



**Welcome** to the first Global Fund for Community Foundations e-bulletin of 2009! In this issue we turn our attention to the response of community foundations around the world to the effects of economic crisis – the current global crisis that we are all facing as well as other less large-scale past and ongoing crises whose effects have been felt in individual countries and regions. With grantees in almost forty countries and partners and collaborators in many more the GFCF has a unique vantage point when it comes to collecting, and sharing stories and linking experiences from the emerging and dynamic global field of community philanthropy. It is often the individual stories of how individual organizations respond to the events and circumstances in their communities that can provide the flash of insight or inspiration – even, solidarity - to others.

## **News from the Global Fund for Community Foundations**

### **GFCF awards 6<sup>th</sup> round of grants**

The Global Fund for Community Foundations is pleased to announce its latest round of grants, awarded in December 2008. A total of U.S. \$227,000 has been awarded to 18 organizations in 16 countries including the LIN Foundation, an emerging local grantmaker in Ho Chi Minh City, Vietnam, the Community Foundation for South Sinai which serves a largely Bedouin community, the Lurdes Mutola Foundation in Mozambique a public foundation established by the country's most famous sportswoman, and three grants to the emerging community foundation sector in Ukraine. This brings the total amount of grant funding awarded by the GFCF to \$1.8 million, to 97 organizations in 38 countries. For a full list of grants [click here](#)

## **Special Feature: The Global Economic Crisis – the impact on community foundations worldwide**

The crisis hit all countries with no exceptions and all sectors of the society and as an organization engaged in the development of institutionalized community philanthropy GFCF also wanted to explore how the overall crisis affected operations of community foundations in various parts of the world and attempt to share the measures taken by different organizations in hard situation.

The ramifications of the current global economic crisis are being felt in every corner of the world and the philanthropic sector is no exception. Recently one GFCF grantee partner, a community foundation in Russia lost in excess of \$60,000 when the bank in which they had invested all of their assets collapsed. They are not the first and will not be the last organization to experience this kind of financial loss, but what makes their story remarkable is the response of the foundation's management; their positive attitude in the face of what many might see as nothing but a disaster. Proactive and optimistic, they took this as a valuable lesson in investment strategy (in particular, alternatives to a cash endowment) and launched a citywide publicity campaign aimed at exploring new avenues of funding among a broader base of donors, such as small local businesses, which might previously have been regarded as "low priority".

Even if the circumstances in which community foundations find themselves are not as extreme as those described above, things are certainly going to be tough, it seems. According to the **Community Foundation Insights November White Paper [“Making Informed Decisions in Uncertain Times”](#)**, CFs’ assets in 2009 are predicted to be down by 10% on 2007 levels.

### **Veterans of economic crisis**

The [Togliatti Community Foundation](#) was registered in March 1998, only months before the Russian financial crisis of August 1998. When asked what measures the foundation had been forced to take during this period, Director Boris Tsirulnikov said that although cuts had been made to the foundation’s organizational budget, it had managed to maintain all of its grantmaking programmes by securing additional funding from its founders, including Charities Aid Foundation. In the face of this current crisis, Boris said that the foundation would be using income from its endowment to cover administration costs. Other ways of curbing costs and stretching resources will involve integrating programmes that have financial resources with programmes that do not. Boris emphasised the importance of developing strong relationships with private and individual donors and of actively involving the board of trustees in future fundraising strategies.

Another community foundation that has lived through unparalleled economic crisis is the [Community Foundation for the Western Region of Zimbabwe](#), which was launched in 1998 with contributions from 50,000 community members in Western Zimbabwe and whose Director is Inviolatta Moyo. Zimbabwe has seen a steadily deteriorating economic situation since 2001 (it most recently launched a Z\$100 trillion note which is worth about US\$30). Things have not been easy for the foundation which has been able to cover its administration costs from property and other fixed assets it owns. Internship positions were also created as a means of bolstering staff numbers while keeping expenditure down. At the community level, as the crisis has steadily encroached on all aspects of everyday life, people have become increasingly reliant on local and traditional ways of meeting daily needs. As conventional medicines became scarce and costly, for example, people have turned to local herbs for the treatment of minor ailments.

