

The outcomes of consultation activities and research on Community Foundations and Community Philanthropy in the Philippines



Association of Foundations
Quezon City, Philippines
July 2008



The Global Fund for Community Foundations (GFCF) seeks to strengthen and promote institutions of local philanthropy around the world so that they can realize their potential as key players in the development process. The GFCF makes small grants to develop the capacities of community foundations and other local philanthropic institutions which are grantmakers and which raise funds from local sources.

In late 2007, the GFCF embarked on a process of incubation aimed at mapping out its future as an independent entity. As a first step in the GFCF's incubation, a study was commissioned which presented some key questions and issues that would need to be addressed if the GFCF was to realize its goal of becoming a valuable and sustainable resource for the community philanthropy sector globally. One of the recommendations of the study was that there should be wide-ranging and serious consultation with all constituencies of the GFCF in the incubation process.

To that end, the GFCF made a series of grants to in-country partners to support regional consultation processes in several key regions in which community foundations and local philanthropy are developing.

A primary objective of the regional consultations was to ensure that a diverse range of people connected with community foundations, philanthropy and community development had the opportunity to participate in discussions regarding the state of local philanthropy, the role of community foundations a secondary objective of these consultations was to the was to develop a clearer picture of the current state of community foundation and local philanthropy development.

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1 Background

Established in November 1972, the Association of Foundations (AF) is the Philippines' first heterogeneous network of foundations and non-governmental organizations (NGOs) and is engaged in programmes across a range of areas including education, arts and culture, science and technology, governance, social development, micro-finance, environment, and sustainable development. Over more than three decades of service, the AF has focused on information management, maintaining databases of foundation profiles, trends and best practices in development work, and institution and capacity building opportunities. The AF acts as the steward of the Philippine Foundation Center (PFC) – Southeast Asia's first one-stop resource and information center on Philippine NGOs, foundations and the civil society sector – which matches needs and resources in ways that benefit and strengthen the not-for-profit community throughout the Philippines.

The community foundation concept was first introduced to the AF at the WINGSForum 2002 in Sydney, Australia. To adapt the concept to the local context, AF first needed to clarify what it is that differentiates a community foundation from the NGOs and foundations typical to the Philippines. A Philippine NGO is typically an operating and implementing organization, and not a grant-making institution. Its funds are sourced mainly from external donors rather than local or community sources and its board of trustees usually consists of NGO leaders, who do not necessarily represent the full range of stakeholders within the community in which the NGO operates.

With the above points in mind, the AF has defined a community foundation as “a private, non-stock and non-profit institution, which mobilizes local resources for grant-giving within a defined geographical area” and displays the following key characteristics:

- It operates within a defined geographic area, but is not limited to serving any one field or segment of the local population.
- Its governing body seeks to be representative of the community it serves and recognizes the need for a multi-stakeholder perspective.
- It is active in generating funds from within the local community (local resource mobilization), but does not discount external sources as a means of support.
- It pools the charitable gifts of many donors to establish permanent, income-earning endowment funds that will benefit local communities, and provides grants, mainly from the earnings of these funds, to support a wide range of local initiatives. It can also perform a “linking” role, matching needs with possible sources.
- It is primarily a grant-making organization, although, in some cases, a community foundation may extend loans to spur the local economy. A community foundation does not directly implement projects but it can provide a number of services to its client-communities, such as training, mobilization of funding support from community members and bringing people together from all sectors to identify and address local issues.

The AF facilitated three consultation activities in the Philippines in April 2008. The first (a roundtable discussion) involved seven participants from Pondong Batangan¹, the first Community Foundation in the country, and a number of local NGOs who may either eventually evolve into community foundations or are already in the process of establishing a community foundation.² The second event was a workshop whose participants included representatives from 55 NGOs, drawn from almost every region of the Philippines. The third (another roundtable discussion) brought together eight representatives from ODA agencies and corporate foundations. We had originally planned to hold individual interviews with selected government and donor representatives. In the end this was not possible on account of the busy schedules of the proposed interviewees. Some of the representatives were however kind enough to provide written comments by email, on which we have been able to draw in preparing this report. The report also draws on existing studies of Philippine civil society and local philanthropy initiatives.

