors of the conflicts. The group remembers those who died and works to support their family members. CFNI funds the work of a range of victims and groups that often have very different political aspirations and experiences of the impact of the violence. Consequently CFNI created opportunities to encourage the victims’ groups to meet together, and also to meet with other communities that had suffered in the conflict. It was a difficult process and often attracted negative comments. However, the foundation organized a series of conferences and seminars to which all the groups were invited, irrespective of their political viewpoints. The foundation also brought in speakers from South Africa, Cambodia and Eastern Europe to share their experiences of both victimhood and the difficult issues of dealing with truth and justice.

CFNI also took the initiative to address the issue of the ex-prisoners. In the From Prisoner to Peace program, the foundation acts as a neutral ground to bring together British and Irish ex-prisoners and ex-combatants with strong beliefs to talk about common issues. The program involves people who have very different values and beliefs and would never talk to each other. However, CFNI believes there are common issues that concern all groups. Acting as convener, CFNI helped the groups put their differences aside and work together to solve common social issues like healthcare, education, children, etc.

As a result of the CFNI’s efforts in building bridges across different groups, the government set up a funding program to meet the core costs of all victims’ groups. And the foundation is continuing its work to explore ways to address the challenge of truth and justice for both victims and ex-prisoners.

3.3 Building a Stronger Non-profit Sector

As grantmakers in the local community, community foundations work closely with the nonprofit sector to support them through grants and technical assistance. A lot of nonprofit organizations in the community are small, young and working with limited resources. Community foundations act as their advocates and strengthen the nonprofit sector.

This section looks at several examples of community foundations taking a leadership role in building a stronger nonprofit sector. The Long Island Community Foundation incubates and helps start up new organizations to address community issues. The Brooklyn Community Foundation gives micro grants to organizations to support organizational development and capacity building. The Dade Community Foundation takes on the role as advocate for and strengthener of the nonprofit sector. The Community Foundation for Northern Ireland provides extensive support in funding, training, information and networking to other community organizations to establish youth-led grantmaking initiatives internationally.

Example 1: Long Island Community Foundation – Incubating Nonprofit Organizations

Besides making grants to nonprofit organizations, the Long Island Community Foundation (LICF) takes an innovative approach in developing and nurturing the nonprofit sector. Developing organizations and tackling social issues may be difficult for a lot of new, small nonprofit groups. Certain issues like racism were sensitive in the Long Island community, and it was hard for groups working in the field to find resources to develop their efforts.

LICF took the initiative and risks to incubate these nonprofit organizations in their early years. LICF assists these organizations through grants, office space, staff and technical support and eventually helps them to become independent and sustainable. LICF works with these organizations to define fundraising strategies; set goals for development and help the organizations achieve independence at the right time, after which LICF may continue to provide technical support and follow up with the organization's development.

LICF has successfully incubated and helped start a number of nonprofit organizations. Successful cases include Sustainable Long Island, The Interfaith Nutrition Network, The Peconic Land Trust and the Long Island Center for Nonprofit Leadership, among others.

Besides incubating young organizations, LICF also focuses on capacity building for its grantee organizations as well as other organizations in the community, especially organizations from under-developed communities where resources are limited. For three years, LICF funded the LEAT Program to develop capacities of local nonprofit organizations. The program brought a consultant from Boston to work with individual organizations to assess their needs; to identify goals and development barriers; and to put a capacity building plan together for the organization. Every year the program took in 12 organizations. The program also created opportunities for group meetings and peer learning, which organizations found very useful.

LICF views nonprofit organizations not just as grantees, but as partners in the community. By developing a stronger third sector locally, LICF develops partners in tackling critical social issues and helps build a stronger community.

Example 2: Brooklyn Community Foundation – Micro Grant to Support Nonprofit Organizations

The Brooklyn Community Foundation's (BCF) micro grants program accepts requests for US\$500 or less to help support small-scale projects and organizations throughout Brooklyn. The micro grants serve two purposes: to support grassroots, community efforts like beautification campaigns, parent-teacher associations, youth sports teams, or community gardens, and to serve as seed funding for start-up nonprofit groups to help support immediate needs as they build a rapport with community members and funders.

Besides financial support, the BCF offers a wide range of workshops and trainings to help their grantee organizations and other nonprofit organizations to develop capacity. With the help of professional trainers and experts in the field, the foundation offered workshops on proposal writing, project management, organizational development, leadership, personal growth, etc. In 2010 seven workshops were offered to over 500 grantee and other nonprofit organizations. BCF plans to offer more workshops and trainings in 2011 to expand efforts in capacity building for local nonprofit organizations.

Example 3: The Dade Community Foundation – Advocate for the Nonprofit Sector

The Dade Community Foundation takes on the responsibility of bringing together diverse groups in Miami-Dade County, Florida—across boundaries of race, ethnicity, class, gender and language—to improve the quality of life and build a more cohesive community by supporting local nonprofit organizations with grants and technical support.

The foundation realized that the nonprofit sector is rarely included or mentioned in the economic impact studies of the region in spite of the nonprofit sector's important role in the local economy and community. The nonprofit sector is seen as a passive provider of rudimentary services as opposed to a respected participant and partner in the local economy. In an effort to dignify the sector's contribution to the economy beyond its provision of services, the foundation partnered with the Beacon Council, Miami-Dade's official economic development organization, to produce "Sector of Impact Report: Economic Impact of Nonprofits in Miami-Dade County".

The study concludes that Miami-Dade's nonprofit sector directly impacts the local economy in a number of positive ways. The report demonstrated the contribution of the nonprofit sector to the overall health of the economy, serving as consumers of products, employers and vendors and possessing a vibrant taxpaying workforce and a network of community leaders, policy makers and businesses. As a result, the report tells a compelling story about one of the community's most often overlooked economic engines. During this process, the Dade Community Foundation further enhanced its role as advocate for and strengthener of the nonprofit sector.

Example 4: Community Foundation for Northern Ireland – Technical Support to the Nonprofit Sector

One of the important roles for the Community Foundation for Northern Ireland (CFNI) in youth bank development is the provision of training and technical assistance to organizations interested in establishing youth-led grantmaking initiatives. CFNI assists community organizations both in Northern Ireland and internationally to set up youth bank initiatives. To date, CFNI has established a network of thirty youth banks operating youth-led grantmaking programs across the island of Ireland. CFNI has also responded to requests for assistance by providing support to interested parties in many countries including Armenia, Azerbaijan, Belgium, Bosnia Herzegovina, Croatia, Czech Republic, Georgia Montenegro, Palestine, Romania, Russia, Serbia, Slovakia and South Africa.

In addition to providing training programs, making available relevant documentation and being a source of information, expertise, advice and guidance, the CFNI's YouthBank office works with many of its international youth-led grantmaking partners by brokering exchange visits. These visits enable young grantmakers to learn about each others' experiences and approaches to grantmaking, as well as offer them the opportunity to gain a deeper understanding of their counterparts' cultures and the similarities and differences in the issues facing young people in different jurisdictions.

