



# THE CASE FOR Community Philanthropy

How the Practice Builds  
Local Assets, Capacity,  
and Trust—and Why  
It Matters

From Kenya to India to Slovakia to Brazil, residents have improved schools, created jobs, empowered citizens, strengthened organizations, and mobilized donors.

How did these communities do it?

They turned to community philanthropy.

# A Local Practice, Spreading Globally

**In Slovakia**, the Banská Bystrica City Foundation is Eastern Europe's first community foundation. Although it began through the World Health Organization's Healthy Cities project, it now has a pool of local donors and has shifted its strategy to citizen-led initiatives. The foundation supports groups that assist the city's street children, has helped create organizations that aid the local Roma community, operates a Youth Bank to engage younger residents in philanthropy, and—in what its executive director, Beata Hirt, once called its greatest success—"has demonstrated to local citizens that they have enough energy and capability to solve their problems by themselves."



**In Brazil**, the Instituto Comunitário Grande Florianópolis, or ICom, was created by local activists to strengthen fragile community-based organizations. ICom's work is striking for many reasons. They mobilize local donors to invest in community development. They map community assets and spotlight local issues. They promote innovative uses of technology for social good. And they are making the community foundation concept work in Brazil. "We've learned that we first need to stimulate a culture of systematic giving," says Anderson Giovanni da Silva, ICom's executive director. "Then we provide the tools to help community organizations, individual donors, companies, and government work together."

**In Kenya**, an organization called the Makutano Community Development Association (MCDA) has a long list of achievements, including constructing nine dams and 17 wells and developing 10,000 acres of fertile land. While these outputs are impressive, what is remarkable about the story is how the organization has built the capacity of residents to control their own development. Raphael Masika, a local leader who was instrumental in MCDA's formation, explains the organization's commitment to building long-term community capacity this way: "People in Kenya aren't poor because they lack resources, but because they lack knowledge on how to use their resources."

**In India**, more than 5,000 residents across 50 villages came together as members of the Prayatna Foundation. Under the principle of "local ownership of local problems," they mobilized residents, mostly Dalit and Muslim, to contribute their time, food, money, and other resources to successfully advocate for human rights, housing, employment, government accountability, and social justice. The organization has developed the skills of local leaders, forged connections between Hindu and Muslim communities, and promoted the power of collective action. "When we go alone, they do not listen to us," says one member, "but we are always heard when we go together."

## A Solution on the Rise

Across the globe, citizens are bringing the practice of community philanthropy<sup>1</sup> to life in ever-evolving ways. They are creating and governing new organizations that raise and give local money and other assets. They are customizing programs to fit community needs and increase awareness about local issues. They are convening community leaders, strengthening civil society, and planning for the long term.

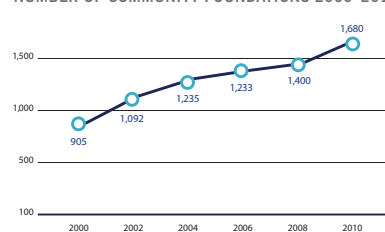
Community philanthropy organizations are multiplying. Between 2000 and 2010, one type—community foundations—grew by a remarkable 86%, with an average of 70 institutions created every year.<sup>2</sup> A number of factors have been cited to explain this growth, including organizations supporting development of the practice, a flexible organizational model, long-term funding, and expanding efforts to build civil society across the globe.

While community foundations are the most popular form of community philanthropy, new kinds of organizations are pushing the boundaries of the practice. “Over the last several years, there’s been a newer wave of community philanthropy organizations,” says Halima Mahomed of TrustAfrica. “They are organic, rooted in context, not wedded to a particular concept, and they don’t tick the boxes of someone else’s notion of community philanthropy.”

At its core, community philanthropy taps into the drive of local people to help each other, a naturally occurring asset found in all societies and cultures. Indeed, many practitioners liken the practice to a communal impulse as much as an organizational form.

Given that community philanthropy is uniquely able to channel that impulse into lasting local institutions, and has the flexibility to be customized to local circumstances and personalized to local donors, it’s no wonder that communities are taking an interest.

NUMBER OF COMMUNITY FOUNDATIONS 2000–2010




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“There has been a shift in terms of how community philanthropy is practiced in developing nations. It’s moved from the North American fixation on donor needs and is much more flexible. The **INNOVATION** is coming from Africa, Asia, and Latin America.”

**AVILA KILMURRAY, THE COMMUNITY FOUNDATION FOR NORTHERN IRELAND**

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<sup>1</sup> As described in *The Value of Community Philanthropy*, a series of 2010-2011 conversations among practitioners and funders developed a “definition by characteristics” of community philanthropy, including that it “is organized and structured,” “is self-directed,” “functions as open architecture,” “builds civil society,” “uses local money and assets,” and “seeks an inclusive and equitable society.” The report, commissioned by the Aga Khan Foundation USA and the Charles Stewart Mott Foundation and written by Barry Knight, is available at <http://www.mott.org/files/publications/thevalueofcommunityphilanthropy.pdf>.

<sup>2</sup> See *The 2010 Global Status Report on Community Foundations*, prepared by Worldwide Initiatives for Grantmaker Support (WINGS).

