

Community foundations are most effective in addressing challenges in a specific locale, and can also serve as a link between national level donors, and grassroots civil society organizations

Catalyzing Community-Level Development: The Role of Community Foundations in Egypt

Heba Abou Shneif, December 2015

Egypt Network for Integrated Development

Policy Brief 034

Introduction

Within the rubric of community engagement and community self-sufficiency is the Community Foundation movement that is gaining traction in light of the strategic role such an institution can play on the community level. Built on trust, community initiative and resources, there is increasing evidence that Community Foundations are more effective in addressing challenges in a specific locale, and can also serve as a link between national level donors, and grassroots CSOs (civil society organizations).

Despite a handful of community foundations operating in Egypt, this model can make a promising contribution to the development outcomes and the philanthropic landscape in Egypt.

WHAT IS A COMMUNITY FOUNDATION?

A Community Foundation is a genre of philanthropic institution that is citizen led and whose role is to mobilize community resources towards goals and projects as identified by the communities themselves - thereby contributing to the common good. While not exclusive, the main mechanism that Community Foundations employ is grant-making to Civil Society Organizations (CSOs).

Community Foundations, also referred to as “place based foundations”, are growing rapidly worldwide with an equally notable visibility in terms of success stories and good practices. Currently, there are an existing 1,839 identified foundations by the Community Foundations Atlas. Around 70 foundations are created each year¹, and between 2000 and 2014 the number of Community Foundations has more than doubled². While originating in the United States, the movement has emerged in other parts of the world, such as in Western, Eastern and Central Europe, Canada, Mexico, and South Africa. In Germany alone, Community Foundations are showing rapid growth with 77 created since 2010³.

In the Arab region, there are a few examples of community foundations operating, notably the North Sinai Community Foundation and Waqefeyat El Maadi in Egypt, and the Dalia Association in Palestine. Arguably, they are the closest philanthropic model that mimics the Western inspired Community Foundation model. However, while not referred to as Community

¹ Hodgson, J., Knight, B., & Mathie, A. (2012). *The New Generation Community Foundations*. Coady International Institute.

² WINGS. (2014). Infrastructure in Focus: A Special Look at Organizations Serving Community Philanthropy. Retrieved from: http://wings.issuelab.org/resource/infrastructure_in_focus_a_global_picture_of_organizations_serving_philanthropy

³ Ibid, 2014.

Foundations per se, there also exist community based charities and CSOs that can qualify as such.

WHAT DISTINGUISHES A COMMUNITY FOUNDATION?

Since the establishment of the first Community Foundation in the US in 1914, foundation practices have emerged and evolved in 69 countries for which data exists⁴. Even though the global discourse on Community Foundations is still evolving, and there is much debate about which organizations qualify, a definition based on characteristics rather than naming is the preferred approach so as not to miss out on relevant local based philanthropies⁵. Thus, according to the literature, the main distinctive features of Community Foundations are as follows⁶:

- They are citizen-led and built on trust shared among local community members.
- Activities undertaken are shaped by local communities and mostly respond to a social justice objective.
- They are based on mobilizing community assets and resources.
- They are mainly grant-making organizations but do comprise of hybrids that both implement and execute their programmes as well as provide grants.
- They raise money from the public, and channel funds to other community based organizations.

There is also significant diversity in Community Foundations when it comes to missions, nature of operations, organizational forms and sizes, which provides significant room for lesson learning and improvement.

a. Mission & Areas of Focus

Community Foundations are usually created in response to a social justice call and a community driven agenda. Guided by social justice objectives and diverse community needs, the areas and sectors which Community Foundations choose to support are varied. In India, the Ahmedabad Community Foundation aims to build trust between Muslim and Hindu communities through cultural activities. In Mexico, the Fontera Norte Community Foundation works to promote

⁴ Community Foundation Atlas. Retrieved from <http://communityfoundationatlas.org/facts/>

⁵ Community Foundation Atlas. (2014). Dimensions of a Field: An In-depth Analysis of the Community Foundation Movement. Retrieved from: <http://communityfoundationatlas.org/facts/>

⁶ Hodgson, J., Knight, B., & Mathie, A. (2012). *The New Generation Community Foundations*. Coady International Institute.

socially responsible youth leaders who are civically engaged in their communities⁷. Waqfeyat El –Maadi, in Egypt, was created in 2007 with the purpose of reviving and modernizing Awqaf (religious philanthropic endowments) in two urban districts in Cairo (Helwan and Maadi)⁸. FC Oaxaca Community Foundation in Mexico works to promote economic self-sufficiency by working with impoverished rural communities on income generation projects⁹. The first Community Foundation in Russia –the Togliatti community foundation – was established with the mission of strengthening philanthropic culture and practices, and supporting the creation of local community foundations in Russia.

