Community philanthropy and large-scale assets

How shifting the power builds resilience in times of crisis

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Abstract

Mass forced migration, climate disruption, violent conflicts, and growing global economic inequality are some of the enormous and interlinked forces we face today, causing suffering for millions of people and fraying our societal bonds. At the same time, public faith in institutions is at historic lows, and governments in many parts of the world are exerting authoritarian control and stifling dissent. Thoughtful, democratic stewardship of natural resources, recognition of communities' right to self-determination, and a commitment to a vibrant future for everyone are more important than ever to counterbalance these destructive trends.

On a small scale, community philanthropy speaks powerfully to all of these critical needs and offers practical strategies for increasing peace, well-being, and accountability. But what is the potential for community philanthropy to deliver these at greater scale? The Global Fund for Community Foundations (GFCF) conducted research on how and whether community philanthropy can be a tool for communities to negotiate with powerful stakeholders, strengthen leadership and consensus-building, and realize development projects that reflect their long-term vision for sustainability by harnessing large-scale assets. Our findings suggest not only that community philanthropy organizations (CPOs) can 'scale up' to manage much larger assets but that their structure and purpose allow them to have a transformative effect. Prioritizing relationships from the early stages and fostering a culture of on-going iteration are key to realizing this potential.

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A growing field

In 2010, the GFCF published one of the earliest studies on community philanthropy in the Global South. Titled *More than the Poor Cousin*, the report drew on the experiences of the GFCF's grantmaking to more than 120 community foundations and other CPOs in Latin America, Africa, Asia, and Eastern Europe, and it included an in-depth analysis of data on 49 individual organizations. The data indicate that because these institutions leverage local assets, build trust, and increase local capacity, '(they) offer a mechanism for reaching those most in need, while offering local leadership, ownership and accountability.'[1] Authors Jenny Hodgson and Barry Knight go further, suggesting that community foundations and community philanthropy in their various forms are an overlooked element of the landscape for international development and may in fact represent a paradigm shift, not just for alleviating poverty but for strengthening democracy and local self-determination.

Defining 'community philanthropy'

Community philanthropy in its broadest sense – community members sharing financial or other assets for mutual benefit – is an age-old practice that is evident in many cultures around the world. Contemporary examples include the 'minga' or community work day in Latin America and ukusisa, a Zulu tradition in which community members with assets (such as livestock) loan them to others who then return the assets once they generate some of their own wealth from it.[2] Community philanthropy reflects the human impulse to help others in one's own community[3] and 'casts givers and recipients as equal in the philanthropic act.' Although historically community philanthropy has been informal and motivated more by societal expectations and morals than institutions[4], community philanthropy as an organizational approach – and in particularly, as a strategy for managing and flattening power, is becoming more established. 'Community philanthropy' in this report refers to the *institutional* version of this practice, which includes community foundations, women's funds, environmental trusts, national public foundations and others.

Less than a decade after publication of *More than the Poor Cousin*, the field of community philanthropy is coming into its own. From 2000 to 2012, the number of community foundations and CPOs (ranging from well-established organizations in North America to new groups in the Global South) grew from 905 to nearly 2,000, a 120% increase.[5] The definition of this emerging field has also become more robust, describing a more inclusive and diverse 'family' of institutions that arise from particular local contexts and are shaped by local people's priorities, vision, and assets.[6] While some share a stronger

1 Hodgson, J & Knight, B. (2010). *More than the Poor Cousin? The Emergence of Community Foundations as a New Development Paradigm*.
2 Mottiar, S. (2015). Philanthropy and resource governance. *Philanthropy & Development in Southern Africa*.
3 The Case for Community Philanthropy. (2014). Global Fund for Community Foundations.
4 Mottiar, S. (2015). Philanthropy and resource governance. *Philanthropy & Development in Southern Africa*.
5 *Global Status Report on Community Foundations*. (2010). WINGS.
6 *The Case for Community Philanthropy*. (2014). Global Fund for Community Foundations.

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resemblance to community foundations in North America and Western Europe, in that they focus on a distinct geography and seek to build endowment funds made up of contributions from local donors and make grants to local community organizations, the majority tend to operate on very modest budgets, soliciting local investment in more ad hoc ways, (that include money and non-cash assets), and working with less established or emerging grassroots groups. They go by different names – women's funds, environmental trusts, community foundations, and even certain types of giving circles and social enterprises – and some bring a more explicitly political or social justice lens to their work than others. But regardless of variation in name, budget, operations, or even definition of community, all harness and cultivate knowledge, networks, technical skills and other assets – tangible and intangible – especially at the grassroots. This characteristic distinguishes CPOs in the Global South from most of their North American and Western European counterparts: they are 'driven by ordinary people working from the bottom up of our societies, rather than by wealthy people working from the top down.'[7]

As a sign of the growing momentum of the field, more than 360 individuals from 62 countries gathered to attend the first ever Global Summit on Community Philanthropy in December 2016.[8] Attendees ranged from small CPOs run by volunteers to institutional donors such as USAID, Ford Foundation, and Charles Stewart Mott Foundation, as well as other civil society practitioners and activists interested in people-led approaches to development. This diversity demonstrates the broad interest in community philanthropy as a viable, even transformative, development approach. While this recognition is a major accomplishment for the field, it marks just the beginning of the conversation. Now the principal debate among Summit-goers is how to 'shift the power' from top-down, outside funders and policy makers to local communities with the greatest stake in the outcomes, or put another way, what it looks like in practice to flatten hierarchies so that 'all actors are regarded as having the same value'[9] and local assets (monetary and otherwise) are acknowledged as the building blocks for lasting development and community self-determination.

Myths and misperceptions of scalability

Despite the increased awareness and enthusiasm around community philanthropy, lack of scalability is one of the persistent arguments against it. 'Scalability,' which is broadly used and often ill-defined, is generally understood as the capacity to create a large positive impact and is usually assessed through budget size, numbers of constituents, number of regions, and other quantitative benchmarks. By these standards, CPOs often do not measure up. Since their outcomes are driven by the relationships they cultivate, CPOs have more difficulty than other types of organizations simply replicating programmes or expanding 'services' to reach more people. Grantmaking is, in fact, an efficient method for distributing resources and sharing power to expand reach across

7 Hodgson, J., Knight, B., & Mathie, A. (2012). *The New Generation of Community Foundations*.
8 Schaffer, J. (2016). *Community Philanthropy's Global Movement to #ShiftThePower*.
9 Hernández-Abreu, F. (2017). *#HumbleThePower to #ShiftThePower*

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multiple actors and networks at the local level, but it isn't necessarily recognized among mainstream development actors as a technique for scaling.