Each consultation event began with a brief overview of WINGS, GFCF and the incubation process, and a short presentation on the features of community foundations in general, followed by more specific information on the “Pondong Batangan” community foundation. These presentations provided background for the discussions that followed. Discussion questions focused on community foundations – the concept, roles and functions of these organizations, as well as their strengths and weaknesses, and the challenges that they face. The GFCF itself was not discussed so heavily, largely because most of the participants were unfamiliar with it. Questions were designed to draw out the possible directions that the GFCF might take in the future.

¹ The Pondong Batangan Community Foundation, Inc. (PBCFI) in Lipa City, Batangas was founded by Cardinal Gaudencio Rosales (of the Archdiocese of Manila) when he was Archbishop of Lipa. PBCFI, which was launched in April 2000, was born out of the vision of the Archdiocese of Lipa, which envisions “*a people called by the Father in Jesus Christ to be communities of people enjoying the fullness of life, witnessing to Kingdom of God by living the Paschal Mystery in the power of the Holy Spirit.*” PBCFI promotes a culture of giving through education-formation sessions that are conducted in assemblies, seminars, homilies, catechism classes, ‘komiks’, primers, etc. This allows the community foundation to build up funds from the small contributions of local people practicing Christian Charity. Over the past nine years, PBCFI has built up an endowment fund of some PhP10 million. In recent years, individual giving in the province has raised PhP1.5 – 2.0 million annually. The funds have enabled the community foundation to support projects in four major program areas: social credit/micro finance, educational scholarships (Dunong Batangan), food (Bigasang MSK), and health (Botikang Batangan). In addition, PBCFI supports the Community Advocacy-Organization, as well as capacity building projects.

² Apart from Pondong Batangan, the AF is working with three NGOs that have incorporated some community foundation features into their organizational structure and may evolve into community foundations in the future. The Simbayan ni Maria Community Foundation, Inc. in Taguig (Luzon) is supported by a wealthy family in the community and provides scholarships to less-privileged youth in the community. In Silay and Magalona, Negros Occidental (Visayas), the SIMAG Foundation is governed by sugar-planter leaders in the two communities who contribute liens to the foundation, which then supports livelihood projects and scholarships. The third organization is the Coalition of Social Development Organizations in South Cotabato (CSDO-SC) in Mindanao, a provincial network of NGOs, people’s organizations and cooperatives. CSDO-SC has a small endowment fund and provides small grants and loans to its members. A fourth NGO, the Atikha Overseas Workers and Communities (ATIKHA), is working with other local stakeholders in Laguna province (Luzon) to establish a community foundation.

2 Local Community Philanthropy in the Philippines

The consultation process confirmed that community philanthropy is active in many forms throughout the Philippines. This is consistent with earlier studies, which found that there is a rich tradition of giving among Filipinos³, including formal and informal, individual and group, and family and community giving.

Despite the trend towards urbanization, Philippine households and communities, in both urban and rural areas, still exhibit high levels of social cohesion and solidarity. Households across the Philippines still help each other in various ways – sharing food, donating or lending cash, exchanging labor, providing emergency financial or other assistance, and giving psychological support (e.g., during the death of family members, natural disasters, and in cases of domestic violence). Decreasing financial and material resources mean that circles of assistance are shrinking to include fewer individuals (perhaps just close family), but traditional systems of mutual help do remain active in Philippine communities. In extension of these practices, Philippine communities have demonstrated their willingness and capability to organize themselves for local economic development. Evidence for this can be seen in the abundance of self-help groups, cooperatives, and community-based organizations that have emerged as the focal points for the provision of support within the community. Thousands of these organizations exist across the Philippines and while some receive external support, most do not. The groups are engaged in a wide variety of activities including savings, credit, livelihood, management of natural resources such as forests, land and coastal areas, and (on occasion) disaster relief.