Broadly speaking, Community Foundations tend to be heavily engaged in education, health and basic service provision. Arts and culture, environment, economic development (i.e. job training, entrepreneurship), conflict resolution, advocacy and strengthening local governance are also focus areas where they strive to make a difference.

b. Nature of Operations & Activities

As mentioned earlier, most Community Foundations undertake grant-making programmes, either based on their own pool of resources or through re-granting. In the latter, the Community Foundation becomes an intermediary between large organizations/national level donors and community based organizations. Grant-making to community based organizations is a particularly important contribution, since grassroot organizations are often resource constrained, and their resources are stretched between fundraising and operations. By championing grassroot organizations, Community Foundations alleviate a heavy burden and contribute to their sustainability.

Waqfeyat El Maadi in Egypt offers grants to civil society organizations to start small and micro projects targeting charity-dependent beneficiaries (Gerhart Center, 2013). Other community foundations execute their programmes in house. With community participation, the Ahmedabad Community Foundation of India has undertaken the task of preserving a monumental Sufi shrine, the Sarkhej Roza: a fusion of Muslim-Indian architecture that symbolizes the co-existence between Muslim and Indian cultures. The Northern Ireland

⁷ Berger, R. Bermudez, D., and Collard, P. (2009). Mexico Community Foundations: A Comprehensive Guide. Teamworks/ Alternatativas y Capacidades.

⁸ Gerhart Center. (2013). Giving in Transitions and Transitions in Giving. Cairo: Gerhart Center for Philanthropy and Civic Engagement. Retrieved from: <http://schools.aucegypt.edu/research/gerhart/rprogram/Documents/PSE.pdf>

⁹ Berger, R. Bermudez, D., and Collard, P. (2009). Mexico Community Foundations: A Comprehensive Guide. Teamworks/ Alternatativas y Capacidades.

Community Foundation works to bridge the Protestant-Catholic divide, through the provision of a convening and networking space for actors across the divide to work together in support of the community.

Community foundations also work on skills development and providing capacity building services to the community and civil sector, in addition to advocacy in public policy.

c. Community Foundation Sizes

Community Foundations come in different sizes, with the majority having an endowment, although some of them consciously choose not to build an endowment. Their endowments range from a 3 digit to a 9 digit level. Drawing on the results of a survey of 478 foundations from 52 countries, the smallest endowment size for a Community Foundation for which data exists is the British Lincolnshire Community Foundation at USD \$ 4 K¹⁰. At the other end of the spectrum is the Tulsa Community Foundation in Oklahoma in the United States which has an endowment of USD\$ 3.73 billion and annual grant-making capacity of USD \$ 110.51 million¹¹.

Community Foundations tend to be typically small if full-time paid staff is the criteria used. Volunteering from community members might be an explanatory factor. For instance, 137 out of 839 organizations surveyed have only one paid staff member¹². At the other end, 16 of the foundations surveyed have 51+ staff, with one foundation having 280 employees (the highest number reported)¹³.

The size of the Board is another indicator of size, where 75% of foundations surveyed had 16 or fewer board members¹⁴.

THE VALUE THAT COMMUNITY FOUNDATIONS BRING TO THE DEVELOPMENT AGENDA IN EGYPT

There is a growing consensus that being geographically focused has its many benefits. Locally embedded organizations are best positioned to deliver results and achieve impact through a better understanding of community dynamics and context related challenges/opportunities; having closer relationships with community members which builds trust in interventions and stronger ownership; being on the ground which allows for close monitoring of interventions to gauge effect and impact. Especially in the social investing space, local organizations are more

¹⁰ Community Foundation Atlas. Retrieved (from <http://communityfoundationatlas.org/facts/>)

¹¹ Ibid, 2015.

¹² Ibid, 2015.

¹³ Ibid, 2015.

¹⁴ Community Foundation Atlas. Retrieved from <http://communityfoundationatlas.org/facts/>

responsive to community needs and the most effective development work is usually conducted by organizations that are rooted and embedded in the communities they serve¹⁵.