Budget size and structure are a factor too. As grantmakers, CPOs are adept at managing the resources they have very effectively – not least because of their ability to target *small* grants to multiple grassroots groups at levels that are appropriate and easily absorbed. In the same way, CPOs tend to prioritize channeling resources to others over building their own institutions. This emphasis on cultivating local systems and networks of multiple actors (where scale can be understood as a community's collective strengths and effectiveness) rather than investing in single institutions that grow year-on-year defies most funders' notions of both 'scale' and 'impact.' Community philanthropy as a strategic development practice is still not well understood by the majority of funders, and so CPOs' lack of a preoccupation with their own growth can easily be perceived as a lack of capacity to scale up. In addition, many donors still prefer to focus their funding on specific issues or topics that are of interest to them, rather than to support institutions' ability to apply a holistic lens to their work and to respond to multiple and, often changing, local priorities.

Today's crises demand a different development response

From a global geo-political, environmental, and human rights perspective, a narrow view of the capacity of community philanthropy is misguided and troublesome for two reasons. First, the multiple ecological, social, and economic crises we face demand new, holistic approaches built on collaboration and equal relationships. The conventional practice of delivering top-down, mechanistic projects in which the outcomes are more important than the process is wholly inadequate to the task. Even among international organizations that have restructured their programmes and/or funding so that people in the field have greater say in the work, most strategies are still centered around siloed thematic areas (e.g. poverty, climate disruption, girls' education, human rights, etc.) rather than on processes through which people who are most directly impacted identify and address complex and interrelated root problems.[10] By contrast, community philanthropy at any scale can make a significant contribution to the development of new, holistic approaches because CPOs are designed to respond to community priorities, which are often multifaceted, interconnected, and evolving.

CPO Models Around the World

Numerous examples from the field illustrate the nimbleness of the community philanthropy model. In response to concerns that young people weren't benefitting from Costa Rica's eco-tourism dollars, the local Monteverde Community Fund was created in 2012 using donations from responsible tourism programmes and area businesses to promote environmental conservation and economic opportunity for local youth. The Foundation for Social Transformation (FST) in Guwahati, India was formed in 2005

10 Moorhead, J & Sandler Clark, J. (2015). *Big NGOs Prepare to Move South, But Will It Make a Difference?*

to '(foster) positive social transformation by enabling innovative and creative grassroots initiatives from within (the region)'.[11] Led by local people, FST funds local organizations working in gender and social justice, arts and culture, and more. In Latvia, community foundations have given more than 700 local grants and raised more than $2 million since 2003. Among these is the Valmiera Region Community Foundation, which has raised most of its money through donations of 20–100 euros from 'ordinary people' in the community.[12] Sources such as GFCF, the Global Alliance for Community Philanthropy, and the Community Foundation Atlas have extensive data on the CPO field.

Second, the assumption that communities don't have large-scale assets with which to drive their own development is false. Around the world many rural and Indigenous communities face challenges from government and business interests engaged in natural resource extraction on or near their territories. Much of the struggle derives from the fact that these assets have enormous market value (not to mention spiritual and cultural value for the communities that steward them). Communities are not usually compensated fairly for this resource use, recognized for their right to give or withhold consent,[13] and/or provided adequate data on the potential long-term environmental and social impacts of the project to inform their decision to support or oppose. It is even less common that communities have the opportunity to negotiate a favorable contract and to manage these resources or the benefits that derive from them. Violence, human rights abuses, and environmental degradation are frequently the result.[14]

If communities had greater decision-making power over the use of these resources, many of these outcomes could likely be avoided and the collective benefits could be greater and longer lasting. However, it is important to emphasize that the way in which decision-making is exercised can spell the difference between a paradigm shift and a repeat of old patterns with new actors. One of the goals of this research is to understand what factors contribute to a genuine shift, as well as the challenges and opportunities for creating an environment in which that shift may occur.

Exploring community philanthropy 'at scale'

This report is the product of more than two years of research, some of which was conducted in conjunction with First Peoples Worldwide. It draws from interviews with more than 50 representatives from communities, corporations, NGOs, and researchers

11 See Foundation for Social Transformation.

12 Global Fund for Community Foundations and Hodgson, J & Pond, Anna. (2018). *How Community Philanthropy Shifts Power*.

13 In an attempt to strengthen Indigenous Peoples' rights on an international scale, the United Nations Declaration on the Rights of Indigenous People established the Free, Prior, and Informed Consent (FPIC) framework in 2007. While the term 'Indigenous Peoples' is broadly interpreted and perspectives on FPIC itself are diverse, FPIC is generally understood as 'the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy, or otherwise use.' See http://www.forestpeoples.org/en/guiding-principles/342

14 Two well-known examples among many are the Yanacocha mine in Peru, and Chevron's operations in Nigeria. Both companies have established foundations after violent conflict and charges of human rights and environmental safety violations, but community relations continue to be tense.

around the world; site visits; a wide range of materials including internal and public documents from resource extraction companies, CPOs, funder networks, government entities, and multi-lateral donor agencies; news articles; peer-reviewed studies; white papers; investor publications; and financial reports.

While there are thousands of development organizations around the globe with significant funding from corporations or governments, we found just a handful that are structured around what we call community philanthropy strategies, specifically community governance and stewardship of assets and use of grantmaking for community-driven development and capacity-building. The experiences of three such organizations (Newmont Ahafo Development Foundation, the Clayoquot Biosphere Trust, and the Cherokee Preservation Foundation) are discussed in the following sections. Representing different regions, populations, sources of investment, and political contexts, they provide compelling insights on the central question: whether and how community philanthropy can be used as a tool for communities to harness large-scale assets, negotiate with powerful stakeholders, strengthen leadership and consensus-building, and realize development projects that reflect their long-term vision for sustainability.

To understand what this potential looks like in practice, we explore three key organizational elements – governance structure; collective asset management; and strategic programme impact. Our findings suggest that when large-scale assets are involved, CPOs are more likely to effect a paradigm shift rather than a simple transposition of actors if they cultivate an atmosphere of transparency and cooperation, strengthen capacities and build new skills among all stakeholders, and encourage proactive iteration.

Trust and ownership

Community philanthropy of any type requires trust to be successful, and if it is successful it creates more trust. The greater the shared assets, the higher the stakes and the more important and delicate the trust-building process is. For this reason, integrating community decision-making and input early – in the design phase of the philanthropic institution – is critical. Doing so not only acknowledges the central role communities play in the long-term development agenda but sets an expectation among all stakeholders for shared ownership.