### **Drawing on alternative resources**

The [Fundación Comunitaria Oaxaca \(FCO\)](#) emerged during the 1994 Mexican economic crisis as a vehicle for dealing with Oaxaca’s rapidly intensifying social and economic problems. FCO is only too familiar with the contradictory demands that such crisis can place on philanthropic institutions when, as resources become scarcer, the scale and volume of needs increases. In response to this current crisis, FCO has decided to strengthen its board by recruiting individuals who have the capacity to donate personally to the fund as well as the ability to acquire funding through other means. At the same time the foundation will “tighten its belt” by reducing overheads and investing in new equipment only when absolutely necessary.

Romania is one of the poorest countries in Europe, but has also been one of the continent’s fastest growing economies in recent years. The presence of many multinational companies which created employment opportunities during the economic boom, now threatens widescale job losses. Philanthropy in Romania is therefore at real risk of being affected. The [Cluj Community Foundation](#) are looking at using non-financial resources to greater effect, such as drawing on the CF’s role as a convenor and the opportunities for networking and the sharing of valuable resources like information that this provides. In a time of crisis, a community foundation can find that the creativity, innovation and dedication of its staff and volunteers can become its most precious asset.

[Odorheiu Secuiesc Community Foundation, Romania \(OSCF\)](#) is also increasingly turning its attention towards capitalising on their human resources. The 'Kalaka' programme will involve the local community themselves in fundraising, the idea being that 'everyone gives something'. This has been proven to work in the past, when a mix of public engineers and local citizens spent over 1,000 hours renovating 6 public playgrounds. By displaying similarly public results of community driven efforts, it is hoped that the Kalaka project will impress prominent local individuals and philanthropists and in turn attract donations.

### **Light at the end of the tunnel**

There is no question that the months ahead will be difficult for community foundations and other local philanthropic institutions worldwide. However, Chris Worman of OSCF believes that 'riding out the storm is a matter of creativity and good attitude. As any fundraiser knows, believing in yourself is the first step towards a donor believing in your mission'.

The trusting relationships that community foundations are so well placed to build with local people and donors may mean that these are the organizations that are increasingly looked to in a time of crisis. For example, when the economic situation meant that a local electricity company was exercising greater caution in selecting partners for setting up a school and kindergarten, it was Cluj CF's strong local reputation that saw them selected to implement the project through their 'present for the future' programme.

On the other side of the Atlantic, the U.S.-based [East Tennessee Foundation](#), which serves largely rural communities managed an unprecedented \$100,000 in year-end grants to 19 organizations in response to the emergency needs in all 25 counties in its service area. These additional resources were raised in several ways. Starting with the foundation itself, staff came together to make a list of ways in which costs could be cut in the office and staff and board all made their own contributions. The foundation also made special requests of fund-holders and other donors to help it respond to the current crisis by approving the reallocation of funds for grantmaking (grants of around U.S. \$3-\$5k). Finally, the foundation increased technical assistance to non-profits around board development, fundraising etc. as a means of providing encouragement and business advice during these difficult times.

Of all those individuals and institutions approached for this bulletin, one common theme emerged around the importance of foundations going "back to their roots", to the people or organizations which had been founders or core supporters from the very beginning. Another common strategy seems to be that of developing relationships with individual funders, at a time when institutions are increasingly difficult to penetrate, when philanthropic resources are cut and private companies are bent on their own survival. The **Community Foundation Insights November White Paper** emphasises the necessity of reducing operating costs across the board, with areas such as information technology expenditures, as well as other aspects such as travel, administration and salaries likely to be most affected. Community foundations the world over will however be able to find ways around such setbacks, such as increasingly favouring conference calls over face-to-face meetings, and there will be opportunities for organizations to grow and develop in ways that reach beyond bank balances and endowment funds.

### **We would like to thank the following people for their contributions to this article:**

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***Do you have a story to share about your foundation's response to the financial crisis, or some of the new problems or opportunities that difficult economic times bring about for community philanthropy? Send stories to: [info@wings-globalfund.org](mailto:info@wings-globalfund.org)***

## **Community philanthropy news update**

### **Community foundations in Latvia**

Latvia's Community Foundation Movement (CFM) has two new members, the Liepaja Regional Community Foundation and Tirza Parish Community Development Association. This brings the total number of members to six. 2008 saw the end of the work carried out by the Baltic – American Partnership Program (BAPP) in Latvia. BAPP was established in 1998 and over a ten year period it provided \$15 million in grant aid to the Baltic region.

