

Is there space for community philanthropy
within the Portuguese civil society landscape?
Benchmarks and scenarios for the role of
private and independent foundations in
fostering the community philanthropy agenda

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Executive summary

Although Portuguese people today are conscious of the incapacity of the state (national and local agencies) to cover all societal needs, several studies demonstrate that Portuguese citizens have a very fragile (and irregular) giving culture in financial and volunteering terms. This said, when local crises surface, we realize that community engagement is significant, with Portuguese people being highly generous and creative with their time, talent and resources. Recent examples of such high engagement have been visible in reaction to the so-called “Refugee Crisis” of 2015/16, the unfortunate annual summer fire-fights or, more recently, in helping those in need because of the COVID-19 pandemic.

At the same time, there is a diverse and ambitious not-for-profit sector in Portugal. The majority of civil society organizations (CSOs) targeting local communities are underfunded; are fighting to attain sustainability; lack time and resources for strategic thought, capacity building and networking/knowledge exchange opportunities; are highly dependent on the state and local municipalities; and have few regular donors.

Since the 90s, strategic community philanthropy approaches have been introduced in Europe, evidencing capacity to generate solid, regular and lasting impact at the local and regional level. Leading and convening this community philanthropy mission have been strong private independent foundations, such as Charles Stewart Mott, Ford Foundation, Bertelsmann Foundation, Cariplo Foundation, Compagnia di San Paolo Foundation, King Baudouin Foundation, The National Lottery Community Fund and Robert Bosch Stiftung.

The Calouste Gulbenkian Foundation is the strongest private independent foundation in Portugal, with more than 60 years of work in the fields of culture, science, education, and social development. It is frequently accused of being “Lisbon-centric”, not capable of engaging with grassroots movements and social causes or with CSOs removed from the main cities. During the last decades, for different reasons, Gulbenkian Foundation’s grant-giving capacity has diminished, but its leverage ability continues to be properly stimulated.

The paper proposes that for the strategy review underway for the period 2023 to 2027, the Gulbenkian Foundation consider seriously community philanthropy as one of the fields of action for its medium- to long-term plans. Participatory co-ownership tools, like challenge grants, Vital Signs, giving circles and youth banks—with the needed adaptations to the Portuguese context—could be strategically incubated and piloted and could benefit from the very positive reputation

and convening power of the Gulbenkian Foundation. In addition, these tools could target higher engagement and the trust of different society stakeholders, like common citizens; high-net-worth individuals; private for-profit companies and industries; and the Portuguese diaspora. Lastly, Gulbenkian Foundation's universe of former scholarship holders could be challenged through this strategy to give back (in talent, resources and time), not to the Foundation itself, but to specific local communities with which they relate.

Promoting and piloting bottom-up, participatory decision-making processes, engaging existing local apolitical champions and supporting emerging ones could trigger a boost in the national culture of giving at the local level in the medium to long term. This strategy would allow the Gulbenkian Foundation to be more present at the grassroots, decentralized, regional and local levels.

Portugal

With almost 900 years of existence and an advantageous geographical location, Portugal has profited and suffered from being on the 'border' of three continents: Europe, Africa and America. It benefited on many occasions, from such a particular positioning, but also carried the weight of always being on the periphery, away from decision-making contexts in these regions.

Contextualizing Portugal through key indicators

According to pordata.pt, in 2018 Portugal had 10,284 million residents. The aged and youth represented 22% and 14% of the overall population respectively (up from 12% and down from 25% respectively in 1981). In less than four decades, Portugal became one of the fastest ageing countries in the world. In 2018 there were three active adults for each citizen over 65, whereas in 1981 this index was 6,6 /1.

Traditionally a 'sending country' for more than five centuries, in what relates to migration flows, Portugal became a destination country for the most part during the last decades of the twentieth century and the first twenty years of the twenty-first century. According to the latest available data (2018) 4,7% of the Portuguese registered population has foreign nationality (in 1981 this number was 0,6%). In addition, we should consider that in the last ten years, more than 500 thousand were granted citizenship, a consequence of pro-human rights migrant integration legislation already in place for many years¹. As such, in the last half century, the Portuguese population's ethnic, linguistic, cultural and religious diversity has increased significantly. One would expect a higher impact from migration in slowing the aging of the population, but it has not been sufficient.

At the same time there is a huge diaspora all over the world estimated at 2,3 million² born in Portugal and an almost equal number of descendants.

Since the 1974 revolution, the end of an authoritarian regime, and the implementation of a true democratic system, many indicators show a positive development of Portuguese society.

Some illustrative examples are:

- Houses with piped water: 99,4% in 2011 (47,4% in 1970);
- Illiteracy rate: 5,2% in 2011 (25,7% in 1970);

¹ See <http://mipex.eu> (accessed on November 2020).

² <http://observatorioemigracao.pt/np4/1315/> (accessed on November 2020).