Apart from individual giving (e.g. by well-off family members helping relatives in financial difficulty, by wealthy individuals such as lottery winners, or by Filipinos working overseas), many community groups raise funds for community development projects both from among their members and from external sources.

These include local clubs, tribal associations and ethnic groups, parish pastoral councils and religious groups, cooperatives and self-help groups, family foundations, and

³ The first quantitative research on Filipino philanthropic giving attitudes was conducted by Venture for Fundraising from August 1999 to mid-2000. The household survey, which was conducted in seven different provinces and cities throughout the Philippines, revealed a high incidence of giving among survey respondents, a basic openness to charitable giving that reinforces the conventional wisdom that Filipinos are helpful and neighborly. It also affirms the culture of cooperation (*bayanihan*) that is still very much a part of their lives. Such cooperation and a readiness to help others are characteristic of pre-colonial communities where neighbors can be relied upon to help move a house or work the land. The fact that the Philippines is a predominantly Catholic country may help explain the propensity to help each other as well as the church. While not formally imposed as a tithe, giving to the church is nevertheless an ingrained obligation that continues to dominate people's giving behavior to institutions. While this appears to be a prevalent behavior, the amounts involved are, in general, modest. A lot of people report that they give to churches and beggars, but they do not give very much. On the other hand, fewer people give to institutions other than the church, but those that do tend to give substantially more. This indicates that there is a potential individual gift market (for NGOs). Given respondents' choices among the possible reasons for their giving, it would seem that donors tended to point to "emotional" considerations rather than those that could be said to be "intellectual" or "rational." It may be that altruism has stronger emotional and spiritual undercurrents than rational ones. The low incidence of giving to non-church institutions is probably due to the neglect of the individual gift market by NGOs dependent on grants and on the charity of a few rich individuals. The high incidence of direct giving to persons underscores the highly personalized nature of Philippine society. People hesitate less when they are asked to give to relatives and friends in need. It also reinforces that observation that people give more readily (whether to institutions or persons) when they are asked by someone known personally by them. (Investing in Ourselves: GIVING AND FUNDRAISING IN THE PHILIPPINES, Venture for Fundraising. 2001. Pasig City, Philippines)

neighborhood associations. In the Philippines, community philanthropy is based upon communities of interest, whether these are defined by faith, ethnicity, family, or other interests. The needs it addresses are ad hoc, issue-based, specific and short-term.

There also exists a system of “sister communities”, whereby communities in other countries (e.g. Japan) raise funds to support development projects in a “sister community” in the Philippines. These efforts are mediated by representatives of the foreign communities who are regular visitors to the Philippines. The relationships are long-lasting but informal and require high levels of trust to be maintained between the donor and recipient communities.

In recent years, diaspora philanthropy (the practice of Filipinos working overseas sending funds to their communities of origin), has been the subject of many studies⁴. Diaspora giving by overseas workers takes many forms, ranging from highly informal means to much more structured systems.

The forms of community philanthropy discussed above are suited to the purposes they serve and to addressing immediate, short-term community needs, as well as providing disaster relief assistance. Community philanthropy groups are focused (because of a common interest), understand the local situation (they are often based in the community), and highly motivated (representing a quick way to raise funds and provide a rapid response to issues).

Despite their obvious strengths, these community philanthropy initiatives also have a number of perceived weaknesses. In most cases, these organizations do not operate within a formal structure and therefore lack functional systems for monitoring and accountability. This has helped to create a situation where most of the projects supported are both short term and ad-hoc. Sustainability is also hampered by the fact that resource mobilization is often limited to the community philanthropy group and its members. Levels of transparency and in turn of trust can be low and groups may even be viewed with suspicion by the wider community. This in turn further erodes credibility and lessens the potential to mobilize resources. The absence of a formal structure can also lead to poor governance: in the majority of cases, it is simply whoever donates the most (or has the loudest voice) who dictates the strategic direction and operations of the local philanthropy effort.