Well-intentioned boards and staff of development organizations often incorrectly assume that community participation in and of itself is a sign of ownership. Although participation has long been considered a hallmark for successful community development, research has shown that it can quickly become a divisive, box-ticking exercise rather than a mechanism for strengthening community self-determination. When communities are asked to participate in stakeholder meetings, surveys, workshops, and the like but know the power to set goals and make strategic decisions lies elsewhere, they can justifiably feel resentful, used, excluded, or simply indifferent. The process can also be politicized and subject to manipulation by local elites who represent their own or

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special interests and are often more practiced at communicating their agendas to outside funders or power brokers.[15]

A focus on participation instead of ownership impacts results as well as relationships. If community members do not have the power or opportunity to articulate their long-term priorities, project investments become guesswork or arbitrary attempts to solve the most urgent need, regardless of whether it is most important. When projects go awry, the relationship between the community and the institution, whether a government, NGO, or corporation, is subject to disillusionment and finger-pointing because of a lack of shared responsibility. In surveys and interviews that First People's Worldwide conducted with 21 corporate social responsibility (CSR) representatives and consultants from extractive industries, one of the most often cited barriers to successful development was ineffective community representation. Notably, most respondents did not work directly with foundations in which communities play a significant role in decision-making and project implementation. Two respondents that were familiar with projects in which communities had a higher degree of control stated that community ownership is a key component of success.[16]

The challenge of fostering ownership

In most post-colonial societies and emerging (or struggling) democracies, conditions are not ripe for cultivating community ownership. Paternalism, clientelism, weak institutions, and the disempowering nature of foreign aid are powerful forces against development processes that are truly community-driven and that value and build on communities' assets. Many international donors are notoriously fickle in their funding priorities and disbursements, and governments' capacity and budget to execute projects vary widely.[17] As a consequence, development often occurs in relatively short bursts (even if projects themselves languish because of cost overruns, shifts in political agendas, or other reasons), stoking uncertainty, mistrust and a predilection for short-term thinking. This atmosphere is not conducive to communities determining their long-term development goals and harnessing assets to achieve them.

Paternalism is another barrier. One of the legacies of colonialism and global industrialization is a culture in which people with less power or fewer resources are erroneously seen (by elites and/or themselves) as less capable and less organized, and therefore dependent on those with more economic or political status. Paternalism takes many forms, among them the belief that 'official' institutions, which by their nature have explicit organizational structure, necessarily have greater expertise in planning and project execution than communities, whose organizational structures are sometimes opaque to outsiders. This creates a false dichotomy that both disregards communities' organizing skills and derails institutions' efforts to promote leadership from the community.

15 De Gramont, D. (2013). *Rethinking Participatory Development: From Critique to Better Practice*.
16 Surveys and interviews conducted by First Peoples Worldwide, 2015–2016.
17 Celasun, O & Walliser, J. (2007). *Predictability of Aid: Do Fickle Donors Undermine Economic Development?*

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Clientelism, a relative of paternalism, creates a negative feedback loop of mistrust in systems and instant gratification to compensate for dysfunctional systems. Clientelism is evident in the practice of 'vote-buying' – politicians promising to deliver large-scale development (usually of questionable long-term benefit) in exchange for public support. It is also perpetuated in the quid pro quo of companies delivering projects for communities in exchange for uninterrupted operations, and in communities accepting or requesting projects that meet an immediate need without considering the long-term implications. Sometimes elites intentionally exploit a fear of scarcity and of unequal application of the law, reinforcing people's distrust of institutions and their feeling of powerlessness. Other times communities, politicians, and business leaders engage in this transactional behavior because systems are simply too broken to support development that promotes societal benefit for the long-term. People then look for what they believe will serve their own best interests in the moment. This becomes a self-fulfilling prophesy: the more entrenched clientelist behavior is, the weaker systems become, and the more necessary it is to engage in quid pro quo. In such circumstances lasting solutions, which depend on trust, transparency, and power-sharing, are extremely difficult to achieve.

Given that this is the context in which most large-scale assets (particularly, but not exclusively, fossil fuel and minerals) are being developed and monetized, the misperception that communities do not know how to set priorities may not be surprising. In the First Peoples' CSR research, representatives from Barrick Gold, Anglo American, and others acknowledged the impact of paternalism and clientelism, yet the majority of respondents also remarked on 'lack of community capacity to understand and implement sustainability,' which in their view affects communities' ability to plan for the long-term. By and large most communities have not had sufficient control over development decisions and processes to engage in meaningful conversations about sustainability, and therefore a focus on the here and now becomes the default.

Although corporations generally have more control over development processes because of their financial position and bargaining power with governments,[18] the same short-term mindset affects corporate expectations and CSR strategies. A former corporate affairs officer from Anglo American Platinum said that a short-term view among executives and a lack of understanding about the complexity of community development contribute to poor results.[19] Findings from an FSG report on CSR in extractive industries underscore this assertion. CSR strategies tend to be reactive, simplistic, and self-protective, rather than proactive, collaborative, and oriented toward mutual benefit: 'a risk management approach is not an effective long-term community engagement strategy' because it results in 'chasing moving targets in terms of (community) requests . . . (and) prioritizing

18 Regulatory frameworks and political trends sometimes limit corporations' sphere of influence. Of various examples, in 2013 the Chilean Supreme Court ordered suspension of operations for the Pascua-Lama mine over concerns of environmental contamination (see https://www.economist.com/the-americas/2016/02/06/from-conflict-to-co-operation), and in 2018 Peru's newly elected president cancelled an offshore oil-drilling contract over lack of consultation with coastal communities (see https://www.reuters.com/article/us-peru-oil-tullow/peru-president-cancels-london-based-tullows-offshore-oil-contracts-idUSKCN1IO36B).
19 Skype interview, March 2015.

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image over outcomes,' among other behaviors.[20] Researchers Sinziana Dorobantu and Dennis Flemming concur, emphasizing that a commitment to building relationships is paramount: 'Community engagement requires a considerable mindset change for most companies, from an obsession with policies and best practices to a focus on the people who can make them work.'[21]

20 *Shared Value in Extractives*. (2014). FSG.
21 Dorabantu, S & Flemming, D. (2017). *It's Never Been More Important for Big Companies to Listen to Local Communities*.

NADeF: community ownership by design

As daunting as it often is to establish an institution in which the community has ownership of and decision-making responsibility over large-scale assets, a few organizations have achieved this goal. One is the Newmont Ahafo Development Foundation (NADeF) in the Brong-Ahafo region of Ghana. The premise for the foundation is that if community members have a high degree of decision-making authority, they will have greater opportunity to take ownership of the development process and the outcomes, and ultimately this practice will lay the groundwork for community-driven development that will extend long beyond the life of the mine.

NADeF was established to manage a lucrative but controversial asset – revenue from a gold mine concession owned by U.S.-based Newmont Mining Company.[22] Initially some local groups resisted the mining project because of potential environmental contamination and the impact of displacing farmers and their families. A resettlement plan addressed some of the displacement concerns,[23] but disputes continued about Newmont's environmental impact study and plans for environmental protection and remediation.[24] Although not all parties were satisfied after public meetings and negotiations, ultimately most community members and traditional leaders believed the overall benefits outweighed the risks. In 2005–06 they began discussions with Newmont representatives around compensation and local investment to offset the disruptive impacts of mining.

Mobilizing stakeholders for transparency and equity

Illicit tax flows[25], environmental and human rights violations, and threats to cultural heritage and traditional land use (among other abuses) flourish in societies with low public trust, weak accountability, and power imbalances. These problems are usually exacerbated when resource extraction is involved. Community philanthropy is not a substitute for addressing these issues head on, nor should it be used to manipulate community 'consent' for projects. In fact, the grassroots mobilizing required for successful community philanthropy can help change public expectations for transparency and decision-making, shedding more light on illegal behavior and opening up space for a broader range of actors, including funders, to explore more equitable economic models.