- Population with university studies: 18,7% in 2018 (6,8% in 2001);
- Students with university diplomas per year: 81.846 in 2018 (18.671 in 1991);
- Museum and zoo visitors: 24 million in 2018 (2,75 million in 1970);
- Medical doctors: around 54 thousand in 2018 (8 thousand in 1970);
- Judicial magistrates: 1.743 in 2018 (422 in 1970);
- Companies: 1.295 million in 2018 (386 thousand in 1991);
- GDP in millions of euros: 199 thousand in 2018 (57 thousand in 1970);
- Inflation rate: 0,99% in 2018 (19,21% in 1981).

Source: pordata.pt, last accessed on 31st October 2020.

Within the EU27 context, Portugal's positioning falls very close to the average in several indicators:

| INDICATORS | Portugal | EU 27 |
|--|------------|-------------|
| Resident population 2019 | 10,286,263 | 447,265,387 |
| Population density 2016 | 112.1 | 105.3 |
| At risk of poverty rate (%) after social transfers - 2018 | 17.3 | 16.8 |
| Early school leavers rate (%) 2019 | 10.6 | 10.2 |
| Unemployment rate (%) 2019 | 6.5 | 6.7 |
| GDP per capita (PPS) - 2019 | 24,388 | 31,142 |
| Private consumption as a % of GDP 2019 | 64.1 | 53.1 |

Source: Pordata.pt, *Portrait of Portugal in Europe*, 2020 Edition, Fundação Francisco Manuel dos Santos (2020: 4).

According to the same source, Portugal has the fourth highest percentage of expenditure in pensions as a percentage of GDP (14,2%), only surpassed by France, Italy and Greece. But these numbers do not necessarily reflect a higher pension expenditure per pensioner (According to Eurostat, Portugal ranks fifteenth among the 27 countries in what comes to the purchasing power standard.). According to Eurostat (2018), the rate of the “at-risk-of poverty (after social transfers)” population in Portugal was 17,3%, slightly higher than the EU27 average of 16,8%.

As a consequence of the COVID-19 pandemic's negative impact, Portugal currently faces an abrupt interruption of the previous years' economic growth. Some indicators are:

- Rising numbers of unemployment (7,7% in September 2020, compared with 6,5% in September 2019);

- Fifty-five thousand new unemployed citizens registering (increase of over 36% in unemployed registered citizens between September 2019 to same month in 2020);
- Strong decrease of trimestral GDP (-5.8% compared with 2019);
- Marked change in the companies trust index towards their activities: from a positive value of 12,9 in October 2019 to -14,2 in October 2020;
- A 6% growth of the % of GDP public debt in just one year from 120,1% to 126,1% (2nd trimester 2019-2020).

Source: pordata.pt, last accessed on 31st October 2020.

Portuguese Third Sector

In 2014, the Calouste Gulbenkian Foundation commissioned a study of the non-governmental (NGO) sector in Portugal. *Survey on the NGO sector in Portugal (2015)* was drawn up by the Catholic University of Portugal with the aim of filling knowledge gaps on NGOs operating in Portugal. This

“In Portugal, we are all, private companies included, highly dependent of the State”

Conversation with Luísa Valle,
former Director at Calouste
Gulbenkian Foundation,
October 2020

section of the study presents background contextualization, data and conclusions collected from the above-mentioned work. In historical terms,

these are the key moments of NGOs, their institutions and main roles:

- Social solidarity organizations found in Portugal in the Middle Ages are either Church-related or strongly inspired by Christian values and by the works of mercy. Christian charity was the driving force behind the building of institutions.

[...]

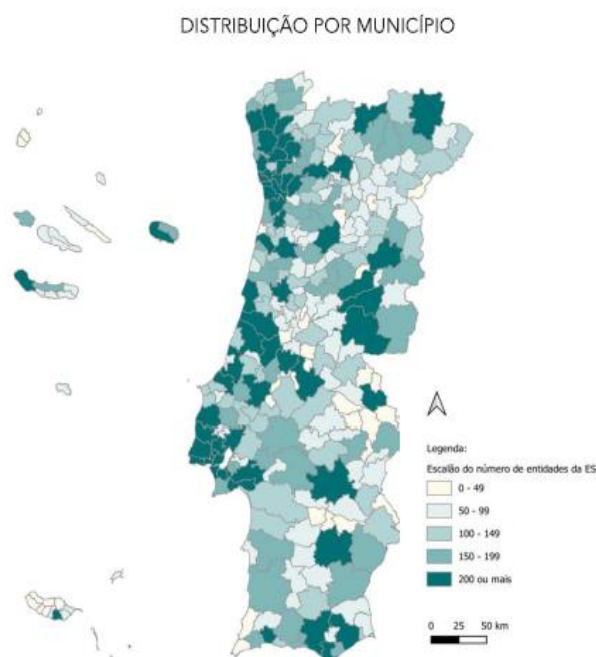
- The service provided by the majority of these organizations did not stand out for its quality and there were recurring cases of mismanagement. This framework led to a restructuring of the welfare sector similar to what was happening elsewhere in Europe.
- In the Modern Era, the *misericórdias* became the most influential players in the welfare sector. These royal institutions with a Christian inspiration were founded by Queen Leonor in 1498 and were part of a larger movement that reorganized the welfare sector in Europe. The *misericórdias* were supported by the State right

from the onset, which, in this way, sought to exert its control over their care-related activities.