Diaspora philanthropy is also not without its down side. This method of giving can create dependency among the beneficiaries of support from overseas workers, as well as “donor fatigue” among the workers themselves.

⁴ In a May 2007 study, Garchitorena noted that, “At present, Filipinos can be found in 193 countries and in major ocean-plying vessels as merchant marine crew. Government statistics show that there are an estimated 8.1 million Filipinos abroad – nearly 10% of the population – as temporary contract workers, permanent residents, and undocumented migrants. This figure, however, is widely believed to be understated. . . . From 1990 to 2005, the Philippine central bank reported over US\$80 billion in (OFW) cash remittances. In 2006, remittances reached US\$12.6 billion, roughly 10% of the GDP 2006. . . . The countries with the largest numbers of Filipino permanent residents are the United States, Canada, and Australia. In the United States alone, there are reportedly 2 to 2.5 million Filipinos with a median family income of about \$60,000. The five states with the largest populations of foreign-born Filipinos are California, Hawaii, New York, New Jersey, and Illinois. . . . In addition, it is estimated that there are approximately 1.5 million undocumented Filipino migrants living primarily in the United States, Malaysia and Singapore. Temporary workers number about 3.4 million and are found primarily in Saudi Arabia, Japan, and Hong Kong.” (Diaspora Philanthropy: The Philippine Experience, Victoria P. Garchitorena, President, The Ayala Foundation, Inc. May 2007. Prepared for The Philanthropic Initiative, Inc. and The Global Equity Initiative, Harvard University)

3 **Perceived advantages of Community Foundations in the Philippine context**

The AF has been working to promote the establishment of community foundations in the Philippines since 2002 and these efforts have now begun to bear fruit. Community foundations in the Philippines are still in their infancy, but are definitely emerging: a number of local NGOS (1 in each of the 3 major Philippine regions of Luzon, Visayas and Mindanao) have begun the process of transforming themselves into community foundations.⁵

Notwithstanding their unfamiliarity with the community foundation concept, participants of the GFCE consultations expressed enthusiasm and support for the further promotion of community foundations in the Philippines. Consultation participants recognized the potential of community foundations to address the shortcomings of local philanthropy, while serving as sustainability mechanisms for the community development efforts of NGOs.

One major benefit that it was felt community foundations could bring is the renewal of community spirit. Community Foundations increase awareness of needs within the community, thereby promoting a culture of giving. They can also increase volunteerism among community members and facilitate the emergence of strong and representative community leadership. Since they themselves have supported the community foundation, local residents develop a sense of pride in and ownership of the organization.

Furthermore, residents who have made contributions are keen to receive information on how these have been used, thus giving the community foundation a strong impetus to develop a culture of transparency and accountability. The impact of this can move beyond just the operation of the foundation itself and may even influence practice in other areas of community life, such as the operations of NGOs and donors, or even the procedures around local government spending. The community foundation may also support initiatives that encourage citizens' participation in these other aspects of community life.

A community foundation can also serve as a catalyst to bring about multi-sector support and to leverage funding from a broad base. Businesses, civic groups and LGUs (local government units) are among the range of funders that have contributed to community foundation supported programmes such as community drugstores. The presence of a community foundation can also attract the assistance of celebrities to raise funds for projects in their communities of origin.

Donor fatigue among overseas Filipino workers may provide a stimulus for the transition of informal local philanthropy into more formal institutional forms, such as community foundations. Community foundations would then become the institutional expression (and sustaining agent) of local philanthropy.

⁵ See footnote 2.