# The Logic of Community Philanthropy

Communities are turning to community philanthropy in part because the practice leads to good development outcomes. According to Jenny Hodgson of the Global Fund for Community Foundations, there is a powerful logic behind community philanthropy, a set of if/then hypotheses about how it can create results that matter to residents, funders, and practitioners:

- If people feel like they're co-investors in their own development, then they care more about the outcomes.
- If residents bring their own assets to the table, then the power dynamics are more equal so that it's a partnership, not a traditional donor-beneficiary relationship.
- If local people govern and give to community philanthropy, then local recipients have to be accountable in ways that build social capital.
- If community philanthropy institutions can act as repositories of different kinds of trust and assets, then they can drive development in effective ways.

Community philanthropy practitioners and supporters have identified three building blocks of the practice:

## ASSETS

Community philanthropy builds and deploys local assets—financial and otherwise. This is why individual and institutional donors consider it such an effective path to sustainability, growing a resource base for work on community issues. Use of local assets, engagement of local donors, and frequent use of perpetual endowments all allow community philanthropy to strengthen civil society over the long run.

## CAPACITY

Community philanthropy organizations develop long-term capacity in the form of the relationships, knowledge, infrastructure, and leaders essential to civil society—capacity that shorter-term approaches can't duplicate. In particular, community philanthropy is an effective way to strengthen citizen voices and participation. And it is well-positioned to help organizations adapt to changing conditions, new local priorities, shifting donor interests, and leadership opportunities.

## TRUST

Through homegrown governance and transparent funding decisions, community philanthropy builds residents' trust in their local institutions and each other. This social capital strengthens civil society. It sparks engagement. It creates a sense of local ownership of the development process. And it enables community philanthropy organizations to effectively convene, inform, and mobilize residents in ways other organizations often cannot.

# A Path to Good Outcomes



## A Call to Action

A growing number of funders, practitioners, and advocates have begun to explore ways to strengthen and grow community philanthropy globally as a development strategy, philanthropic practice, and community force.

To grow its reach and impact as an effective development practice, community philanthropy requires support. Such support must be based on the needs of communities, with careful attention to what is happening on the ground, and must not be driven by outside agendas.

The call for support is backed by research. For example, the *WINGS 2010 Global Status Report on Community Foundations* found that the best predictor of new growth in community foundations between 2008 and 2010 was the presence of national or regional organizations supporting the development of these foundations earlier in the decade.

And it is backed by a sense of opportunity. Community philanthropy has proven to be effective and compelling across a variety of geographic and cultural contexts. It is time to help it become a mainstream development strategy. As technology makes it easier for outside donors to give money to distant communities, local philanthropy organizations are needed to shape and leverage those investments. With the practice poised to improve and grow, now is the time to take action.

“We have worked on civil society for a long time. When people do things for themselves, those programs have been the most **SUSTAINABLE**. Leadership, financial resources, and voluntary support are all sustained.”

MIRZA JAHANI, AGA KHAN FOUNDATION

“In certain places the only way to have an effective intervention is for people to come **TOGETHER** themselves. We need a way in which communities can be activated and mobilized and brought together.”

TADE AKIN AINA, THE CARNEGIE CORPORATION

“Step by step we are becoming a source of information and **KNOWLEDGE** about the community.”

LÚCIA DELLAGNELO, INSTITUTO COMUNITÁRIO GRANDE FLORIANÓPOLIS

“We are going in on the shoulders of individuals the **COMMUNITY** knows and trusts.”

FELECIA JONES, BLACK BELT COMMUNITY FOUNDATION

“We wanted to **TRANSFORM** the community from within.”

MARWA EL DALY, WAQFEYAT AL MAADI COMMUNITY FOUNDATION

# How Can We Help the Practice Flourish?

Advocates are exploring a number of questions as they develop strategies to grow the field:

- How can we provide more opportunities for peer-to-peer networking and knowledge exchange among community philanthropy practitioners?
- How can we advance understanding of the practice through research, evaluation, and communications?
- What are effective ways to help emerging community philanthropy organizations get a foothold?
- How can outside funders support community philanthropy while minimizing the “outside-in” dynamic that can hinder such efforts?
- What kind of international infrastructure could fund experiments, develop tools, raise funds, map assets, convene leaders, create networks, and strengthen practices?
- How can we build a global movement for community philanthropy?

“It’s a challenge for outside funders investing a lot of money to expect programs to be sustained. From our experience, the work does continue when you’ve supported community philanthropy. **IT WORKS.**”

SHANNON LAWDER, C.S. MOTT FOUNDATION

“Community philanthropy provides room for experiments. We are small but **FLEXIBLE**. We can fill gaps. It is about experimentation and being entrepreneurial.”

JAN DESPIEGELAERE, COMMUNITY FOUNDATION WEST-FLANDERS

“We were arguing that just (building) a well is not enough, because that isn’t the development. The **DEVELOPMENT**, we were arguing, is the story behind the well....Did you build local capacities? Did you change attitudes? Did you help the community to think differently?”

MONICA MUTUKU, FORMERLY OF THE KENYA COMMUNITY DEVELOPMENT FOUNDATION

“Through community philanthropy, **LOCAL ACTORS** can own their development.”

MARYANNE YERKES, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

## Join the Work!

Several organizations have partnered to launch an alliance of community philanthropy supporters to answer these questions and strengthen the field. They invite you to join them.

For more information about the alliance, please contact:

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