22 *World Bank Criticized over Approval of Controversial Mine in Ghana*. (2006). Earthworks.
23 *Resettlement Action Plan (Rev. 1) Ahafo South Project*. planningAlliance. (2005).
24 In 2010, the government of Ghana assessed a US $4.9 million fine against Newmont for water contamination from a cyanide spill. See http://www.proactiveinvestors.com/companies/news/71996/newmont-and-ngos-clash-over-impact-of-cyanide-spill-at-ahafo-mine-3850.html
25 In the last few decades, the free flow of investment capital and weak national and international regulations have created an imbalance between corporate profits and corporate taxes, particularly in the extractives sector in Africa. While tax fraud and evasion are clear examples of 'illicit financial flows,' some scholars and policy makers argue that excessively favourable corporate tax rates should also be examined through this lens. See http://www.trustafrica.org/en/ta10-blog-series/drivers-of-inequality-in-africa-illicit-financial-flows-part-1 and https://www.cgdev.org/publication/illicit-financial-flows-trade-misinvoicing-and-multinational-tax-avoidance

Shareholder activism is making some inroads in this area. The Divest/Invest movement rallies individual and institutional shareholders to redirect investments from fossil fuels into renewable energy and to pressure governments for policies to eliminate global greenhouse gas emissions.[26] While community mobilization efforts and those to mobilize shareholders are still isolated from each other in most areas of the world, community philanthropy could be a practical and powerful mechanism to unite them under the goals of community self-determination, transparency, and an equitable renewable economy that protects earth's resources.

After two years of public dialog among traditional leaders; company executives; members of women's organizations, farmer associations, and youth groups; local government officials; and NGO representatives, the company and ten communities in the mine catchment area signed an agreement in 2008 to create a foundation with a permanent asset base that would finance long-term and on-going development driven by the community. The written agreement outlines governance roles and responsibilities for community and company representatives and delineates the investment areas, which communities selected and prioritized in public workshops and meetings. Newmont invested in an endowment (now valued at US$10.8 million) and makes annual contributions of US$1/ounce of gold mined and 1% of pre-tax profit to support operations.

NADeF operates within a multi-level, democratic structure – with strong lines of accountability back to the community in particular – designed to promote transparency. The Social Responsibility Forum, led by two experienced and well-respected moderators, is an oversight body that convenes approximately 40 representatives from all stakeholder groups. Meeting at least semi-annually, this body ensures that NADeF is fulfilling the obligations of the foundation agreement and approves its budget expenditures. (The Forum also provides oversight for other agreements between the company and the communities regarding conflict resolution, local employment, and land compensation.) Forum members are elected or appointed by their constituent groups every five years and can serve up to two terms. The nine-member NADeF board is divided equally between community members and company representatives, with a board chair recommended by Newmont but approved by the Forum. Board members serve three-year terms, all of which turn over simultaneously, and they can be re-elected for a second term. The NADeF board is responsible for the strategic vision and budget, and each community selects members to serve on a sustainable development committee that serves as a liaison to the NADeF board and staff.

Marking a distinct departure from the usual financial and legal relationships between communities and extraction companies (where formal relationships even exist), NADeF is a bold experiment. For the first time, community members in Brong-Ahafo have the power and responsibility to channel significant and reliable revenue to development projects in their region. This major feat presents an enormous opportunity as well as complex challenges that require sustained attention to resolve. Although Newmont and

26 See: https://www.divestinvest.org/why-divestinvest/moral/

community leaders did consult (and continue to consult) with outside experts[27] and with Newmont CSR staff managing foundations in other countries, almost no one living or working in the region had experience with this type of local institution at the time NADeF was formed. Not surprisingly, the learning curve has been steep for all involved.

At this stage many leaders, from locally selected sustainable development committee members to NADeF staff and Newmont employees, recognize the need for improving collaboration through greater trust. Paradoxically, the foundation agreement, which establishes and legitimizes community leadership (especially among marginalized groups such as women and youth) and provides a high level of transparency, has created some unintended consequences in this area. The organizational structure lends itself to excessive bureaucracy and overreliance on policies and rules to guide operations and decision-making, to the detriment of cooperative relationships based on trust and mutual responsibility that could generate better results.

In some ways the new standards for communication and accountability that were established with the arrival of Newmont are a positive development: before the mine, the government paid for and executed projects without any community oversight or expectation of transparency. However, now that the community has an endowed development institution, people feel the need to scrutinize every detail about how the money is spent out of fear that others might take advantage.[28] Apathy and powerlessness have been overcorrected with micromanagement: stakeholders on all sides have not yet struck the balance between formal processes that provide stability, predictability, and accountability and ad hoc problem-solving that increases agility.

Team leadership is another area where a low trust environment takes a toll. Board members have had to learn how to make decisions that positively impact all communities and not simply advocate for their own. The first board gradually established a culture of teamwork over the course of three years, but because all of their terms ended simultaneously, a new board formed without the benefit of institutional knowledge or coaching from mentors. In the new board's first year, some members wanted to backtrack on a decision already approved by the previous group, which caused friction and confusion. Forum leaders stepped in to correct the problem, but many people belatedly realized the serious drawback of complete leadership turnover. Key NADeF leaders are advocating for staggered terms and/or training to build board leadership skills and camaraderie.

Managing assets requires managing relationships

Designing a local institution around community ownership and mutual responsibility is a fundamentally important building block, but good design is merely the first step. Leaders of CPOs must be able to make collective decisions about their philanthropic and financial investments on an on-going basis. Collective decision-making, which is part

27 Among them, Global Fund for Community Foundations, the African Women's Development Foundation, the African Philanthropy Network and the World Bank.
28 From in-person interviews with NADeF's sustainable development committee representatives, June 2016.

skill and part cultural practice, is an essential activity of all CPOs regardless of size, and the premise that pooled assets create greater shared well-being is at the heart of any CPO. But for foundations with large assets, collective decision-making and a commitment to collective investment are in some ways even more critical because the financial stakes are higher.

When corporations and/or governments agree to establish a cash investment for use by a community, the most common practice is to make payments to individual community members or households over a designated period of time. One such example is the U.S. state of Alaska's Permanent Fund, created in 1976 by the state to distribute annual dividends from oil revenues to all Alaska residents.[29] This method channels financial resources directly to individuals, which can have a positive and empowering effect, but unlike a community philanthropy model, it does not usually create the conditions under which people come together and make decisions about how to invest shared assets for the common good. Cash payments may improve people's lives day-to-day, but they don't tend to promote self-organizing, leveraging of resources through economies of scale, or collaborative long-term planning that benefit the community as a whole.

Managed well, an endowment can present an opportunity for trust-building and capacity-building (as well as greater impact). Managed poorly, it can drive a wedge between community members and create or exacerbate in-fighting. Even stakeholders with a successful track record of making joint decisions may need different tools or support to apply those teamwork skills to decisions around how to invest philanthropy dollars for the greatest good. Establishing mechanisms and a commitment to collective investment often requires training and on-going conversations not just among the foundation leadership but between leaders and community members, as well as among elected officials, civil society representatives, business leaders, and any other stakeholders involved in community development.