3.4 Building the Next Generation Community Leaders

A community foundation is in the community for the long term and views community development and leadership from that perspective. To be a leader in the community, community foundations not only focus on the leadership role in the “here and now”, but also actively develop community leaders for the next generation. This section looks at how community foundations engage youth in philanthropy and develop the next generation of community leaders.

A youth advisory committee (YAC) or youth bank (a term commonly used in Europe) is the most common program a community foundation runs to engage youth and develop youth leaders. A YAC or youth bank—a grantmaking committee run by a group of young people—is a unique way of involving young people in community activity. The young grantmakers work as a member of a decision-making committee. The funding distributed by the decision-making committee supports projects designed and run by young people, which address issues and concerns of direct importance to them. It is the young grantmakers who determine which issues they believe are most pressing locally in terms of needs and the communities they live in as the means of establishing the focus and themes of the grantmaking programs they run. Having themselves managed all publicity, assessment and administrative aspects of an open application process, the young grantmakers also decide which projects gain their support.

This section looks at two successful youth development programs: a youth advisory committee run by Berks County Community Foundation and the YouthBank run by the Community Foundation for Northern Ireland.

Example 1: Youth Advisory Committee of Berks County

In April 1998, the board of directors of Berks County Community Foundation (BCCF) approved the creation of a youth advisory committee (YAC) in order to give interested Berks County youth a hands-on experience in grantmaking decisions. BCCF strongly believes that young people should be able to participate in community decisions that affect them and their peers.

The youth advisory committee (YAC) is made up of approximately 30 high school students from different communities in Berks County. The main purpose of the YAC is to involve young people in addressing the issues facing their peers in Berks County. Members of the YAC have the responsibility of making decisions about the distribution of US\$15,000 in the community foundation's Youth and Philanthropy Fund (grants to programs and projects that serve Berks County). All grants must be approved by the community foundation's board before they are distributed. In 2003, the committee decided it needed to raise US\$500,000 to permanently endow the Youth and Philanthropy Fund and increase the amount of money available each year for grantmaking.

To date, YAC members have distributed US\$122,439 to 41 programs across Berks County. Every year YAC members must evaluate the grant applications they receive, which often add up to hundreds of thousands of dollars in requests. The group has to decide where to allocate its US\$15,000. The whole process involves calling for proposals and evaluating them, as well as making site visits and grant recommendations to the board. Besides making meaningful grants to the community, members of YAC also gain skills and insight. A sense of “giving back”, maturity, confidence and insight into grantmaking are the four areas of development most frequently mentioned by members and alumni of YAC.

Since its first meeting in 1997, the Berks County YAC has released over 100 youth ambassadors of philanthropy into the world. Most alumni members of YAC continue their philanthropy work in their colleges and work life. With insight and training from YAC, they will likely continue to play a leadership

role in their future philanthropy work.

The YAC began as a small, experimental program at BCCF and it has turned into one of its signature programs. “The theory here is that we’re teaching these kids about community philanthropy and how community works and teaching them the skills of allocating the resources, but I have to say that pretty consistently, year in, year out, we find ourselves learning a lot more from these kids than I think we’re teaching them,” said Kevin Murphy, president of BCCF.

Murphy said the “YACsters” are outspoken about what they want their community to look like and how they think it can be changed for the better, and he is sure that their dedication will cause some of them to pursue philanthropy in future. “I think some day, the man or woman who’s sitting at my desk will probably be a former Berks County Community Foundation YACster,” he said.

Example 2: YouthBank Development in Northern Ireland

YouthBank was established in 1999 as one of the pilot projects of the Community Foundation for Northern Ireland (CFNI). To mark the end of the pilot phase in June 2001, a major YouthBank conference was organized in Northern Ireland. Young people from all over the UK, as well as experienced grantmakers from Michigan in the United States and a group from Bosnia, Croatia and Montenegro attended the conference. This event marked the beginning of international development work pioneered by YouthBank in Northern Ireland.

In September 2001 a milestone was reached as the CFNI put in place YouthBank arrangements by inviting potential host organizations to register their interest. Four community-based host organizations were selected to recruit, develop and support young people aged 15 to 25 to organize a local grantmaking program. The initiative connected the concept of citizenship and participation. In 2002 the Irish Youth Foundation became a working partner in the Republic of Ireland, with joint training and technical assistance provided in the first phase of activity to support five YouthBanks.

In July 2006 YouthBank secured another milestone with a new strategic partnership between the Ulster Bank Group, the Community Foundation for Ireland, the Irish Youth Foundation and the Community Foundation for Northern Ireland. The partners committed to a three-year plan to establish a vibrant network of thirty YouthBanks operating youth-led grantmaking programs from community, employer and school settings across the island of Ireland by 2009.

- **Developing leadership in the community**

The purpose of YouthBank is to develop leadership opportunities, build capacity among young grantmakers and create opportunities for grant-aided youth-led groups to engage in self-help and community action. YouthBank involves young people in projects that they design and run for themselves in the community. Based on “Youth Bank: What is YouthBank,” a publication of CFNI, the principles of YouthBank are:

1. **Social needs:** YouthBank targets young people who are socially disadvantaged or excluded through gender, ethnicity, faith, disability or sexual orientation
2. **Active citizenship:** YouthBank enables young people to participate in society as active citizens. This is realized by grantmakers becoming conscious of themselves as members of a democratic culture by considering ways to tackle social disadvantage.
3. **Governance:** YouthBank enables young people to take responsibility for making decisions over grants and to be accountable for how money is spent.

4. Capacity Building: YouthBank adds to the skills, knowledge and experience of young people by resourcing and equipping them through training, learning by doing and evaluation so that the outcomes belong to them.

The benefits of YouthBank are two fold.

Personal Benefits

On a personal level, a significant personal development experience has been observed in the youth. Through their involvement, young people gain enormous confidence and decision-making, communication, negotiation, administrative and many other skills. They demonstrate growing leadership skills in the YouthBank and other fields in which they are involved. YouthBank provides a useful start in philanthropy for young people, and many continue their efforts in philanthropy after they graduate from YouthBank. Giving circles have been established by young professionals. They are shaping a culture of giving in the community.

YouthBank also presents a channel through which young people can design and implement positive activity whether as grantmakers or members of projects that attract their support. This opportunity contributes to active citizenship in the “here and now” as they construct responses to key issues affecting their lives. It also leads to future active citizenship on the part of YouthBank “graduates” who are able to take the experience they have had as young grantmakers and the skills, insight, knowledge and understanding they have developed into their future. The YouthBank plays a role in nurturing for the future a community leadership consisting of people interested in positively addressing social issues and with the motivation, confidence and capacity to act and inspire others to do the same.

Social Benefits

Northern Ireland went through a prolonged period of violent internal conflict for over three decades and still remains a deeply divided society. The CFNI has sought to play a part in the process of peace building to forge a just, stable and prosperous future for all the people in the region. Through YouthBank young people from different sides of the conflict engage with each other on committees and deepen their knowledge of the aspirations, culture and perspectives of peers from communities other than their own through the grantmaking process.

