

# USAID PVO Registration Program

## Community Philanthropy Webcast Questions and Answers

[Note: Responses to questions 1, 2, 7 - 9, and 12 are transcribed from the webcast. The webcast is available at [pvo.usaid.gov/webcasts](http://pvo.usaid.gov/webcasts).]

*1. Rebecca from IntraHealth International asks: What roles do foundations that are based in low- and middle-income countries play in this initiative?*

**Jenny Hodgson, Executive Director of the Global Fund for Community Foundations:** The role of local philanthropic institutions as part of the community philanthropy discourse is essential. To me community philanthropy really symbolizes the intersection between external development aid and local resources. And the role of private [resources]—particularly because many of the new foundations that are emerging in global crowds—they are new, they're inexperienced, and they're also sometimes looking for partners who can reach deeper into communities, use small grants, have that community link that they themselves might not have.

So I think the idea of blending external and local, including private as well as more participatory types of resources, is really critical, and we see that being particularly successful in the countries and contexts in Eastern Europe, some in East Africa and Brazil—actual engagement building the relationships between civil society and PVOs, CDOs, and local philanthropy potential. Particularly in the case of many emerging markets contexts and development contexts, new local foundations don't tend to engage in grant making, they prefer design and implement their own programs and so they're not doing civil society necessarily as a natural past partner. So, community philanthropy offers this based model with different kinds of ways of working and different kinds of resources as well.

**Laura Young-Sing'oei, Democracy, Rights and Governance Advisor, USAID Kenya:** I would just add that for the Yetu initiative we've engaged local philanthropic foundations through our steering committee, for example, the Safaricom Foundation, which is one of the largest providers of mobile phone services in Kenya. [The] Safaricom Foundation is a member of the steering committee and participates very actively in the deliberations about the design and implementation of the Yetu initiative.

*2. Dan from USAID wants to know how donors can nurture community philanthropy without causing distortions (e.g., influx of foreign funds).*

**Jenny Hodgson:** Sure, and clearly it's a biggie: how can you support a very kind of bottom-up work that sometimes external resources can undermine? I think there are different levels with which to explore this question: one is about behavior change among donors, and I include all donors around that about thinking differently about the kind of change that they're trying to bring about, and what kind of expectations they have with what it is they want to leave in place.

I think there are some design issues about how civil society support has been delivered in the past, but it hasn't been about establishing long-term institutions. In fact it's very much been about institutions who can receive and spend money and not accumulate surpluses and start to build those resources and those assets. So I think there needs to be a mind-shift change around progress, around timing, and around measurements about, you know, if you have a hundred people all contributing one U.S. dollar it's not a lot of money, but in terms of social capital, those metrics really matter because this is around the sort of changing the behavior and the framing of some of the conversations around capacity and the purpose of civil society.

I think that a critical role that external donors can play—which local donors perhaps are less likely to want to play—and that is around very much understanding the essential nature of strengthening the capacity of institutions. So you may find local donors who want to support programs and things and accountable outcomes, but they're less interested in paying staff; they're less interested in training in board development, in setting up robust strong systems, because as soon as local institutions start to leverage local resources, their level of accountability horizontally within their communities are going to suddenly become critical. If your local donor says you've done something wrong with their money, the reputational effects of that could be huge for you. I think there is a role for external resources from development-minded funders who understand the importance of building up strong institutions, and also in advancing more developmental issues. I think sometimes communities and local donors aren't ready to touch on some of the critical issues, some of the sensitive issues, some of the difficult issues—and so local resources again can help to touch those issues which perhaps you still need to build a local constituency for.

And then finally, I'd say there is some really good evidence of practice around what that might look like, so the use of matching funds in a more meaningful way than show us your contribution—actually different measurements for what matching funds look like, evidence of local buy-in, and that kind of institutional support. So I do think there are good examples from the last 20 years of community philanthropy development from different parts of the world on how external funders can do this, but they need to tread carefully and this is delicate and slow work which sometimes might not fit with short-term framework. So lowering expectations changing the metrics may be part of it too.