29 Merchant, B. (2015). *The Only State Where Everyone Gets Free Money*.

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Clayoquot biosphere trust: developing a collective investment practice

The Clayoquot Biosphere Trust (CBT) was formed after decades of intensifying conflict over natural resources and aboriginal rights in Clayoquot Sound on Vancouver Island, Canada. In 2000, through the efforts of local First Nations and non-indigenous leaders in conjunction with the Canadian government, the region attained designation as a UNESCO biosphere reserve. The biosphere reserve is a model for managing natural resources that protects key habitats, recognizes aboriginal title and rights, and stimulates a healthy, sustainable local economy.[30] That same year, the Canadian government allocated a CA$12 million endowment for the reserve though the CBT. The Trust is charged with managing the region's financial, natural, and cultural resources based on the Nuu-chah-nulth First Nations philosophy *Hishuk ish ts'awalk* – 'everything is one.'[31] Although most biospheres are not managed through a community trust, according to Executive Director Rebecca Hurwitz, 'It's an obvious fit to be both a biosphere reserve and a community foundation because both (models) are about people working together to thrive in healthy places.'[32]

Diverse leadership from the communities is integral to the CBT's culture and operations, and Indigenous representation is a recognition of First Nations' fundamental and historical relationship to the Sound. A ten-member board with representatives from five Nuu-chah-nulth communities and three non-indigenous communities plus two at-large members oversees CBT's strategic development and financial management. The board has two co-chairs, one representing a Nuu-chah-nulth community and one representing a non-indigenous community. Board Co-Chair Tammy Doward, representative for the Tla-o-qui-aht First Nations, said that being an Indigenous person and sitting at the board table creates the opportunity to 'share and celebrate, to make solutions work.'

At the outset, stakeholders involved in designing the CBT agreed with a collective investment philosophy, given that the endowment was intended as a stable asset that could support long-term development for everyone in the region. However, turning theory into practice proved difficult initially. A representative leadership structure gives all stakeholders an equal voice, but it can sometimes promote factionalism rather than cooperation. As with the NADeF board, CBT board members tended to see themselves first and foremost as advocates for their individual communities rather than a decision-making team charged with promoting the well-being of all people and organizations in the region. Communities themselves had the same understanding of the board's role.

30 See http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/

31 See http://clayoquotbiosphere.org/what-we-do/communities/

32 This unique arrangement sets CBT apart from other biospheres, so organization leaders continually seek peers who share a similar vision of sustainable community development. CBT joined the Community Foundations of Canada network, and this exchange has helped CBT leaders as well as others in the network expand their vision for community philanthropy practice.

To overcome this misperception and foster a more cooperative environment, the board and CBT staff agreed to establish grant advisory committees. The committees, composed of volunteers throughout the region and organized around focus areas (youth and education, arts and culture, etc.), were responsible for reviewing grant proposals and making recommendations to the entire board. This committee review process alleviated pressure on individual board members to prove that their community was getting its 'share' of grant money, and it opened up the possibility for greater variety in the types of projects and organizations the CBT could support.

This change sparked a debate among the leadership about what 'good development' looks like. Board members who felt the CBT should focus on short-term, local needs were often at odds with those who wanted the institution to take a longer-term, more holistic approach. Lengthy and sometimes heated discussions over procedures and operational issues ensued, reflecting the complexity of the endeavor and the uncertainty of a new model.

The discord also revealed the need for strengthening trust in the model and cohesion both among board members and with the community at large. At the board level, the group continued working through the major points of contention and began focusing more intentionally on the mission and vision to keep conversations and decisions at the strategic level. Through this process, the board's culture evolved into one that is grounded in teamwork and appreciation for the strengths that each member brings to the team. Meanwhile, grantmaking itself helped to build cohesion by providing funds for diverse groups and purposes and connecting people that otherwise might not have worked together. The CBT's public outreach and investments in local festivals also helped more people in communities get to know the organization. These combined efforts provided tangible evidence that the CBT was a true community resource for the benefit of all, and the institution started to gain wider acceptance.[33]

Cultivating diverse and local funding sources

One aspect of collective investment is deciding how funds are spent. Another is financial stewardship to maintain or grow the fund over time. Diverse funding streams are important for financial health of course, but they also offer another opportunity for building trust and a sense of collective responsibility for the resource. If individual community members all make a contribution, no matter how small, they become co-owners of the endowment, much like shareholders of a corporation.

This is a common practice for CPOs in the Global South, which are often overlooked by or unknown to institutional donors. Local people who see the value in harnessing their collective assets do so without waiting for outside funding, and they contribute what they can, whether cash or in-kind goods or services. While the fund may be small and not necessarily intended as a long-term endowment, there is an expectation of reciprocity

33 Francis, G., Mendis-Millard, S., Reed, M. & George, C. (2010) *Clayoquot Sound Biosphere Reserve: Periodic Review*.

for inputs *and* outputs – people share in creating a pool of funding and benefit from the disbursements in return.

However, many organizations that depend on funding from one large external source struggle to encourage local donations, creating a situation that is financially and socially risky. When community members do not have a financial stake, they tend to feel less invested emotionally. People may see the funds as a resource they cannot tap into and resent the foundation or view it as irrelevant. In the early years of the Clayoquot Biosphere Trust, some people expressed doubt or cynicism about how funds were being spent. Community members by and large were not donors, and although the participatory governance model created avenues for understanding how the trust was being run and holding leaders accountable, people did not feel the sense of ownership that comes from being an investor.

Over-reliance on one source of funds in the beginning can have unexpected consequences if the leaders want to take the organization in a different direction later. In the case of NADeF, the community stakeholders made explicit the dependence on Newmont funding, but as the organization has evolved, this connection has complicated its efforts to stake out an independent identity. Local leaders insisted on naming the foundation after Newmont in an attempt to hold the company to its investment commitment. Now as NADeF seeks to diversify its funding, its relationship with Newmont is sometimes a liability – some funders are reluctant to be associated with extractive revenue, and some don't see a justification for additional support because of the perception of Newmont's wealth.

Both organizations are finding ways to diversify and encourage more local investment, even in small amounts. The CBT is experimenting with online fundraising campaigns from individual donors, and it has created special donor-advised funds, such as the Wild Salmon Fund to promote salmon restoration and the Tofino Children's Swimming and Water Safety Fund, established through an anonymous donation in memory of six people who died at sea. Both funds are open for individual contributions from community members.

For NADeF, the effort to diversify funding dovetails with increased operational independence from Newmont. The company wants to accelerate the transition to complete management by the community, and both parties have already taken steps in this direction. Although Newmont is entitled to four seats on the board, in 2014 the company relinquished two so that more community members can serve in leadership roles. From a fundraising perspective, this change helps NADeF make the case to other institutional donors that the organization is becoming more autonomous, in addition to increasing community leadership capacity and social capital. As gold revenue falls due to price fluctuations and diminishing output, community members are also more acutely aware of the need to shore up the foundation's endowment. NADeF staff are exploring individual investment options such as a 'give back' fund for scholarship recipients and a remittance fund for Ghanaians abroad.