Locally inspired and owned - one way in which community foundations stand out from other philanthropic institutions - is that they are citizen-led or “a new force driven by ordinary people rather than by wealthy people”¹⁶, it is structurally based on mutual responsibility and ownership, giving it relatively stability by not being reliant on single source of funding or support.

Being entrenched in local communities, Community Foundations are more able to keep a finger on the community pulse, and give voice to the local community that is often lost in the hierarchal and highly bureaucratic systems of centralized governance¹⁷. By understanding community dynamics and needs in any given point in time, they are better positioned and more agile than national or international non-governmental organizations to respond to the community.

Community foundations also bring considerable promise to the sustainability of local development interventions, as sustainability is also more likely to be achieved if the project or intervention is community run. Sustainability is often compromised in the context of donor driven participatory development models where much of the initiative and traction is taking place through a top-down approach. In externally driven development interventions, experience attests that when funding runs out or the project comes to closure, communities show no interest in assuming the effort even if there is clear cut evidence of benefit¹⁸.

The development agenda in Egypt is fraught with many challenges including the sheer weight of the state and the still centralized budget allocation process; the budget austerity and administrative constraints of local government; the fragmentation of civil society and its over-competition over funding; that external civil society funding is subject to government scrutiny and constraints; and the prevalence of a state centric model of development where quantitative outputs drive the development process rather than context specific and qualitative outcomes. In the pursuit of social justice, and the servicing of underprivileged communities in a timely manner, it becomes necessary to seek out and learn from models that have the capacity to link top to bottom interventions – often in the shape of grants - so as to transform societies

¹⁵ Berger, R. Bermudez, D., and Collard, P. (2009). Mexico Community Foundations: A Comprehensive Guide. Teamworks/ Alternativas y Capacidades; D. Balfour. (2015). Doing Good Great. Geneva Global.

¹⁶ The new generation of community foundations (P 12).

¹⁷ Fuller, E. 2014. Australian community foundations as community voice: Influencing a more locally responsive and effective allocation of resources. Center on Philanthropy and Civil Society. Accessed 5 Dec 2015: http://www.philanthropy.org/resources/documents/EmilyFuller_Australiancommunityfoundationsascommunityvoice.pdf

¹⁸ D. Balfour. (2015). Doing Good Great. Geneva Global.

at the grassroots through empowerment, mobilization and partnership. The Community Foundation model can serve as the missing middle ground and champion for local development by inspiring and supporting community initiatives and interventions.

PROPOSED COURSE OF ACTION TO PROMOTE COMMUNITY FOUNDATIONS

Even though long practiced, the Community Foundation - as an emerging field of study - is nascent. For Community Foundations to be promoted and well-understood among wider society, there needs to multiple faceted interventions that build foremost on academic, civic sector and government engagement and contribution.

Empirical evidence indicates that one of the best predictors of the growth of community foundations in a given context is the number of support infrastructure organizations¹⁹ serving and promoting them²⁰. Services that infrastructure support organizations can provide include promoting the concept of community philanthropy and communicating its value to the public and government; offering capacity building services; resource mobilization for grant-making; promoting an enabling environment and codes of practice; facilitating peer-to-peer learning and promoting partnerships with other sectors like government²¹. For Egypt and the Arab region, there is already a regional and international infrastructure to build on. Regionally, organizations like the Gerhart Center for Philanthropy and Civic Engagement²² and the Arab Foundations Forum²³ play the role of infrastructure support organizations for foundations. Internationally, the Worldwide Initiatives for Grantmaker Support (WINGS)²⁴, and the Global Fund for Community Foundations²⁵ support both the global and local movement of community foundations.

¹⁹ A Community Philanthropy Infrastructure Organization: is an organization serving community philanthropy. These organizations typically represent one of 3 types: 'membership organizations' (includes 'associations' of donors and grantmakers); 'support organizations' (have professional staff that deliver services to a range of philanthropies); and 'networks' (rely heavily on peer-to-peer exchange and learning and do not necessarily have formal membership structures or professional staff to service them). (WINGS, 2014).