NGOs and have criticized the high level of control that donors can currently exert over the use of funds used to implement community development activities.⁶ We would expect that the emergence of community foundations will reduce excessive donor intervention by providing a local forum of development stakeholders and an alternative source of funds. At the same time, community foundations will also be able to enter into joint funding arrangements with external donors.

⁶ In the mid-80s during the Aquino administration, a number of ODA donors established funding windows that provided *responsive* funding to NGOs. *Responsive funds* are resources that support activities initiated by the NGOs themselves, together with the participating communities. In the mid-90s, *responsive* funding declined in favor of *contractual funds*, which are provided by government agencies (who are recipients of donor funds) for NGOs to carry out certain activities that have been pre-determined by the funds holder. The distinction between these two types of funds is important. When an NGO accepts *responsive funds* from a donor to support a particular project, ownership of the project clearly belongs to the NGO (and the participating community). It is an entirely different situation when an NGO accepts *contractual funds*. In this case, the ownership of the project belongs to the funds holder (or its representative) and the NGO is essentially a contractor of services. The NGO then assumes the role of a for-profit, private consulting firm. In sub-contracting arrangements, NGO involvement is often limited to just one of the many components of the project – broadly-defined as “social preparation” – and it is constrained to work within a limited time frame, under a rigid structure, and often with little or no involvement in overall project management or policy decisions. As a result, the major strengths of NGOs – (a) ability to reach, organize and mobilize the poor because of proximity to beneficiaries, basic knowledge of conditions and culture of poverty sectors; (b) ability to articulate and popularize the sentiments of the poor because of their sustained immersion and contact with the lives of the poor and critical stance towards the government; and (c) ability to innovate development approaches and processes because of small-scale and flexible operations – are seriously compromised in a sub-contracting process.

4 Challenges to the promotion of Community Foundations

The above strengths notwithstanding, GFCF consultation participants recognized that there are formidable challenges in establishing and sustaining community foundations in the Philippines. One such challenge is a government bureaucracy that, despite official pronouncements of support for NGO work, places serious obstacles in the way of community foundation development. A case in point is the recent requirement of the Securities and Exchange Commission that a group wishing to form a foundation must have PhP1-million pesos as initial capitalization.⁷

Donors to Philippine civil society groups may prove reluctant to fund community foundations, since they traditionally favor direct project implementers and prefer not to deal with intermediaries. The fact that such donors are “project-orientated” may also make it unlikely that they would be willing to provide funds for endowment, which they may perceive as sub-contracting the management of funds.

Furthermore, it will be difficult for community foundations to thrive in an environment where many donors already operate, particularly if these donors do not appreciate the value of community foundations. In such situations, there will be tension between the community foundation and the donors, or more specifically, between community ownership and donor demands.

Mobilization of local stakeholders to establish and sustain a community foundation requires a strong and credible champion with a vision that can motivate people to take action. Many observers feel that the success of the Pondong Batangan Community Foundation is due largely to its close affiliation with the Catholic Church. Apart from the church, are there other credible champions who can serve as anchors in the establishment and operation of community foundations? At the same time, Philippine experience has demonstrated a number of drawbacks to an organization depending too heavily on one key champion. Drawbacks may include vested interest of the champion and the vulnerability of the organization should this champion withdraw support at any point.

Far from being homogenous, Philippine communities are often made up of contending factions, who are unable to work together, usually because of past (often political) conflicts. This kind of factionalism makes the mobilization of local stakeholders to work for a common goal (such as establishing a community foundation) difficult. If the community foundation becomes closely identified with one particular faction, this may deepen