Although both CBT and NADeF have made strides in this area, generally it is more difficult to encourage co-investment if the expectation of a multi-stakeholder donor base isn't articulated in the beginning.[34] One obvious barrier is community members' own financial resources, though it can be counterproductive and disempowering to make assumptions about people's willingness to contribute based on individual income levels. In Palestine, Dalia Association established village funds for local people and those in the diaspora to make cash or in-kind donations for local projects[35], and in Hungary the Pécs Community Foundation raised enough money from local people in one year to fund nine projects despite the fact that the city of Pécs has suffered from a declining mining industry and population.[36] These are just two examples of many in which people with few means still give what they can.

Programme strategies for long-term impact

In the design phase, stakeholders understandably tend to focus on the important and complex tasks of establishing sound community governance and asset management practices; developing an effective programme strategy is sometimes an afterthought. This can be detrimental to the organization's initial relationship with the community, however, because just as sharing responsibility for governance and asset management builds trust, so do programme results. If foundation leaders wait too long to develop a programme strategy that capitalizes on the unique strengths of the model, they will miss opportunities to maximize the organization's philanthropic investment and prove that they are trustworthy stewards of public funds.

CPOs are uniquely positioned not only to support community self-determination through development projects but to cultivate a broad base of local leaders and help bridge different (even opposing) stakeholder groups. Strategic grantmaking is one important tool in a CPO's toolkit because it allows the organization to devolve funds – and power – directly to local groups rather than implementing projects which may be perceived as being 'delivered' to the community. If the emphasis for strategic grantmaking is relationship-building rather than the financial transaction, it can have a number of additional benefits, too: strengthening groups' project leadership and budget management capacity, helping both the grantmaker and grant recipients brainstorm innovative project ideas, and cultivating a collaborative learning environment to improve results.

Another important but perhaps less obvious aspect of programme design is the CPO's natural role as a convener. CPOs regardless of budget are designed to bring together people who might otherwise be isolated, marginalized, or unknown to each other to talk about a shared vision for the future. Because CPOs managing large-scale assets

34 Institutions with majority funding from international development agencies or large private foundations often face a similar challenge when they want to diversify their donor base because they haven't cultivated a sense of local ownership. See https://www.daily-mail.co.zm/a-journey-to-community-philanthropy/

35 See Dalia Association.

36 See: http://www.globalfundcommunityfoundations.org/latest-news/2018/6/5/growing-ambition-in-a-shrinking-space-hungarys-community-fou.html

will also have large-scale impact, this bridging function is even more critical, and it is an enormous advantage when it comes to regional planning. Even the most careful resource extraction creates profound environmental, economic, and cultural changes that community members must grapple with, respond to, and ultimately plan for over a long period. The same holds true for any major economic activity that generates drastic increases in revenue. While extractive or large-scale production projects are generally viewed as economic engines at the national level, they can be drivers for a community's economy over the long-term as well, but only with the right planning and community oversight. CPOs can serve this purpose by connecting many different stakeholders, giving them a platform and a mechanism through which to address their concerns, proposing solutions that reflect everyone's priorities and needs, and helping to ensure on-going accountability.

Cherokee Preservation Foundation: using transformational grantmaking to build capacity

The Cherokee Preservation Foundation (CPF) on Qualla Boundary, territory of the Eastern Band of Cherokee Indians (EBCI) in North Carolina, U.S., was created in 2000 with revenue from Harrah's Casino and Hotel. When the casino project was under consideration, then Governor James Hunt and Cherokee tribal leaders recognized that it could have a positive impact in terms of income for the tribe but also a negative impact on traditional Cherokee culture and community cohesion. They decided that a community foundation model, requiring that gaming revenue be invested through grants for community projects to community organizations and non-profits, would create the greatest long-term benefit for the tribe and the adjacent seven-county area.

Tribal leaders and the governor signed a Tribal-State Compact establishing the CPF in 2000. As with NADeF and the CBT, the foundation is directed by community leaders and outside stakeholders, in this case representing North Carolina's state and local government. The twelve-member board is appointed by the governor – the majority are enrolled members of the EBCI, and the county commissioner sits on the board as well. All vote and serve four-year terms, and members can be reappointed on a case-by-case basis.

When CPF was established, there were few registered non-profits on the Qualla Boundary and no other local foundations, so few community members had previous exposure to this type of philanthropic model. The board recognized the need to bring in experienced leadership to guide the organization in its formative period. Susan Jenkins, an enrolled member of the Choctaw Nation, was hired as executive director in 2001. A former programme officer for the W.K. Kellogg Foundation and the Hitachi Foundation, Susan had previously worked in the Mississippi Delta and West Africa and brought deep knowledge of philanthropy and community development.

Recognizing the importance of strong community leadership, Susan devoted much of her early tenure to developing the board's capacity and hiring and training programme staff from the tribal community, and the team understood the importance of showing results as soon as possible to gain credibility. Within the first year, CPF launched a conventional grantmaking programme, through which it developed grant guidelines, solicited proposals, and disbursed funds. But several factors complicated the efforts to make grants. In addition to a lack of experienced non-profits to fund, the lack of a philanthropic culture and the community's sense that it was entitled to money held in trust by the CPF jeopardized the success of the investments. The team realized it would need to prove the value of strategic investments to revitalize Cherokee culture and ensure benefit for the entire community. To do this, it would also need to help build leaders and an ecosystem of community organizations to help bring about significant, systems-level change and create long-term benefit.

This realization led the CPF team to move from conventional or transactional grantmaking to 'transformational' grantmaking.[37] Centered on traditional Cherokee values of reciprocity

37 *From Transactional to Transformational*. (2012). Cherokee Preservation Foundation.

and sharing 'time, talent, and treasures,'[38] the approach is structured around three components: new skills and tools for grantees that apply to the individual, organizational, and community levels; convenings that bring people together and create a culture where continuous learning is desired and expected; and solid partnerships among groups on the Qualla Boundary, in the region, and at the national level so groups can share a wide variety of resources and ideas. In practice, this means that CPF invests a lot of effort in laying the groundwork for new grants, giving grantees ample time and support to train project leaders, plan projects, and communicate with stakeholders. It also requires an investment in continuous learning, which may include grants for professional development or organizational capacity building. Throughout the process, the CPF team and the grantees develop trust and clear expectations. As grantees execute their projects, they have the freedom they need to experiment but they can also turn to CPF for guidance as necessary. The CPF team is there to help solve problems, not simply to judge whether a project is a success or failure, and to support grantees in generating tangible benefits for the community.

Transformational grantmaking has created connective tissue between groups and helped them achieve more powerful outcomes than they would have been able to accomplish individually. CPF made a joint grant to bring together three cultural organizations that had been working in isolation so they could develop a comprehensive, integrated brand to increase tourism and revenue at all three tourist attractions. Several departments within the EBCI were added to the group, which became known as the Greater Cherokee Tourism Council. Through a conventional grantmaking approach, each of the organizations probably would have received a separate grant, or perhaps only one or two would have been funded, increasing a perception of competition and perhaps animosity. But transformational grantmaking emphasizes building capacity and creating results that are greater than the sum of their parts. The CPF team could see the value in promoting cooperation so the three organizations could maximize their assets and all share in greater benefits, resulting in more tourism dollars for the community.