**Maryanne Yerkes, Acting Division Chief of Civil Society and Media, USAID Center of Excellence on Democracy, Human Rights and Governance:** I do want to emphasize that this is a key question for us at USAID and I think also for the private philanthropic organizations that are part of the Global Alliance for Community Philanthropy. So we very much see the GACP as a learning alliance, and this issue of how do we engage in a way that is useful I think is something that is essential and that we'll be exploring as we support efforts on the ground, so the global alliance is at the global level but we can learn from some examples such as Yetu and other similar programs and other places. But this is a key question that we need to continue asking ourselves as we go forward.

3. *Ibrahim from PATH has two questions. First question: Given the fact that capital (i.e., social, human, financial, civic, political, and intellectual) varies from one community to another, how do we ensure the right mix for maximum impact?*

Local buy-in and local leadership for community philanthropy (CP) are essential if the idea is to take root and flourish: often it requires both mindset and behavior change (e.g., making a shift away from framing development issues only as a “proposal” or a “project” and also the idea that local resources exist, are important, and can also be channeled—alongside external resources—toward a larger social good). Conversations around what local people feel are different types of capital/assets exist in a specific context (both financial and others) and, therefore, an essential part of any process.

External actors can be facilitators of a process but the content must be driven from and shaped by local voices and perspectives: it is the same when it comes to looking at different kinds of indicators and metrics. As the GFCE, we have found that the three larger headings of “Assets,” “Capacities (Agency),” and “Trust (Social Capital)” provide an overarching framework for this conversation, even if the specificities of a particular context may vary. By asking, for example, what asset development might look like across a cohort of different organizations, then we can start to build up that evidence base from grounded data. So, for example, for a partner in India working with Dalit communities, the entry point around assets (in a highly disempowered and disadvantaged community) started with traditions of Dalit art; while in Romania, asset development has emphasized small individual donations from across a community as an act of community participation.

Community philanthropy is a field of creative adaptation where ideas and strategies work when they are tweaked and blended by local actors to suit specific local contexts.

*Second question: How is community philanthropy viewed by traditional and non-traditional (or emerging) donors?*

The opportunity that a community CP framework offers is that of encouraging and cross-fertilizing different types of philanthropic and development resources under a single institutional roof and, by doing so, creating new connections and building trust between what might be quite different kinds of actors and stakeholders. Local resources form an essential part of this.

At the GFCE, we have seen how CPOs have sought to engage different kinds of donors. In Russia, for example, local businesses are big contributors to community foundations, who help relieve them of the burden of having to deal with multiple requests from local NGOs by managing the process in a more organized and strategic way. Russian community foundations have also been engaged in ground-breaking work to develop very local affiliate-type funds in often desolate rural communities, where a conversation about local assets provides a way to re-engage people who feel hopeless and voiceless.

Similarly, the Kenya Community Development Foundation has played an important role nationally in promoting the idea of local philanthropy, and it counts private individuals, local foundations and also local communities (who have built their own funds from small contributions) among its investors. These kinds of multi-stakeholder, multi-donor entities offer local donors a way to reduce

risks by partnering with others and also by being able to spread resources across many smaller groups.

**4. *Rosalea from the University of Technology, Jamaica, asks: What are some examples of community philanthropy, especially in the Caribbean, that have created sustainable development?***

Over the years, the GFCF has supported community philanthropy organizations in Anguilla, St. Lucia, and Haiti. CP's development in the Caribbean has been shaped by various influences and contexts. In places where there is a large expatriate (especially U.S.) population, some community foundations have been established which are perhaps closer to the U.S. donor-services model. As part of its exit strategy from Bermuda, Atlantic Philanthropies invested in a process to establish a community foundation. In Haiti, the Lambi Fund has been quite unique as a grassroots grant-maker to local groups (and although its donor base is very broad and includes many individuals, most of these resources are raised outside Haiti, mainly from the U.S.). Over the past few years, an effort has been underway to establish the Haiti Community Foundation, which draws inspiration from other, more Southern, CPOs (such as the Kenya Community Development Foundation), with a strong emphasis on empowering local communities to address their own development needs and aspirations to harness both local and external resources.