YouthBank can make a contribution to easing the potential for conflict by enabling young people to engage with each other in ways which lessen ignorance, allow grievances to be better understood and establish common factors associated with being young and growing into adulthood. Another good example is the case of the Western Balkans where CFNI was invited to help set up a YouthBank. Within the complex interplay of ethnicity, religion and political allegiance, issues around the sensibilities of all ethnic groups from the Western Balkans became a concern for the work of YouthBank in the region.

Many communities have utilized youth banks as a vehicle to increase community involvement, transparent governance practices and equal access to educational opportunities.

3.5 Challenges in Community Leadership

Despite the many successful stories of community foundations as leaders, community foundations face challenges in the increasingly complicated social environment. Many interviewees talked about challenges their community foundations face today and anticipate in the future.

Challenges in taking risks in leadership in the community

In “The Freedom to Agitate and Irritate” by Kevin Murphy, the author points out that “community foundations are in a unique position to tackle challenging issues and at the same time to be sensitive to popular community sentiment and be fully accountable to the community.” Unlike nonprofit organizations, which have to raise funds every year, the endowment of community foundations gives them the independence and ability to take risks.

However, many community foundations are taking a “safe” approach toward community issues and leadership out of fear of losing certain donors. One community foundation representative the author interviewed said that the community foundation would like to be more active as a leader in tackling social issues, but because the foundation was just establishing itself in the community and making itself known to donors, the foundation took a more conservative approach. The challenge for community foundations is how to step out their comfort zone to take on issues that are difficult and stay relevant in their communities.

- **Myth in Partnership**

One of the important leadership roles a community foundation plays is forming partnerships and bringing different organizations to work together. However, are all partnerships effective? Are all partnerships necessary? What causes partnerships to fail? These are the questions and challenges community foundations need to answer. In a study of how foundations define and approach effectiveness, the Urban Institute surveyed 1,192 grantmakers. Sixty-nine percent reported that they actively encouraged collaboration among grantees. Forty-two percent of these said they sometimes required partnering as a condition for funding. Partnership is fashionable among grantmakers. However in reality, partnership may not always achieve the result and effectiveness grantmakers envisioned.

In a 2005 study on the Wallace Foundation’s Community Partnerships for Cultural Participation (CPCP) initiative, Francie Ostrower studied aspects of 38 CPCP-funded partnerships including benefits, myths and difficulties. All grantees agreed that partnership was useful for building organizational capacity, for expanding network, and for mounting programs that are too much for a single organization to carry out on its own. But in practice, partnering was time consuming and costly. Many grantees said they would not have formed the partnership in the absence of a grant. Most partnerships ended when the grants ended. Very few partnerships lasted beyond the grant period.

The benefits of partnership are obvious. The challenges for community foundations are how to use partnerships effectively. Partnerships are tools; they are not ends in themselves. Partnerships are costly in terms of money, time and commitment. Partnerships are not appropriate for every task, and they will not work if used incorrectly.

- **Challenges to the “Neutrality” of Community Foundations**

Community foundations often position themselves as the neutral ground in the community where different stakeholders are brought together to solve social issues. However, many people have challenged the “neutrality” of community foundations in recent years. Are community foundations neutral about poverty? Are community foundations neutral about child abuse? Are community foundations neutral about racism and sexism? Some argue that as a community leader, community foundations should take a stand on many issues rather than stay neutral.

- **Challenges and the Future of YAC/YouthBank Development**

In discussing youth engagement in philanthropy, Vernon Ringland from Community Foundation for Northern Ireland identified some challenges and opportunities in the development of youth advisory committees and youth banks. A YAC/youth bank has great potential to develop in communities and society as a vehicle to engage young people in community issues, promote active citizenship, increase understanding among young citizens and work towards peace within a divided society. However, the direction and effectiveness of a YAC/youth bank is largely determined by its host organization, whether it's a community foundation or other community-based organization. The host organizations' vision and strategy in community leadership, tackling issues on social justice, taking risks and being a catalyst in social change are important in the development of a YAC/youth bank. It is important to realize YACs/youth banks are not just good for an organization, but also an effective tool to affect change.

Another challenge for YACs/youth banks in developing youth leadership is that the issues must be something young people are interested in and something they want to lead in addressing and resolving. YACs/youth banks must stay relevant to youth and take innovative approaches to attract youth. Vernon Ringland pointed out that most community foundations were slow in using social media, which is very popular among youth, as a tool to engage people. Vernon also commented that community foundations must stay relevant to the community's issues and offer real opportunities for young people.

Part 4: Applicability of Community Leadership Globally with a Focus in Asia Context

The community foundation model is quite favored in many countries for the development of organized philanthropy. However, the development in Asian societies has been slow. This section looks at factors that affect community development globally and two organizations in Asia that adapted the community leadership practices of community foundations and became leaders in their respective communities.

4.1 Factors That Affect Community Foundation Development Globally

- **The Legal Environment**

Based on the *WINGS Global Report on Community Foundations 2010*, there were strong and statistically significant correlations between the legal and fiscal environments, the number of different types of funds operated by a community foundation and the number of different types of donors who contributed to the foundation. The legal environment affects philanthropic giving and the development of community foundations. In some countries, legal and tax impediments limit the ability of individuals and corporations to engage in philanthropy. For example, some legal barriers and civil society regulation directly restrict the creation and operation of community foundations, endowment building and taxation of charitable gifts. Other legal barriers that may affect philanthropic growth include: the registration process for nonprofit organizations; the extent to which third-sector organizations can operate free of undue interference by the state; and the relative ease of raising funds (e.g., tax incentives and policies). According to the report, North America has a highly favorable legal environment for community foundations. In Europe, Latin America and the Caribbean the picture is mixed. In Asia and Africa the legal and fiscal environments tend to be less favorable.

- **Capacity and Infrastructure**

A significant challenge to philanthropic growth in many countries is the lack of institutional capacity and professional standards. In countries with a relatively young third sector, many organizations lack the human and financial resources required to manage programs effectively. The sector lacks policies and processes that create transparency and the accountability required to attract donors and build trust in the society.

The 2010 WINGS report pointed out that the establishment of associations of grantmakers and supporting organizations can accelerate community foundation development. Support organizations provide trainings, educational programs, information resources, support and spread the concept of organized philanthropy. Support organizations may also advocate for community foundations. These organizations are strongly correlated with a good legal and fiscal environment for community philanthropy, a higher prevalence of donors, and a higher claimed impact of work. Support organizations also help the field to grow. One of the main benefits of support organizations are the opportunities they provide to foundations to network, share experiences and learn from each other. According to the 2010 WINGS report, support services to community foundations are highly available in North America and quite available in Europe, but much less available in Latin America, Asia and Africa.

- **Cultural Attitudes and Values**

Culture differences and traditions play an important role in the philanthropy field in a society. In countries where governments have long been the provider of basic services, there is typically a strong feeling within the community that this responsibility should remain with the state, despite the trend that governments are reducing basic services. In some countries, large nonprofit organizations are viewed as favorable and reliable, with the result that most philanthropic resources are directed to large

organizations, which limits the development of small grassroots organizations. On the other hand, in some countries, people have a greater trust in smaller NGOs, while doubting the bureaucracy of large charities and suspecting them of corruption.