Transformational grantmaking shifts power

Transformational grantmaking also changes the power dynamic between the grantmaker and the grantee. Because of its collaborative nature, transformational grantmaking opens up space for all parties to contribute assets – not just financing but ideas, relationships, and historical or institutional knowledge. As people cooperate to design, finance, and execute projects, they build social capital, or the connections that create a sense of belonging and agency to influence society. Hierarchies are flattened, and all collaborators share responsibility for success and failure.

Unlike conventional grantmaking, where roles are fixed and clearly defined and power flows from the top, transformational grantmaking is more consensus-based and less rigid, though not necessarily less structured. For those unfamiliar with it, the process can

38 See http://cherokeepreservation.org/who-we-are/cherokee-core-values/

sometimes be uncomfortable at first because it requires flexibility and experimentation. Grantmakers and grantees have to be willing to assert control in some areas and let go of control in others, while staying focused on shared goals. They also have to communicate clearly about expectations, which are more likely to evolve in a collaborative process than in a transactional or contractual one.

After years of conventional grantmaking, CBT leaders are discovering how power shifts through transformational grantmaking, and they are gaining new insight into relationships with grant partners. Despite regular investments in youth, education, and community development, the CBT was not seeing much progress in addressing some of the region's most complex problems, such as disparities in graduation rates between Indigenous and non-indigenous students. The team learned that a number of factors were at play, some of which had to do with gaps in programming and some of which had to do with data collection methods that didn't provide enough context to interpret information accurately. The team realized that issues involving multiple communities, long timelines, and diverse sectors would require broader cooperation, especially if they hoped to reverse entrenched inequities.

In 2015 they developed a pilot for a new, 'proactive' grantmaking model through which the CBT and select partners come together to set goals and design strategies for achieving them. After the grant is approved, the CBT team plays a much more hands-on role in implementation, which requires close coordination among everyone directly involved in the project. Through the first proactive grant, 108 students from five schools learned to identify and track wildlife, and they participated with wildlife ecologists in the first regional wildlife science symposium. Grantee partners coordinated on the school curriculum and field research, and the CBT organized the symposium.

The model demands more time and effort, but the CBT team believes the investment pays off not just in better project design but in evaluation of the work. Because the process is collaborative rather than top-down, all parties define success from a variety of perspectives, and they create harmonized indicators and benchmarks that reflect the multiple areas of impact. The result is a more holistic and sophisticated understanding of how the project helps effect change and how it can be improved. The CBT is planning more proactive grants for future funding cycles.

Grantmaking versus direct project delivery

For many CPOs, establishing any kind of grantmaking programme can be a struggle, especially in regions where the standard development practice is institutions (government, NGOs, corporations, etc.) 'delivering' projects to communities without involving them in planning and execution. In these situations all parties usually lack information and experience: organizations with money to invest may not trust communities to administer funds directly, communities may assume they have no choice but to 'receive' projects and may not have formal experience managing their own, and everyone may be unfamiliar with effective models, such as grantmaking, for repositioning power in the hands of community members.

NADeF has faced some obstacles in launching a full-scale grantmaking programme partly because of how the budget is allocated and how projects are executed. The foundation agreement stipulates that each of the ten communities is entitled to a certain percentage of funding,[39] which can be expended in seven areas. Most of these encompass infrastructure development, such as building new schools, cultural centers, sports facilities, and the like. Communities usually submit proposals through the sustainable development committees to the NADeF board, and if they are approved, NADeF staff oversee the project and hire local independent contractors to do the work rather than make grants to local NGOs or community groups. There is no separate line item for grantmaking or for cross-community projects.

Some leaders recognize that this arrangement tends to promote duplication and waste, blocks opportunities for communities to work together, and limits communities' capacity to implement projects themselves. The heavy emphasis on infrastructure is problematic too, although it does reflect communities' requests during the early planning phase.[40] The popularity of construction projects is likely due in part to genuine need at the time and to a perception that infrastructure is 'real' development. While construction generates some temporary economic activity and tangible evidence of investment, it has significant downsides. Elites often use high-visibility infrastructure projects, such as roads, to gain public favour in the short-term while avoiding longer-term investments in areas such as health care or education; cost-overruns are common and create budget shortfalls in other areas; and infrastructure that is not evenly delivered exacerbates inequality, among others problems.[41] In short, the results of infrastructure investment are usually less than the sum of their parts.

The story of the nursing college in Ntotroso, one of the ten communities, sheds light on this conundrum. The chief, purportedly with community support, requested that most of the annual allocation over three years go to build a nursing college, despite the large number of nursing colleges in Ghana, according to a local leader. The chief and others expected that other communities would help shoulder the cost, but none have to date. The college opened in 2014 and its student body is growing, but it did not start providing direct services such as medical care or community health education until 2016.[42] Although some local businesses have opened near the campus, most community members are seeing relatively limited benefit, and some question the wisdom of the investment. Compounding the problem, Ntotroso continues to spend most of its annual budget on operating costs of the college.

In light of experiences like this one, NADeF's leaders are now trying to steer communities toward collaboration for more effective outcomes and greater ownership of projects. The board approved construction of a bamboo bicycle factory, which is a joint project between

39 Funding is allocated using a complex formula that factors in population, amount of land affected by mining operations, intensity of other impacts from mining operations, and level of the community's commitment to the agreement.
40 From in-person interview with Joseph Danso, former NADeF Executive Secretary, 2015.
41 Bhattasali, D. and Thomas, V. (2016). *Is Infrastructure Investment the Answer to Sluggish Economic Growth?*
42 NADeF Annual Report. (2016).

two communities and a local NGO, as a proof of concept for regional projects that could stimulate economic development and provide an environmentally sustainable alternative to mining. Instead of hiring local contractors and managing the project, NADeF provided funding directly to the three partners to administer and complete the project themselves. Although construction exceeded the timeline and budget and required more staff support than anticipated, the factory is now operational and employs 37 people.[43] Executive Secretary Elizabeth Opoku-Darko said that people are seeing results and are open to more joint projects like this in the future.

NADeF is also taking small but important steps toward grantmaking for non-infrastructure projects. In 2013 the board obtained discretionary funds from Newmont and made two grants to community-based organizations, one for girls' education and another for an entrepreneurship programme for post-secondary students. The programmes served all ten communities plus four satellite towns bordering the mine catchment area. The results were positive, and because all NADeF communities and even some adjacent areas were served, the grants had a wider-scale impact than many of the investments in infrastructure, scholarships, and micro loans that constitute the bulk of NADeF's philanthropic spending. In 2016 the board approved a joint grant between two school districts to improve the quality of education for primary school students, with mostly positive results. (Although the pass rate for the final certification exam was 34% among students in one district, students in the other district achieved an 84% pass rate, and retention and enrollment increased in both districts.)[44] Similar to the experience of the CPF, NADeF's strategic grants – connecting isolated groups and/or addressing multiple priorities – are expanding people's imagination for collective investment.