⁷ The Securities and Exchange Commission (SEC) is the government agency responsible for corporate registration, including the registration of non-stock, non-profit corporations. The SEC does not distinguish between NGOs and other non-stock, non-profit corporations. Apart from granting them a juridical personality, SEC regulation is limited to requiring non-stock, non-profit corporations to submit annual reports. The opinion of one SEC officer is that other government departments are responsible for regulating non-profit entities, for example: the Department of Education is responsible for schools and other educational institutions; the Department of Social Welfare and Development is responsible for social welfare and development agencies; the Bureau of Internal Revenue is responsible for foundations and other donee institutions; and so on. One of the big problems faced by the SEC is the large number of non-stock corporations who do not submit the required annual reports (consisting of audited financial statements and a three-page General Information Sheet). SEC sources estimate that less than half of the 165,000 non-stock, non-profit corporations registered with the Commission (as of May 2003) submit annual reports to the SEC.

divisions and inhibit other sectors and stakeholders from associating with the organization.⁸

Pondong Batangan and the other emerging community foundations in the Philippines have found it difficult to limit themselves to resource mobilization and grant-making, often finding themselves involved in the daily operations of the projects that they fund. While it is true that local implementing capacity for project management is often lacking, this tendency is probably largely due to the “implementing NGO” tradition of these Philippine community foundations.

Finally, community foundation concepts and practices are not widely known. There are no known standards, guidelines, or models. At the same time, Filipinos are notorious for their “wait-and-see” attitude. These inhibiting factors need to be addressed through a continuing information campaign on community foundations that is led by credible champions.

⁸ For this reason, the issue of “representativeness” will be a continuing challenge. In Pondong Batangan, for example, there has been a conscious attempt to increase the participation of lay people in the governance of the foundation through: (a) reducing the role of the archbishop by making him an ex-officio chair; (b) balancing the representation of priests and lay people (7 each on the 14-person board); (c) more recently, taking deliberate steps to increase the representation of women on the board of the community foundation.

5 Priority assistance needed to promote Community Foundations

The first of the key priorities identified by consultation participants was the need for grants for training and other capacity building. Targets for training include volunteers (whose capabilities need to be developed), policymakers, and local officials. The training itself should focus on areas such as financial management, information and communications technology (ICT), and should include among other elements learning exchanges, increased access to and sharing of a range of information and expertise, including community foundation best practices, and the preparation of baseline and feasibility studies.

The second priority identified was grants for research and policy work. This includes: (a) policy research on tax incentives and other types of government support that will encourage local giving; and (b) formulation of mass-based fundraising strategies.

The third priority was grants for general institutional support. This includes: (a) establishment grants to institutionalize and formalize community foundations; (b) provision for staff salaries and overheads during the start-up phase; and (c) initial funding for a promotional activities and an education campaigns through the media.

The fourth priority identified by the participants was seed funding for grants programmes. While this is clearly important, consultation participants felt that the formulation of a clear plan and programme for a proposed community foundation was of greater priority.

Bilateral donors and corporate foundations who participated in the consultations also expressed support for the community foundation concept.⁹ Corporate foundations have narrower funding mandates and would be able to support community foundations only within the parameters of these mandates.¹⁰ Broader support would be possible through the mobilization of resources for a community foundation from among the local branches

⁹ In a 2004 paper, the Synergos Institute noted that “Unlike foundations in the US or Canada, most foundations in the Philippines were not created with an endowment and many in fact struggle to raise funds to support their annual grant making and lending activities. According to the 2000 survey conducted by AF and Synergos, the data demonstrate that while a majority of funds (57 percent) received by foundations are from international sources, the gap between international and domestic sources is growing smaller as increasing resources are being raised in the country. Of the 43 percent of funds received domestically, the largest proportion (approximately one third) came from corporations in 2000. This is not surprising given the rise in popularity of corporate social responsibility in the Philippines that began after PBSP’s creation. Close on the heels of corporate contributions in 2000 was that of endowment income (at 26 percent), followed by earned income (at 22 percent). National and local governments contributed about 11 percent of domestic funds received by foundations. Of the 57 percent of funds received from international sources in 2000, official development assistance (ODA) from foreign governments dominated in contributing nearly half of the total amount received by foundations. International foundations and NGOs contributed about another quarter each to that total. This trend does show signs of falling, however, as ODA agencies have been reducing funding to the Philippines considerably and the Ford Foundation closed its office in Manila permanently in September 2003 after more than 3 decades of grant making in the country.” (“Innovations in Strategic Philanthropy – Comparative Lessons from Asia, Africa, Latin America and Central and Eastern Europe: The Case of the Philippines”, a paper prepared by Synergos Institute for the International Network on Strategic Philanthropy, 2004.)