In Asian cultures, individual giving and helping the community is rooted in traditions such as helping the neighbors and supporting the community through collective efforts. However, institutionalized philanthropy is a new concept. It is slowly gaining favor. People see the value of institutionalized philanthropy, but the development has been slow.

4.2 Case Study: Community Leadership in Asia

This section looks at two successful organizations in Asia that are modeled after community foundations but with a twist that is influenced by their respective societies. Both organizations work in communities with different cultures, values and political systems. However, they work within their given contexts and take on a leadership role to activate positive changes for the community. The Beautiful Foundation in South Korea is a community foundation that is a leader in engaging the community in philanthropy and creating a culture of giving. The LIN Center for Community Development in Vietnam is a community foundation-like organization that positions itself as a service organization to build capacity for nonprofit organizations in Ho Chi Minh City (HCMC) area.

Case Study 1: The Beautiful Foundation

The Beautiful Foundation was founded in 2000 by Won Soon Park, who learnt the community foundation concept in the US. It is the only community foundation in South Korea. Park's central aim in establishing The Beautiful Foundation was not to raise funds for any particular causes, but to build a culture of giving in Korea. Park stated that in traditional Korean society, there was a good system of mutual support in addition to family support. But the tradition was weakened by the country's tragic history of colonization by the Japanese and further by the division into North and South Korea. While the economy thrived in the 80's and 90's, "the generation forgot the mechanisms and the social systems for supporting each other, as the aspiration to be rich grew," Park explained, "so I realized it was high time to create, or recreate a culture of philanthropy in Korean society." (Hartnell, 2006)

Establishing the community foundation model, which is unknown in Korea, is difficult. It is even more difficult to engage a large number of people in giving to a community. The Beautiful Foundation demonstrated a leadership role in recreating a culture of philanthropy in Korean society.

As Park pointed out, recreating a culture of philanthropy in Korean society was the main aim of The Beautiful Foundation. To engage people in the community, the 1% Sharing Campaign was born. The goal of this program is to make people realize that sharing does not necessarily require a large sum of money. One percent represents the smallest amount that a person can share without burden. Just five years after the launch of the campaign, 26,000 Koreans have become 1% givers, and the number is increasing by 300 to 500 every month. The program has also launched creative ways of sharing to create an interest and further engage different groups of people, e.g. quit smoking 1% sharing, 1% sharing store, wedding 1% sharing campaign, etc. Through the 1% Sharing Campaign, the organization also built trust with the donors and the community. The whole process of donation was made transparent. All financial information was put on the website; everybody can access it. Donors can see the history of their donations, where their monies are used, how much is left and so on.

Other than the 1% Sharing Campaign to engage the general public in giving and philanthropy, The Beautiful Foundation established donor-advised funds and planned giving schemes to serve the different

needs of individual donors. The Beautiful Foundation also works with corporations as a way of engaging the business sector of the community to make a bigger impact on the giving culture.

The Beautiful Foundation established an education program to engage youth and cultivate a giving culture in the next generation. The foundation's Philanthropy Education program aims to nurture philanthropic impulses in the coming generations. This program brings together schools, teachers, parents and academic researchers. Activities include a children's philanthropy camp, youth philanthropy club, a teacher training program, parental education, overseas partnerships, a giving dairy and giving piggybank. Through such education programs, a seed of philanthropy is planted in children and youth in an effort to create next generation philanthropy.

Besides its own success in fundraising and building funds, The Beautiful Foundation also helps nonprofit organizations with fundraising strategy and capacity building. Realizing that many nonprofit organizations constantly worry about financial independence and misperceptions about fundraising, The Beautiful Foundation organized a nonprofit conference to talk about the problems of raising funds and changing the understanding of fundraising among nonprofit organization activists from various areas and fields in Korea.

The Beautiful Foundation is a successful case of adapting the community foundation model in Asia and demonstrates a strong community leadership role in engaging the community and ultimately creating a culture of philanthropy and giving.

Case Study 2: LIN Center for Community Development

The LIN Center for Community Development was founded in 2009 with a mission to foster a culture of philanthropy and social responsibility while supporting local nonprofit organizations. The center was founded at a time when the Vietnamese economy was growing at a rapid pace, but not all segments of the population were reaping the benefits of this growth and development. LIN Center took a leadership role in tackling social issues and community development.

Although not a community foundation, LIN shares the value of local resources helping local needs. Services LIN provides include capacity building for nonprofit organizations, volunteer matching and donor-advised giving. LIN supports locally initiated nonprofit organizations with small grants to help improve or extend service delivery or programs; provides introductions to skilled volunteers who can serve as mentors and technical advisors; and offers workshops and information sharing to help build organizational capacity.

LIN engages individuals and corporations in the community. LIN helps committed individuals find meaningful volunteer positions with nonprofit organizations that can benefit from their skills and experience. LIN also helps corporations to implement their social responsibility programs in the community. To facilitate giving, LIN established donor services and a donor club to advise donors on how to give effectively and create a supporting culture of giving.

LIN is still a very young organization. It will take time to see the impact of its work in the community. However, with its positioning as a servicing organization, LIN has demonstrated leadership in building the third sector and facilitating charitable giving.

Part 5: Recommendations for Third Sector Development in China

The third sector in China is relatively young. However, it is an exciting time for the third sector to grow and take leadership in the community. Drawing on learnings about the community foundation model and the leadership roles it can play in the community in the US and also looking at some examples from Asia, here are some recommendations that the author thinks may be feasible for stronger third sector development in China.

- **Create a Culture of Philanthropy and Giving**

In the recent history of China, the government has been the provider of most social services, a situation which has led to a “big state, small society” phenomenon. Individuals tend to observe rather than work as active agents of change because addressing a lot of social issues is viewed as the state’s job. In order for the third sector to step up and play an active role in society, it is important to create a culture of philanthropy and cultivate the notion of giving back to society. Through giving, people get involved in social issues and have a better understanding of the sector. By getting involved, there is a good chance to build trust and strengthen the relationship between the third sector and the community.

The Chinese third sector can learn from community foundation practices about how to make philanthropy easy and about spreading the concept that everybody can be a philanthropist. In Chinese culture, a bequest gift will be difficult to introduce because death and wills are topics too sensitive to discuss. However, we can learn from the community foundation approach to living donors. By making giving easier and helping donors identify and carry out their charitable wishes, we can promote the culture of philanthropy and giving. In a similar Asian culture and context, The Beautiful Foundation in South Korea created the 1% Sharing Campaign. The objective of the program is to make people realize that sharing with others does not necessarily require a big amount of money. The one percent symbolizes the smallest amount you can share without feeling any burden. The one percent does not represent one percent of a person’s salary, but of the person’s heart.

Creating a culture of philanthropy is also about building trust and good relationships with the community. It needs time and takes small steps and creative thinking. For example, people are more receptive to volunteering by contributing time and skill in China. HandsOn Shanghai has developed a volunteer platform and built a good relationship with volunteers. HandsOn Shanghai can take the next step by asking volunteers to contribute financially to support volunteer projects that they care about and make the donation process transparent. The volunteers need to know how the money is used and see the impact of the contribution. Through creative and small programs like this, we can plant the seeds of philanthropy and charitable giving.