**5. *Patrick from USAID/Malawi would like to know how to engage communities in community philanthropy. [See response to question 6.]***

**6. *Bedilu with Counterpart International is wondering how to establish community philanthropy, the process and prerequisites.***

As with question 3, it is essential to start with a process of conversation and consultation that emphasizes what assets exist locally, whether they have or can be applied to developmental needs, what obstacles exist to encouraging local giving (the first answer is usually something around poverty and the second is about trust), what it would take to make everyone feel that even the smallest gift could be part of something transformative that emphasized local ownership and local agency. This is not a conversation that happens overnight and it requires local leaders and champions who can inspire their peers that it is possible to think and act differently and that see external actors (INGOs, donors) as potential supporters and facilitators, rather than just as "donors."

Specific efforts to help position and grow this thinking might include:

- Mapping of different kinds of giving—ranging from traditions of self-help and solidarity, village banks, through to CSR and the rise of philanthropy of the wealthy
- Feasibility studies that survey a cross-section of the community as to what they see as development priorities, how they perceive the development sector (often as externally funded and externally accountable), and what it would take to encourage them to give (Here, grant making really comes into its own as a fund development strategy because small grants can be made in ways that emphasize transparency and impact, whereas giving to an NGO's overall budget where your donation might disappear into staff or capital costs is less attractive.)

[Maryanne Yerkes provided a single response to questions 7–9.]

7. *Kohinoor from Y Care International asks whether community philanthropy will change funding conditions.*

8. *Joseph has two questions: First, how does community philanthropy relate to the development of USAID's plans for grant opportunities? Second, the Ford Foundation recently announced more grant funding for people with disabilities, in civil society programs on issues of inequality. Does USAID plan to also apply this trend in community philanthropy?*

9. *Maresa with Sightsavers asks: Can we expect CP capacity building to feature more frequently as a component (or as a stand-alone theme) of future USAID calls for proposals?*

**Maryanne Yerkes:** We're unlikely to see a major change in our funding approaches or conditions necessarily because we are a large bureaucracy that moves a considerable amount of funding. However, we do hope to see an increase in support going to these types of initiatives to community philanthropy programs etc. I also want to note that what's really key here and what we're trying to do and what we're trying to learn through Yetu and through the Global Alliance for Community Philanthropy, is how we can incorporate some of the principles and approaches of community philanthropy such as the trust building, the focus on local assets, shifting the power dynamics into our work; and indeed, some of our programs are already doing that to a certain extent.

So it's really learning how do we incorporate these elements better into our work and that may shift the dynamics of the programs. However, again, I do hope that we see a more solid emphasis on community philanthropy work, support to organizations that are creating this infrastructure for community philanthropy. And in terms of the second question, I've kind of answered that in many ways, you may see some scalable programs that are very much focused on this and Yetu maybe it's in that bucket in a way. We'll also see more local being incorporated into larger programs.

10. *Marie-Rose asked the following question: We're setting up the Haiti Community Foundation. Haiti, like other southern countries, has a tradition of giving and philanthropy (Konbit and others) but not much of a philanthropic infrastructure. In the short-term, how does a southern-country community foundation build a solid and sustainable organization when so [few] resources go to local organizations? (2% globally?) And when we have to work on our own capacity at the same time that we work on stimulating local philanthropy? We all know that building a culture of institutional philanthropy is a long-term endeavor.*

Although it's easier said than done, what is required is the joint efforts of various actors working on various fronts and at different levels. These are:

- a) At the local level, building up evidence of significantly new/different efforts and practices to foster local agency and local ownership (initiatives such as the Haiti Community Foundation).
- b) Donors who are prepared to support these kinds of local initiatives, which are heavy on process if they are to be successful, and require enormous energies and efforts in the early stages (and need to look sufficiently robust and relevant if local donors are to come on-

board). External donors can play a critical role in providing institutional development and core support.