CPOs' role in regional planning

Grantmaking using the collaborative approaches described here builds the skills and relationships that CPOs need in order to facilitate public conversations around complicated and important topics. When large-scale assets (especially those whose production will transform the economy, environment and/or culture of a place) are involved, community-wide discussions about the implications of a new major economic driver are critical. CPOs can help communities think through the implications of this economic activity to plan and shape the changes it will bring. They can also help people resolve conflicts and explore entirely new activities that build a healthier society. Through mediation, strategic grants, and community discussions, the Humboldt Community Foundation in the U.S. played a pivotal role in healing deep and violent rifts from the decline of the timber industry, and it helped unite community groups to reinvent the local economy.[45] CPOs are often better suited to this task than government agencies because they foster social capital and cooperation among community members rather than operate from a transactional, customer service dynamic.

43 Ibid.
44 Per Elizabeth Opoku-Darko, July 2018.
45 Pennekamp, P & Focke, A. (2012) *Philanthropy and the Regeneration of Community Democracy*.

The CPF has helped influence regional planning by convening stakeholders from within and outside the tribe to articulate the long-term vision for the foundation. For its first planning effort, Vision Qualla 2006, tribal government leaders, community members, representatives from non-profit organizations, local merchants, business people, artists, and casino representatives came together to develop a 15-year plan. One outcome of the process was funding for cultural venues and programmes to promote tourism centered on authentic Cherokee values and ways of living; another was the creation of a Cherokee Chamber of Commerce. Using the same collaborative process, the CPF is working on a 2020 plan, which will build on previous accomplishments to chart a path to diversify the economy and reduce dependence on gaming revenue. Through transformational grantmaking, the foundation has cultivated community leadership and formed strong relationships, so it is seen as a credible partner with an interest in a healthy and prosperous future for the whole community. People trust the foundation staff and board to help them determine how to plan for the future even beyond the programmes the foundation invests in.

In Brong-Ahafo, the potential for NADeF to promote effective regional planning takes on heightened importance given local circumstances. The gold mine has drastically altered the landscape, ecosystems, social fabric, and economy of the region, and as such the impact on them should be addressed holistically. At present, NADeF's programmes address them individually and unevenly, suggesting a disconnect between development priorities and natural resource use. As described previously, NADeF's budget and process for executing projects tend to create siloes among communities and issue areas, diminishing the opportunities for people to plan projects that link economic development, stewardship of natural resources, and social well-being. The natural resources line item in the budget is small and vaguely defined, which both reflects and reinforces this fragmented development approach. In addition, environmental monitoring and remediation (only one aspect of natural resource management and sustainability) are considered Newmont's and/or the government's job, and while of course the company and government agencies have a big responsibility in this area, this is another sign of compartmentalizing, which can undercut cross-cutting project outcomes and create unintended negative impacts.

However, as NADeF develops tools and processes (such as grantmaking and multi-community projects) that unite people around shared and integrated goals rather than reduce the value of their work to simple fulfillment of a budget line item, the more influential the organization will be in advocating for holistic regional planning. NADeF now has an opportunity to raise awareness around this approach: it has begun facilitating planning processes for individual communities and coordinating community input for district-level medium-term plans. The complicated and highly politicized environment in which NADeF operates will always pose a challenge for the organization as it navigates the sometimes competing interests among communities, Newmont, and the government. But as the leadership team emphasizes relationships and cooperation, it will create the conditions under which NADeF can support community development at a more profound and comprehensive level and realize its full potential.

Conclusions and suggestions for further action

Operating in different contexts with different histories and different financial assets, the three organizations analyzed in this paper all share some key common features:

- They are experimenting with grantmaking as a strategy for developing assets, capacities and trust among different stakeholders.
- They see their role as holding a space for and helping to shape collective decision-making for the long-term well-being of their communities.
- They recognize the need for a strong, broad base of local leaders and are exploring different ways to cultivate community ownership while providing structure for productive decisions and actions.
- They understand the importance of a diverse funding base, both to increase the community's stake in the organization and to secure its long-term financial health.

While these cases illustrate common effective practices, they also show that there is no cookie cutter approach. Notably each of the three foundations prioritizes learning to keep improving its model and strategies. Continuous learning helps any institution stay vital and relevant, but it is even more important for organizations with heavy corporate involvement. The balancing act between communities' interests and corporate interests is ever-present, though it may be more or less obvious at different stages in an organization's life cycle. This reality means that the success of a CPO managing corporate (or government) investment depends not just on how it is created but how people learn and improve on the model as they gain experience with it. The learning process can sometimes be slow, tedious, and non-linear, which means that strong relationships are required to help stakeholders keep the faith that they will see a worthwhile return on investment. In fact, the process is in large part what creates a successful and sustainable product, and this key differentiator is an antidote to other development approaches that have inadvertently excluded or devalued the communities they are intended to support.

This small cohort has already accumulated substantial knowledge and practice; a logical next step is to support the organizations in sharing the learning with others who may find community philanthropy a good fit for their context. This may take the shape of:

- Publications, webinars, and/or conference presentations for corporate, government, and civil society audiences.
- Alliances with organizations promoting human and environmental rights and with Indigenous federations.
- Alliances with groups exploring social impact investment or alternative economic models.

A community of practice is another way to help grow a field of organizations that are learning through doing, especially given the multi-faceted opportunities and challenges of managing large assets. This deeper level of inquiry among practitioners themselves can increase the evidence base and reveal new insights about how community philanthropy at a large scale can evolve and address barriers. Some of these – such as corporations' reluctance to relinquish control over community investment if it may negatively impact the brand, the intricacies of building capacity for all stakeholders in different local contexts, and weak legal and political systems that allow corruption and abuse to fester – are significant. And yet, as these cases indicate, when these barriers can be overcome, people experience tangible improvements in their community.

This report is just one contribution to a growing body of work around how society assigns value to assets, who owns assets and who benefits, and which models will address the urgent and interrelated needs for equity, resource and ecosystem stewardship, and constructive, democratic decision-making.[46] These questions readily arise in fossil fuel and mining projects, but they also apply to any large-scale industrial activity, from wind farms to corporate agriculture to technology datacenters, and even windfalls from corporate legal settlements and the like. This research offers a preliminary framing for these critical issues. More study, especially from the organizations that are putting community philanthropy into practice, will enrich the sector's understanding of how this model can help transform systems that have produced inequities, imbalances, and violence and promote the resilience that society will need to overcome our current state of crisis.

46 Some of these models include Philanthropication thru Privatization, the Buen Vivir Fund, and Commons Strategies.

The GFCF works with individual community foundations and other local grantmakers and their networks, particularly in the global south and the emerging economies of Central and Eastern Europe. Through small grants, technical support, and networking, the GFCF helps local institutions to strengthen and grow so that they can fulfil their potential as vehicles for local development, and as part of the infrastructure for durable development, poverty alleviation, and citizen participation.

About the author

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