- **Build Infrastructural Organizations to Support the Development and Growth of the Third Sector in China**

Most third sector organizations in China are small and young. Very often they lack resources, information and skills to manage the growth of the organizations. Despite the good work they are doing, it is difficult for them to grow and make a bigger impact. Many organizations feel they are struggling on their own and lack support. Building good infrastructure and support organizations can be helpful to the development and growth of the organizations and the whole third sector. Associations for organizations with the same characteristics can provide capacity building to these organizations and provide a platform for experience sharing and peer learning. Associations and support organizations can also give individual organizations a stronger voice and bring about a bigger change collectively. In the US and Canada, grantmaker associations at the local and national levels support growth and

development. The Council of Foundations, together with the Charles Stewart Mott Foundation, played an instrumental role in the development of community foundations in the 1980s. Through technical assistance, capacity building and a challenge fund for endowment building, community foundations in the US experienced fast growth. LIN Center in Vietnam was established in 2009. Although not a community foundation, it is a leader in serving the nonprofit organization sector and building capacity in Ho Chi Minh City. With a similar young third sector and fast economic development as the backdrop, the Chinese third sector can draw from LIN's example and develop its own support organizations.

- **Promote and Advocate for Legal Reform**

The slow development of the third sector in China is partially because of strong government control and unfavorable legal regulations from the past. Although changes are taking place to favor the development of the third sector, there is still a lot of room for improving the regulatory environment, tax incentives for giving and so on.

In China obtaining legitimacy through official registration is one of the most important factors in the development of non-governmental organizations. The official registration status determines the organization's ability to fundraise, obtain resources and gain public trust and credibility. However, regulations have made it very tough for organizations to officially register.

Chinese tax policies are not very favorable in encouraging giving. Only a handful of charitable organizations related to the government enjoy tax-exempt benefits. Most nonprofit organizations and foundations are still required to pay taxes like any other normal businesses. There are also no tax incentives for individual giving. There is no policy that allows taxpayers to deduct their income tax through giving to approved nonprofit organizations, a measure that has proved to be a very successful incentive in North America.

To promote and advocate for changing regulations and policies to favor development of the third sector may seem a slow and long process in China, but with the current willingness of the government to promote civil society, it is not impossible. There are already changes in the policy to ease the registration process for nonprofit organizations. In the long run, a favorable legal environment will be one of the keys for a strong and vibrant third sector in China.

- **Promote Accountability and Transparency in the Third Sector**

Building accountability and transparency in the third sector can help the sector gain public trust and thus strengthen its own development. As a relatively young sector in China, there is no standard practice or mechanism to develop accountability and transparency. A lot of small organizations are not even aware of their responsibility to be accountable and transparent to the community. Government, support organizations and nonprofit organizations all can play a part in making a more transparent and accountable third sector. Government can create government-mandated requirements for philanthropic institutions like requesting regular activity reports and audited financial statements. Support organizations in the field can develop mechanisms and standards that are acceptable to the community, nonprofit organizations and government. Philanthropic organizations themselves can develop practices to advance their own transparency, for example publishing annual reports that provide programmatic and financial information.

- **Institutionalize the Organization**

Many grassroots Chinese nonprofit organizations are started by one individual or a group of individuals who are passionate about a cause or an issue. The founder's personality and charisma is the soul of the organization. In a lot of cases the public equates the organization with its founder. Problems created by this phenomenon are the governance of the organization and succession. Institutionalizing the organization and building a strong board of directors for governance are vital for the survival and credibility of many organizations.

- **Engage Youth in Philanthropy**

In China, philanthropy is not a career option for many youth. Philanthropy and the third sector are viewed to be the work of "rich old ladies" or something to do "when I have money" or "when I retire". These views are not uncommon because many young people do not really know what kind of work third sector organizations do or how to get involved. To build a stronger third sector and the next generation of community leaders, it is important to introduce youth to the field of philanthropy and create an environment that is non-intimidating and facilitates youth involvement. YouthBanks in Europe or youth advisory committees in the US have been good ways to engage youth in philanthropy. And experience suggests that empowering youth and focusing on issues that are important to them are some of the key factors to keep youth involved. Youth can be engaged from an early age in different ways. The Beautiful Foundation started philanthropy education with Korean children and youth in different age ranges, for example, through age-appropriate activities. By creating an environment that makes philanthropy easy to understand and fun to participate in, the seed of philanthropy is planted in young people. And young people will bring that seed with them when they grow up and wherever they go.

- **Building Bridges and Partnerships: Collaboration with Government**

In the Chinese context, collaborating with the government is the key to affecting large-scale change and transferring good work to a bigger platform. There are some misconceptions in the Chinese third sector that as a non-governmental organization, you should not work with the government. However, if you want your good work to benefit not just one school, but 100 schools in the city, government can help you achieve this goal. More and more organizations realize that government involvement can ensure the long-term sustainability of positive changes organizations effect. Working with the government may be difficult and slow: bureaucracies are change-averse and even the most forward-thinking government officials are conservative in taking risks. However if you can demonstrate your good work and find the pulse of the government, the payoff can be great.

A challenge in working with the government is to find the balance between the organization's independence and a good relationship with the government. Chinese government is very strong. It is one of the reasons why changes can happen fast with the government's support. On the other hand, organizations need to be cautious about the government's influence on their missions and direction.

- **Building Bridges and Partnerships: Partnership Within the Third Sector**

While Chinese third-sector organizations have started working with the public sector and private sector, partnerships within the third sector have been less successful. Some of the reasons are that many organizations are in competition for the same donors and resources; many organizations do not have the capacity to manage the logistics of partnerships; and there is a lack of supporting organizations to bring organizations together to learn from each other and share experiences. Of course as discussed in the previous section, partnerships need to be used carefully, and partnerships should be formed with careful planning as to compatibility, logistics and cost. If formed appropriately, a partnership is useful for building organizational capacity, expanding networks and developing a bigger project to produce

change on a larger scale. Many Chinese nonprofit organizations work on the same issue within their own territory. Their work is great, but the impact is limited. Chinese organizations should learn to step out of their comfort zone, let go of the differences and work together to bring about a bigger change.

- **Sustainability of the Third Sector**

The constant worry of nonprofit organizations in China is whether they have enough funding to keep their doors open. The lack of funding is one of the main reasons why organizations cannot hire professional staff, build bigger projects and do more work as they would like. Fundraising takes up too much of the staff's time and effort. Sometimes organizations have to compromise their missions to win over donors. Sustainability is a topic Chinese nonprofit organizations need to think about in the long run.

The endowments model provides community foundations with financial security and independence. Many organizations abroad tackle the funding issue by choosing social entrepreneurship, which allows them to be self-sufficient. Chinese nonprofit organizations need to explore and find ways that suit their own characteristics and development.