¹⁰ For example, Splash Foundation (whose mother company is involved in specialty health products) can partner with CFs in the conduct of livelihood training. On the other hand, Zuellig Foundation, whose mandate is the provision of training to middle-management government health givers, can partner with CFs in the provision of training for better management of the latter’s health projects.

of a mother company. In this arrangement, the corporate foundation would likely wish to be involved in the governance structure of the community foundation.¹¹

On the other hand, donors who participated in the GFCF consultations are willing to commit resources to support community foundations but would prefer that the utilization of their support be limited to the Philippines. Depending on specific proposals, donors would be prepared to support (a) training and capacity building; (b) research and policy work; and (c) provide matching grants, especially for enterprise development.¹²

Two donors – the Peace and Equity Foundation, Inc. (PEF) and the Philippines-Australia Community Assistance Program (PACAP) – have adopted a regional development strategy, focusing their efforts on selected provinces. Both expressed interest in community foundations as a possible mechanism to sustain their regional development efforts when they phase out in the future.

¹¹ This suggestion was made by the representative of the Jollibee Foundation. Jollibee is the Philippines' largest fast food chain with branches in nearly every part of the country.

¹² Donors differ in their geographic priorities. The Foundation for a Sustainable Society, Inc. (FSSI) and Canada Fund have the flexibility to fund CF initiatives anywhere in the country. The Peace and Equity Foundation, Inc., on the other hand, limits its assistance to the 29 provinces that have been selected as priority areas of the Foundation. The Philippines-Australia Community Assistance Program (PACAP) can only fund CF initiatives in its five priority provinces.

6 Recommended focus and structure of the GFCF

Consultation participants recommend that GFCF should focus on promoting the development of community foundations in as many communities as possible. Because of the rich diversity of local community philanthropy initiatives already existing in the Philippines, there is no need for the GFCF to promote community philanthropy, broadly speaking, as a mechanism for solving local problems. A more narrow focus on community foundations will maximize the impact of GFCF funds.

In the Philippines (and perhaps also elsewhere), GFCF should promote community foundations as the institutional face of more informal and ad hoc community philanthropy. Specific GFCF-supported activities would include advocacy and the provision of various forms of assistance to emerging community foundations.

Board representation of GFCF's constituencies would be a good step in ensuring that their views are taken into consideration by the Fund. The same would be accomplished through the creation of an advisory council with representatives from core constituencies. However, it is important to remember that despite best efforts, not all constituencies can be brought on board.

It may be more useful to establish an oversight entity (possibly on a regional level) that would monitor implementation within a specific geographic area (e.g., East and Southeast Asia). The regional oversight entity would not only give advice to the GFCF Board on the merits of specific applications, it would also be involved in strategy formulation, project development and selection and monitoring and evaluation of ongoing activities. This would place the regional oversight entity in a good position to capture the development dynamics of the community foundations within its assigned geographically-defined area.¹³