To read the CFM newsletter, please [click here](#)

### **Rural Development Philanthropy Collaborative meet in Pocantico**

A group of 30 community philanthropy practitioners and supporters came together for a two-day meeting at the Pocantico Conference of the Rockefeller Brothers Fund in New York, January 21<sup>st</sup> – 23<sup>rd</sup>, to explore ways to create an established practice of rural development philanthropy as a sustainable and growing force for positive change in rural communities worldwide. Participants represented a diverse range of organizations including the Nebraska Community Foundation, the Foundation for the Mid-South, the Aspen Institute in the United States, while international participants included the Fundación Puma in Bolivia, the Kenya Community Foundation and the Global Fund for Community Foundations: the meeting was convened by the Center for Rural Strategies. This was the third time the RDP Collaborative has met since October 2007. For a full report of that first "Donors Ourselves" convening in Wye River, Maryland [click here](#)

### **Center on Philanthropy and Civil Society**

In May 2008 the City University of New York's Center on Philanthropy and Civil Society completed an evaluation of its International Fellows Program, entitled 'Building Capacity in the Global Third Sector'. It provides an in depth analysis of fellowship philanthropy.

To read the evaluation, please [click here](#)

### **Community Foundations of Canada Conference sessions available online**

Missed the Community Foundations of Canada Conference in November? Take a look at the "visual rendering" of the event by artist Avril Orloff, who captured the key themes and highlights of the conference plenaries on paper using words and pictures. The graphic recordings are available [here](#).

Presentations from the conference's concurrent sessions are also now available for download.

### **Intermediaries help drive Community Philanthropy**

According to a new report by independent think tank Policy Exchange, intermediaries like community foundations are of the utmost importance in community philanthropy. 'Building Bridges: Philanthropy strengthening communities' focuses on the work of community foundations and the needs of specific local areas.

Please [click here](#) to read the Policy Exchange report

## **EFC Annual General Assembly and Conference 2009: registration now open**

Registration for the European Foundation Centre's Annual General Assembly and Conference 2009 has commenced. This year's event, entitled "Fighting Poverty. Creating Opportunities", will be hosted in the Italian capital of Rome from the 14 to the 16 May.

For all information regarding registrations and the event itself, please [click here](#)

## **Calendar**

### **The 2009 Africa Grantmakers Affinity Group (AGAG) Annual Retreat, 23-25 February, Chantilly VA, USA**

The theme of this conference is 'Connecting Knowledge: Education, Health, and Civil Society'. It was chosen to emphasize the importance of health and education in building healthy communities and sustainable solutions. The retreat will also explore the important role that civil society organizations play in advocating for change and accountability. On the agenda are included presentations, discussions and group work. The retreat will allow for networking as well as reflection and sharing knowledge.

For more information about the retreat [click here](#)

### **Institute of Fundraising's 'Fundraising in an Economic Downturn - Surviving and Thriving' Conference, 26 February, London UK**

This conference offers you the opportunity to learn from experts and other organisations in the sector about fundraising strategies that deliver survival and stability. Keep up to date with the latest thinking and trends, be inspired and get fresh ideas to stay positive and sharpen your approach to fundraising in these uncharted waters.

For more information [click here](#)

### **The Centre on Philanthropy's 'The Power of One' Bermuda's 2<sup>nd</sup> Third Sector Conference, 27-28 February, Bermuda**

The conference will provide a key learning and networking opportunity for all nonprofit community stakeholders – donors, charities, faith-based organizations, volunteers, and social activists. Speakers include Lord Michael Hastings, Global Head of Citizenship and Diversity at KPMG, and Ron Ancrum, President of Associated Grantmakers.

Please [click here](#) for further information

## **Coming up in the next GFCF e-bulletin...**

**Special focus on community foundations and climate change.** What role can community philanthropy institutions play in addressing complex environmental issues and increasing environmental activism at the community level? If you have a story or experience you would like to share on this issue, or other news and comments, please contact us at [info@wings-globalfund.org](mailto:info@wings-globalfund.org)