- **Possibilities for Community Foundations in China**

There is no community foundation in China. However looking at the general social environment, there are great opportunities for and challenges facing the possibility of community foundation development in China at the government policy and community levels.

Government Policy Level

In recent years, the Chinese government started to recognize the roles that the third sector plays in the community. With rapid economic development, the society is facing pressing social issues that it has never faced before. Governments realize that they cannot solve all the problems and that they may not be best situated to do so. Community-based organizations on the other hand are from the community and know community issues well. With this development, government is now opening up a space for the third sector to develop and welcomes collaborations with the third sector.

The change in the policy is slow, but it is happening. The official registration process for nonprofit organizations and foundations is easier now. There are fewer restrictions on third sector development. And government is thinking creatively to partner and support the third sector's development, by outsourcing social services to community organizations, making grants to community organizations and building bridges between the third sector and the private and public sectors, for example. With this openness and willingness to try, the government and the third sector are in an important period during which to build trust.

However on the challenge side, the government still does not let go of its control despite its partnership with the third sector and the support it provides. It's a big step for the Chinese government and unless it feels totally comfortable with the sector's development, the government will remain actively involved in the sector. Also, there are no rules and regulations to encourage philanthropy. Very few NGOs can give tax-exempt receipts for donations and there is no tax incentive for individual giving.

Community Level

Philanthropy is rooted deeply in Chinese culture. Helping a neighbor, contributing collectively to a village event, and the like are behaviors that are part of everyday life. However, institutionalized philanthropy is a new concept. It takes time to create this culture and trust. Since the founding of the People's Republic of China, government has been taking care of everything. People tend to stand aside as observers of community issues rather than as active agents of change. With more social issues emerging and government's new movement of "small government, big society", people are starting to want to engage with their own community, and make positive changes.

The challenge also lies in community engagement. The general perception of philanthropy in China is that it is either too far out of the reach of ordinary people or that people cannot see the impact of philanthropy around them. There is also the trust issue. The strength of a community foundation lies in its community base, community support and engagement. Community is the most important factor which must be present before realistically exploring possibilities for adopting such a model. Besides the general social environment, it would also be interesting to explore the application of the unique characteristics of community foundations in China's foundation field.

Permanent Endowment

There are two kinds of foundations in China, public foundations and private foundations. According to China's regulation, ¥8 million (equivalent to US\$1.2 million) are required to start a public foundation, and the starting fund for a private foundation is ¥20 (equivalent to US\$3.1 million). Public foundations must spend no less than 70 percent of their annual income on charitable projects. Because of the regulation, most funds raised by public foundations are project-based, and 70 percent of the funds must be spent in the same year. Although public foundations have their initial funding as a permanent fund, it is difficult for them to continue building an endowment.

In the case of building an endowment at a US community foundation, it is important to have the community's trust and understanding of the practice. In a country where needs are huge and pressing, putting money aside rather than using it to address immediate needs will be a challenge. In the US bequests are one of the major sources for endowments. Community foundations work with lawyers, financial advisors and estate planners to advise people to include community foundations in their wills. However, in Chinese culture it is difficult to talk about death. It is bad luck to discuss death and anything related to it. Culture poses another obstacle to endowment building.

Geographically-Focused

Most foundations in China are issue-focused rather than geographically-focused. Although foundations may reside and work in a certain geographical area, most foundations focus on particular issues. For example, the popular issues for Chinese foundations are education, poverty elevation, health, youth and children. There are very few foundations that focus on one community with the mission of improving the quality of life of people in the community.

Donor Service

Donor service is a new concept. Most foundations in China raise their funds through public fundraising and corporate support. There is no work with financial advisors, lawyers and estate planners to cultivate and advise donors on planned giving. With the current fast economic development and growth of personal wealth, foundations should look into this area for funding rather than through public fundraising, which places foundations in direct competition with other nonprofit organizations for limited pool of resources.

The foundation field has grown rapidly over the past few years in China. There were 1,369 foundations in total in China by the end of 2007. Newly set-up foundations like Nerada Foundation and the One Foundation have taken innovative and bold steps in addressing community issues and supporting the development of the third sector. Whether or not a third-sector organization is a community foundation, community leadership is the key. Chinese foundations have slowly taken on leadership roles in the community. The best practices of the community foundation model and its roles in leadership will help the development of the Chinese foundation field.

Section 6: Conclusion

Third-sector development is relatively young in China, however enthusiasm for third-sector development is high. Communities are facing some serious social issues due to rapid economic development. Citizens are increasingly aware and willing to engage with civil society. The Chinese government is recognizing the new roles played by the third sector and is willing to open up space for the development of the third sector and to collaborate. All these factors present great opportunities for the development of the sector.

The third sector should seize the opportunity to demonstrate its strength and to build trust in the community. It is a good time for foundations and nonprofit organizations to step up and demonstrate leadership, to focus on relevant community issues and to collaborate with the public and private sectors to affect bigger change. At the same time, strengthening organizational development, building accountability and credibility are crucial to the sustainability of organizations.

Building a stronger third sector is a huge undertaking. It takes time, collaboration, the common efforts of the sector itself and the support of the government, community and the general public. However, as Chinese society is heading forward, a strong third sector will be the key to a harmonious and inclusive society.

Appendix 1: Case Study Matrix**Examples of Leadership Roles of Community Foundations**

	Community Engagement	Building Bridges	Supporting nonprofit organizations	Building next generation leaders	Source of Information
Berks County Community Foundation		Convening; Farm Land Preservation Program		Youth advisory committee	Website; site visit
Community Foundation for Northern Ireland	Grant selection board; VOICES program	Building Bridges for Peace Building; From Prison to Peace program	Technical assistance to YouthBank development in the region	YouthBank	Website; interviews: Jude McCann and Vernon Ringland
Brooklyn Community Foundation	Do Gooder campaign; library challenge grant	Promoting science education; NYC Haitian Community Hope & Healing Fund	Micro grants to help establish nonprofit; capacity building for nonprofit		Website; site visit; interview: Philip Li
Long Island Community Foundation		Sustainable Long Island Initiative	Incubating new organizations & technical assistance		Site visit; website; phone interview: Vanessa Greene
Community Foundation for Greater Atlanta	Donor engagement				Reading
Dade Community Foundation			Advocate for the nonprofit sector		Reading, "Beyond Money & Grantmaking"

Community Leadership Matrix (Non-community Foundation organizations in the field)

	Community Engagement	Building Bridges	Supporting Nonprofit organizations	Building Next Generation Leaders	Notes
BrazilFoundation (public foundation)	Engaging the donor communities in NYC and Brazil	Building bridges across sectors	Workshops for grantees to develop capacity		Website; site visit; interview: Leona Forman
Charles Stewart Mott Foundation (private foundation)		Building partners and collaborations	Technical support for community foundation development		Readings "Sowing the Seeds of Local Philanthropy" by Mott Foundation
Fondazione Cassa di Risparmio di Padova e Rovigo (Italian bank foundation)	Investing in the community	Convening to combat difficulties in economic recession	Grant for capacity building for nonprofit organizations		Interview: Thomas Bastianel

Appendix 2: Leadership Roles Demonstrated in Non-community Foundation Organizations in the Field

This section looks at how organizations that are not community foundations take on a leadership role to achieve greater impact either through grantmaking or non-grantmaking strategies. BrazilFoundation demonstrates leadership in diaspora philanthropy as a public foundation registered in the US. Charles Stewart Mott Foundation, a private foundation, provided grant and technical support to build a stronger third sector. An Italian bank-origin foundation uses its resources to tackle pressing social issues.