¹³ The suggestion of an oversight entity was given by the AusAID-supported Philippines Australia Community Assistance Program (PACAP) and is likely based on its current experience with Provincial and Thematic FOCAS (Focused Community Assistance) committees in its priority provinces. The current design of the PACAP program employs an area development strategy (called Focused Community Assistance or FOCAS) in five provinces of the Philippines. In each of the five provinces, a Provincial Stakeholder Committee (PSC) – consisting of government and NGO members – is responsible for the selection of FOCAS priority areas and themes in the provinces. FOCAS Management Committees have also been established within each province, with each Management Committee being responsible for the strategy, governance, operational management of an individual FOCAS theme (such as, livelihood, health, education, community tourism, etc.) and the actual selection and monitoring of projects related to the theme. An evaluation of PACAP in 2007 found that “*the FOCAS Program has already proved itself as a viable mechanism for building multi-stakeholder consensus on development issues and, more important, focusing stakeholder energies on a relatively few development priorities. As PACAP enters the second half of its current phase, these multi-stakeholder structures will be critical in providing oversight and assistance in the implementation of the FOCAS projects. And beyond the current phase of PACAP, the emergence of multi-stakeholder partnerships at the provincial and sub-provincial levels will have significant positive effects on development initiatives in the FOCAS provinces.*” (Independent Evaluation on PACAP's Development Effectiveness. 9 November 2007. Manila, Philippines).

7 Conclusions and recommendations

Support for community foundations is increasing among a range of stakeholders including NGOs, civic groups, and local philanthropists. The growth in support for community foundations can be attributed to a number of factors such as: a decline in the availability of donor funds for civil society activities; the desire of civil society groups for more autonomy and freedom from donor demands; donor fatigue among Filipinos working overseas, whose gift-giving capacity is becoming overstretched; and the emergence of at least one successful Philippine community foundation that provides a model – this in itself has led a number of local NGOs to set about transforming themselves into community foundations.

Despite the various obstacles and organizational challenges community foundations may face in getting established, there is a good deal of optimism that these organizations have the potential to flourish in many Philippine communities. This is largely due to the tradition of informal community philanthropy such as gift-giving among Filipinos and the presence of credible local institutions, such as the Church and academic institutions, which are in a position to act as champions for emerging community foundations.

As has been mentioned, there are still formidable challenges to be addressed in the promotion of community foundations. These include: an unsupportive policy environment that imposes stringent requirements for the registration of community foundations and does not reward individual gift-giving; the “newness” of the community foundation concept, which requires a systematic and well-directed information campaign to identified key stakeholders; and the factionalism and fragmentation of Philippine localities, which tend to inhibit the participation of certain important sub-groups within target communities.

Philippine-based bilateral donors and corporate foundations are prepared to support the promotion of community foundations in such areas as travel and learning exchanges, training and capacity building, matching funds, research and policy work, and through the provision of matching funds. More important, donors who have adopted an area-based strategy are open to the possibility of setting up community foundations that will act as the sustainability mechanisms of their development initiatives when they phase out in the future.

The consultation findings reflect the views of the participants that the GFCCF should focus on “promotion of Community Foundations widely and in as many parts of the world as possible.”

The reasoning behind this is that a rich and diverse tradition of community philanthropy in various forms already exists in the Philippines, for which community foundations could provide an institutional expression that is sustainable in the long term.

It was also felt that as well as continuing its grantmaking activities, the GFCCF should endeavour to position itself as a knowledge hub, providing information on international best practices and facilitating the sharing of ideas and experience among community foundations internationally.

Regarding the GFCCF’s grantmaking activities, it was felt that assistance should focus on: training and capacity building; research, policy and advocacy work to help create an enabling environment for community foundation promotion and development; general institutional support; and matching grants to stimulate local fundraising.

Consultation participants agreed that GF'CF can capture the views of its constituencies through Board representation or the creation of a council of advisers. However, they cautioned that, despite best efforts, it will be difficult to ensure that the views of all constituencies are represented through these bodies and recommended the setting up of regional oversight entities that would monitor implementation within a specific geographic area. The regional oversight entities would be well-positioned to capture the development dynamics of the community foundations operating and emerging within their assigned areas.



Produced in collaboration with the Global Fund for Community Foundations as part of a regional consultation process associated with its incubation as an independent entity.

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February 2010