- c) Champions at the global level advocating for more resources to go to southern organizations and demonstrating that there are such models and institutions on the ground but that the need to be seen as development institutions (who themselves need to be developed but which bring all sorts of assets to the table, including a long-term view, knowledge of local context, multiple relationships, and also local donors) rather just as “intermediaries” whose work is only transactional.

*11. Tracey of Nurturing Minds/SEGA Girls School, Tanzania, asks: To what degree has Rotary been involved and do you see this as a strong resource?*

Rotary clubs (or individual leaders associated with Rotary or Lions) have been an important part of the conversation around CP development in a variety of different contexts. They offer a local institutional space where the idea of local giving is well established, even if it is on more of a “club” basis. If we see CP as the convergence of a number of different threads (existing local systems of self-help, particularly among the poor; frustrations around development aid; giving among the middle classes), then the “Rotary thread” can be considered as an important one in driving forward these kinds of conversations.

*12. Andrea with the White Ribbon Alliance asked the following: Both examples mentioned capacity building within the local and national groups. The examples given in the Yetu mentioned a number of different skills and techniques they had helped organizations to develop, but has either speaker come across examples of growing/nurturing leadership skills for current or future CEOs and/or senior managers? And if so, what methods, themes, and channels are these skills taught or developed?*

**Jenny Hodgson:** Sure, this is a critical question. I think what’s come up throughout this conversation has been that this is actually about shifting mindsets and shifting ways of thinking, and for that to happen it requires local leadership [and] local vision, and that’s more than just going to training workshops. It’s really people who are inspired by the idea of the important nature of local resources, local ownership, local buy-in and [who] can be supported. We see a lot of burnout in the emergent community philanthropy field; people have been doing amazing work at the grassroots level and then they get a job with a larger, better-funded NGO and off they go. But it’s also around the thought leadership, the rationale: Why is this really about shifting power? How does it shift power? What kind of civil society do we really want? What is the role of local resources?

A lot of the work that we do at the Global Fund is to connect what are often quite isolated practitioners who have a very well thought out theory of change about why a more bottom-up approach matters but often facing issues of burnout. So it’s a critical issue. And it’s about skills, it’s about techniques, it’s about mindset shift, it’s about moving out of the normal ways of doing things. But it’s also about the research and learning and allowing this field which has been quite marginal to start to become more central and giving people the opportunity to reflect and to think through the significance and how it can advance a more bottom-up development approach.

**Laura Young-Sing'oei:** I think Yetu is implementing some of these principles again at a very practical level. The e-learning and capacity building that we engage with the organizations here in Kenya focuses not only on communication, as I added, but also on learning leadership skills, and part of that links back to some of that communication.

We're very focused on ensuring that the leadership of the organization is involved in all of these efforts and that the boards of all these organizations are deeply involved, and the capacity building and training that's going on is helping those leaders and those boards think about, again as Jenny says, changing the mindset with which they work in their organizations. And as you think about building trust with communities, part of that is what is the brand of your organization (what do people identify with your civil society organization), and the leadership and the boards of those organizations are key aspects in promoting that brand and ensuring that the brand speaks trust and accountability and community engagement. So, all of those aspects are key parts of the capacity building and training that we do in Yetu.

*13. Sarah with GETF directed this question to Laura: With online e-philanthropy platforms, such as the one being developed for the Yetu Initiative, how do you think through preventing donations from companies or individuals who are engaged in illegal or socially harmful activities?*

This is a very important question and consideration for any organization that receives donated funds. First, regardless of whether funds are received through a website or other method, organizations need to have policies in place about where they will accept money from and whether they will accept anonymous donations. It is important for these organizational policies to comply with appropriate laws from the jurisdiction where the organization operates. Specifically in relation to online donations along the lines of a Global Giving type website, organizations need to be in a position to apply their policies to funds that flow through that medium. If they see funds coming from an individual or group that they are uncomfortable with, they need to have procedures in place, in conjunction with the web-based platform, to return the funds.