Example 1: BrazilFoundation

BrazilFoundation is a nonprofit organization that was established in 2000 with the goal of generating resources for social entrepreneurs who propose creative and innovative solutions to challenges faced by communities throughout Brazil. Over the years, BrazilFoundation has supported 208 projects, including small- and medium-sized social organizations in 24 Brazilian states through an annual project selection, in the areas of education, health, human rights, participatory development and culture.

Community Leadership: Engaging the Community

As a diaspora philanthropy institution, BrazilFoundation works in two communities. It raises funds from the Brazilian community in New York City and makes grants to organizations in Brazil to support development in the local community. BrazilFoundation believes in building confidence and trust in both donors and grantees.

- **Engaging the Grantee**

BrazilFoundation engages the community through the whole process of grantmaking and project implementation. Once a year the foundation calls for projects. Before the final selection is made, the Rio office of BrazilFoundation conducts site visits to all finalist projects. The staff also discusses with applicants their project ideas, project implementation and management and organizational capacities and limitations. After grants are awarded to selected grantees, grantees will receive 50 percent of the total grant money. There is an intermediary review when grantee organizations need to submit reports on the progress of the project, including achievements and challenges along the way.

In 2010, BrazilFoundation received over 1000 grant applications, from which 50 applications were selected. The Foundation staff visited all 50 projects and ultimately made grants to 20 projects. One of the principles that BrazilFoundation believes in grantmaking is that they must meet and engage with the community that the projects serves and understand the community's needs and the impact the project will have. How the project will engage the community is also a very important criteria for a successful grant.

- **Engaging Donors**

BrazilFoundation reaches out to the Brazilian community in New York City to raise funds. Most Brazilians living in New York feel a tie to the home country, however being far away, it is difficult to keep up to date about the country's needs and developments. BrazilFoundation takes the initiative to build the connection and relationship between Brazilians in New York City and the home community.

The foundation organizes ongoing talks around development in Brazil. Community leaders, philanthropist and Brazilian corporations are invited to talk about development, business, and social issues in Brazil. Through these talks, the foundation hopes to build a channel for Brazilians in New York City to connect with Brazil and understand the issues, needs and thoughts of the local population.

The foundation also focuses on building relationships and cultivating potential donors. The foundation develops relationships with local businesses, corporations and individuals to engage them in the discussion of social issues and grantmaking. The foundation created a project bank consisting of grant applications that the foundation receives but is not able to fund. The project bank facilitates wider giving. Many individuals and corporations have funded projects through the project bank and have found it to be a very satisfying experience. The foundation also works with young Brazilians who study or work in New York City. The foundation engages them in talks and discussions or as volunteers of skills and time with the foundation. Many of them become supporters of the foundation and potential donors in the future.

The foundation has held an annual fundraising gala in New York since its founding ten years ago. It is a major annual fundraising event. It is also the perfect platform for engaging the Brazilian community to come together and celebrate. Besides fundraising, the gala invites donors, NGOs from Brazil and leaders in philanthropy, business and government. The gala also honors three to four people who made outstanding achievements in the philanthropy field in Brazil. Many Brazilian individuals and corporations in Brazil are engaged in the efforts too. In 2010 the gala raised over US\$2,000,000, an amount that enabled BrazilFoundation to start an endowment fund to ensure a stable and sustainable future for the foundation.

Community Leadership: Technical Support to Grantee Organizations

Besides working with the grantee organizations on grantmaking and project, BrazilFoundation also offers workshops that help local NGOs grow, develop skills and build stronger organizations. Every year, BrazilFoundation offers workshops on the following themes: project administration, organization management, internal communication skills, and external communication skills.

Nonprofit sector development in Brazil is relatively new. Many Brazilian NGOs have great ideas, have identified community needs and have developed innovative projects. However, many of them are underfunded, lack resources, and most importantly lack professional management and leadership skills to build sustainable organizations. Recognizing these needs, BrazilFoundation provides technical support for their grantee organizations beyond grantmaking. It believes that by empowering the organizations through capacity training, the foundation can go much further and do more good in the community.

Success story:

A centenary band in Nazare Da Mata received a US\$15,000 grant from the BrazilFoundation in 2009. The band used the grant for purchasing instruments, training musicians and improving performance installations. Through the improvement, their presentation became more appreciated as demonstrated by the increase in their income during Carnival to R\$40,000 from as little as R\$200. The band's identity and organization were strengthened, thereby increasing its visibility. The band also participated in the foundation's training workshops. Through the workshop, they learned to use computers and the Internet for funding information and resources. As a result, they successfully applied for other grants and awards and raised an additional R\$120,000 in a year. They also received an award from the national culture ministry and became a national point of culture.

Community Leadership: Building Bridges Across Sectors

BrazilFoundation offers its expertise in the nonprofit sector to advise corporations and institutions seeking to strengthen the impact of the organizations they support. Through building partnerships between the private sector and the nonprofit sector, BrazilFoundation seeks to bring together different community stakeholders to tackle social issues.

BrazilFoundation provides an extensive range of services to help connect the private and nonprofit sectors. It helps the private sector with social program assessment; methodology for project organization and selection processes; budget advisory; and project monitoring services and reporting. The foundation also prepares nonprofit organizations to work with the private sectors. It provides training programs and workshops in organizational planning, management, and institutional communications. BrazilFoundation acts as a bridge to convey information about strengthening the social investments of public and private companies and for institutional development issues faced by the nonprofit sector.

BrazilFoundation has successfully helped organizations such as the Inter-American Foundation, HSBC Bank, the HSBC Instituto de Solidariedade, VALE and Furnas develop projects with nonprofit organizations.

Example 2: Charles Stewart Mott Foundation

The Charles Stewart Mott Foundation was established as a private grantmaking foundation in 1926. The mission of the Mott Foundation is to support efforts that promote a just, equitable and sustainable society. The Mott Foundation's programs focus on four main areas: civil society, environment, the Flint area and Pathways Out of Poverty (www.mott.org).

Leadership is fundamental to the Mott Foundation. This section looks at the leadership role the Mott Foundation undertook in the development of community foundations. Mott Foundation has supported community foundation development in the US and around the globe for over twenty years. Based on "Sowing the Seeds of Local Philanthropy," a report published by the Mott Foundation (2001), the foundation invested US\$72.4 million over two decades in hundreds of national and international projects in the field. The following section examines Mott Foundation's leadership role in the following areas in the development of community foundations

- Building a stronger third sector through capacity building
- Programmatic initiatives
- Building partnerships and collaboration

The data and examples in this section are based on the Mott study "Sowing the Seeds of Local Philanthropy."