²⁰ WINGS. (2014). Infrastructure in Focus: A Special Look at Organizations Serving Community Philanthropy. Retrieved from:
http://wings.issuelab.org/resource/infrastructure_in_focus_a_global_picture_of_organizations_serving_philanthropy

²¹ Humphreys, G. (2008). The Role of Support Organizations in Spreading the Community Foundation Concept. In P. C, Hero and P. Walken Hosrt (Eds.), *Local Mission–Global Vision: Community Foundations in the 21st Century* (PP 95-117). Foundation Center: New York.

²² <http://schools.aucegypt.edu/research/gerhart/Pages/default.aspx>

²³ www.arabfoundationsforum.org

²⁴ www.wingsweb.org

²⁵ www.globalfundcommunityfoundations.org

Policy-makers and legislators have a critical role to play in creating an enabling environment for the development and growth of Community Foundations. As an initial first step, educating policy-makers and parliamentarians about the characteristics and the unique role that community foundations can play, for example, in the Egyptian context, is needed. When more awareness and interest is gauged, capacity building and exposure to good practices in legal frameworks that encourage and support the establishment and operations of foundations should follow.

Uniquely positioned, national foundations – as a countrywide umbrella - can play a catalytic role in supporting a Community Foundation movement. One way this can take place is through the creation of community foundation affiliates. For example, the national King Baudouin Foundation in Belgium has supported the creation of affiliated regional Community Foundations in a number of rural areas²⁶ in Wallonia and West Flanders²⁷. Another way national foundations can support Community Foundation growth is by providing start-up or challenge grants. Fundraising for start-up and organizational development can be daunting tasks for any starting Community Foundation. The approach adopted by the Esmee Fairbairn Foundation - a privately based foundation in the UK - was to provide a challenge grant. The foundation disbursed a GBP 1 million grant to ten Community Foundations providing them with GBP 100,000 in operational core cost support each, thus giving them room to build assets over a three year period. Eliminating pressure on the Community Foundations to fundraise for core cost support and focus on endowment building was the main contribution of this grant²⁸.

Sometimes, government grants can also complement this process in which Community Foundations can be given start-up financial support. In the UK, for example, the Community Trust Development Unit was setup to encourage the formation of Community foundations, with start-up support to pilot areas²⁹. Specialized media also has a role to play. For instance, voluntary sector press coverage can help build the profile of Community Foundations among practitioners, civil society, and the wider public by introducing the model and stimulating a conversation³⁰.

Challenges

²⁶ Belgium is divided into 3 main regions (Flemish, Walloon and the Brussels capital region).

²⁷ Feurt, S., & Sacks, E. (2001). An international perspective on the history, development and characteristics of community foundations. *Building Philanthropic and Social Capital: The Work of Community Foundations*.

²⁸ Humphreys, G. (2008). The Role of Support Organizations in Spreading the Community Foundation Concept. In P. C, Hero and P. Walken Hosrt (Eds.), *Local Mission—Global Vision: Community Foundations in the 21st Century* (PP 95-117). Foundation Center: New York.

²⁹ Humphreys, G. (2008). The Role of Support Organizations in Spreading the Community Foundation Concept. In P. C, Hero and P. Walken Hosrt (Eds.), *Local Mission—Global Vision: Community Foundations in the 21st Century* (PP 95-117). Foundation Center: New York.

³⁰ Ibid, 2008.

Community foundations are an experimental field. In Egypt, for example, it will take time and patience to more widely introduce and implement the practice of Community Foundations. One example of a thriving beginning to Foundations in general is Egypt's Sawiris Foundation for Social Development, which although national - nevertheless has capitalized on the maturation and emergence of Foundations globally, as benchmarks and reference points for development actors in Egypt.

In Egypt, a further challenge is to address the diminishing culture and practice of pious endowment building (Waqf). This can be called an institutional precursor to the concept of Foundations, whereby property (usually) is endowed to the nation by private citizens for a particular purpose. The scheme is administered through the religious establishment. Reviving the practice of Waqf, for which Egypt has a long history, should take place in parallel to the further development of Foundations, given many similarities. To date, however, the practice of grant-making, is not well understood or widely practiced in Egypt, with the exception of bilateral and multi-lateral donors and the rare national foundations.

Community Foundations hold the promise of unleashing community initiative and resources towards community development and the common good. As such, they constitute a growth tool that relies on social participation and involvement at a fundamental level usually beyond the reach of central government, whilst very much within the reach of local communities. With Community Foundation practices successfully emerging and maturing in other contexts than Egypt, there are many lessons to be learnt from which Egypt can adopt and adapt to in its quest for societal cohesion.