Community Leadership: Building a Stronger Third Sector Through Capacity Building

In the late 1970s Mott Foundation first funded a few community foundations as a way to strengthen the nonprofit sector. The foundation focused on the development of organizations capacity and infrastructure.

- Capacity Building: Nuts and Bolts

In 1981, the Mott Foundation and Council on Foundations (COF) jointly started the Technical Assistance Program. Mott made grants totaling US\$2.4 million to COF from 1982 to 1996, which reached almost 200 community foundations. Mott awarded an additional US\$4.9 million in direct challenge grants to 54 community foundations participating in the technical assistance program during the same period.

The Technical Assistance Program provided one-on-one consulting with experts and professionals in the field to community foundations. Community foundations learned how to design and develop staff, boards, donors, endowments, grantmaking programs and marketing strategies. During the same period, and until 1995, dozens of foundations received Mott grants—ranging from US\$45,000 for over two years to US\$100,000 for over five years—for administrative expenses, endowment building or re-granting. Although the money was not enough to meet all expenses, it allowed foundations to grow and develop quicker than they would have otherwise. Challenge grants enabled many foundations to reach out to living donors and to engage the community. The program built a platform to enable experience sharing and peer learning. A mentoring scheme was developed where successful leaders in the field were paired with those who were new or struggling. Mott has also asked former community foundation grantees to serve as mentors to emerging and struggling foundations elsewhere to help expand the field around the world. Many community foundations experienced fast growth during the period and said the program prepared them to receive substantial support from other funders, such as the Ford Foundation and Kellogg Foundations.

- Capacity Building: Board and Staff

As more community foundations were established, Mott saw an increasing need to provide specialized training for board and staff. Together with COF, they launched the Organizational Development Assistance (ODA) program.

This program focused on increasing the understanding and involvement of board members in decision making through facilitated sessions. Dozens of community foundations participated in the program. Many foundations said they were transformed, and some of their board members indicated that it was the first time that they really understood their community foundations' operations.

Community Leadership: Programmatic Initiatives

One of Mott's best-known programs has been the Community Foundations and Neighborhoods Small Grants Program (NSGP), which ran from 1984 to 1994 and provided challenge grants and technical assistance totaling US\$6.4 million to 21 US community foundations.

Mott took risks and leaped into uncharted territory when it designed a program to strengthen neighborhoods by distributing grants to community foundations, which re-granted the money to grassroots groups, many of which did not qualify as nonprofit groups by federal tax standards. The program enabled many community foundations to have substantial interactions with people from poor neighborhoods. It helped influence other community foundations to work with low-income groups. NSGP provided hands-on consulting and administrative money. It also included a challenge grant component to encourage community engagement.

Mott grants to community foundations typically ranged from US\$15,000 to US\$80,000 annually for four or five years, and they were still having major ripple effects five years after funding had ceased. "The results of the program were so strong that the original Mott grantees have recruited others to form a

continuing network of community foundations focused on building capacity for grassroots neighborhood activity,” said the staff officer.

Community Leadership: Building Partnerships and Collaboration

The Mott Foundation is a leader and advocate in collaborations and bridge building. Mott always partners with other organizations in big initiatives to pool resources and expertise to create a bigger impact in the community. For example, Mott joined several other private foundations and the federal government in 1994 to form the National Funding Collaborative for Violence Prevention, which today supports eleven community foundations nationwide in efforts to address the causes of violence within their communities.

Beginning in 1997, Mott made grants to the Council of Michigan Foundations (CMF) to provide technical assistance, help build environmental endowments and re-distribute funds for environmental grants to shoreline community foundations through the Great Lakes Community Foundation Environmental Collaborative. The collaborative was comprised of eighteen individual foundations in the United States and Canada, said Shelia Leahy, CMF’s consultant for the collaborative. “This program is confirming that donors are interested in supporting environmental funds and that community foundations have a vital role in convening their communities on environmental issues,” she said.

In 1999, Mott partnered with the Ford Foundation to create the Intergroup Relations Program to improve race and ethnic relations between minority residents who have lived in communities for years and recent immigrants who are joining their communities. The three-year initiative aimed to support multi-racial coalitions to make lasting changes in neighborhoods.

Through partnering with other organizations and using the community foundation as a re-granting tool, the Mott Foundation focused attention on compelling issues and leveraged each partner’s strength to make a bigger impact in the community.

Example 3: Fondazione Cassa di Risparmio di Padova e Rovigo (Bank Foundation of Padova, Italy)

Fondazione Cassa di Risparmio di Padova e Rovigo (aka “Fondazione Cariparo”) is one of 88 Italian foundations of banking origin. Based in the northeastern region of Italy, it was created in 1991 with an endowment totaling €2.5 billion. Fondazione Cariparo is the seventh largest foundation in Italy. It serves a community of more than 1,200,000 people, and its grantmaking is focused on five sectors: research, education, social assistance, arts and culture, health and environment. In 2010 Fondazione Cariparo awarded grants for approximately € 50 million.

Community Leadership: Building Bridges in the Community

When the financial crisis hit in 2009, the economy and employment was affected greatly. Many people lost their jobs, and many families experienced financial difficulties. The recession affected the lives of people in the community greatly.

As a matter of policy, the foundation normally does not make grants to individuals. However, the foundation decided to take action in a time of crisis. The foundation also saw that to address this issue it should involve different stakeholders in the community. The foundation convened a meeting with the mayor of the city, president of the county, bishop of the province and president of the local chamber of commerce to discuss the issue and to find a solution. As a result of the meeting, Solidarity Fund, which amounted to €1 million was established. The foundation contributed €500,000 and the city government, the county, the church and the local chamber together contributed a total of €500,000 to

the fund. A working committee was set up to manage the Solidarity Fund. Each of the organizations contributed to the working committee. Volunteers from the church would work in the community to review applications, assess the needs of the people, manage the selection process and make recommendations to the committee. Two staff members from the foundation and one person from each of the other organizations managed the allocation and accountability of the fund.

The fund was set up to run for a year. However, at the end of one year, the committee decided to extend the project period. To date, the total amount of grants awarded is €2,322,000 benefiting over 1,360 people. One hundred fifty-five volunteers were trained and involved in the grant proposal assessment and evaluation. Besides financial assistance, job trainings and orientation services were also offered to help people get back on their feet.

Community Leadership: Developing the Nonprofit Sector

The foundation supports annually the Service Center for Voluntary Organizations. The foundation makes a €1 million grant to the center every year. With support from the foundation, the center provides services to nonprofit organizations. The services the center provides include consultation on establishment of an organization, toolkit on fundraising, board development, organization management, etc.

The foundation holds regular discussions with organizations in a particular field. Through these discussions, the foundation hopes to gain a better understanding of the needs of the community and to provide better services to community organizations.

Community Leadership: Investment in the Community

One of the main focuses of the foundation is the support of scientific research. The foundation believes that research is the key to future development of the region. Through research findings, the community can innovate; thus provide better opportunities in employment and the economic and social development of the community. Since the government is cutting back on spending in research, the foundation has taken up the leadership role in the field for the future of the community.

Resources Consulted

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