- Brotherhoods also played a relevant role during this time in providing help to the needy while *corporações* (corporations) went on operating as charitable institutions.
- The establishment of the constitutional monarchy marked the beginning of the Liberal Era, which entailed significant changes in the main areas of activity of the *misericórdias*. Some of the services that they provided were deleted and they began to be monitored and inspected by the administrative bodies created by the new political order.
- This was a period of intense development for associations with the emergence of societies, associations and clubs in different social and professional quarters and for various purposes. The extinction of *corporações* (corporations) in 1834 was followed by the creation of the first association in 1839. In the late nineteenth century, the number of associations connected to the labor movement was already relevant. Mutual societies appear in response to the difficult living and working conditions of the working classes, particularly laborers, who were unprotected and exposed to various risks. The last years of the nineteenth century are characterized by the appearance of the first cooperatives and trade associations which, similarly to mutual societies, were able to overcome the difficulties the country went through at the time. Farmers' unions gain momentum and associations of a Catholic nature appear.
- The eradication of poverty remained a pipe dream, only to be marginally compensated by the work of the *misericórdias*, brotherhoods and *ordens terceiras* (third orders) – the last two more focused on assisting their brethren – and of the Church. Despite the nineteenth-century secularizing intents, the Church continued to play a central role in assisting those in need.
- During the *Estado Novo* period, centralized power becomes wary of and hostile to civil society organizations, particularly mutual societies and cooperatives, seen as bodies of a collectivist nature. In an effort to control the activities of associations, the State drove out governing bodies, persecuted activists, extinguished certain associations and integrated others into corporate institutions that had been set up such as Casas do Povo (community meeting houses) and Casas dos Pescadores (meeting houses for fishermen).

- Welfare is basically dominated by the Church with its *Centros Paroquiais* (parochial centers), and the Portuguese Caritas comes into being after the Second World War.
- After the 25th of April 1974, civil engagement became particularly dynamic in different areas of activity and citizens got increasingly involved in various types of associations such as unions, employers' organizations, social solidarity institutions, aid agencies, cultural, sports and recreational associations. After Portugal joined the European Economic Community, the number of organizations, particularly associations and cooperatives, increased significantly. Excerpted from *Survey on the NGO sector in Portugal* (2014: 15-16).

According to the most recent data from Instituto Nacional de Estatística (Conta Satélite da Economia Social, 2013), Portugal has around 28 thousand NGOs, representing 45,7% of all social



economy organizations, employing 72,1% of all manpower working in the Third sector. The gross annual value of the NGO sector rose to €2.247 million (close to 1,5% of GDP), employing almost 175.000 people (around 3,5% of all employees in the Portuguese economy). Each organization has an average of 6,3 employees. Associations (96%) comprise the dominant type of NGO, followed by foundations (2%), *misericórdias* (1,3%) and cooperatives (0,5%).

Source: Instituto Nacional de Estatística (last accessed on November 2020)

As we can see in the illustrative image³, the majority of Third-sector organizations are located within the coast line in areas where the population is dense. Of these organizations, 25,5% operate in the Metropolitan Area of Lisbon and 12,2% in Porto. According to the *Survey on the NGO sector in Portugal* there “is a regional disparity in the ratio of the number of inhabitants

³ Instituto Nacional de Estatística (INE), https://www.ine.pt/xportal/xmain?xpgid=ine_inst_infografia&INST=451615344&xpid=INE (accessed on November 2020).

per NGO which is significantly lower in the hinterland than in coastal districts; this is likely to have an increasingly negative impact on the NGOs that operate in the hinterland as the population in this part of the country decreases.”⁴

Some of the main conclusions of this survey are⁵:

- In what relates to governance and management Portuguese NGOs are led mainly by volunteers, predominantly highly-educated, middle-aged men;
- Paid full-time workers are mostly female and the need for training remains considerable;
- “Volunteers are present in most NGOs, although in small numbers and in most cases without contract and lacking volunteer training”;
- An estimated 340 thousand people do voluntary formal work in the NGO sector;
- “Networking and partnerships can be found in most NGOs, but they are probably centered on the sharing of information and not of other types of resources”;
- The most frequent dealings are with public bodies, namely local government;
- Public funding constitutes a very important source of income for NGOs, complemented by contributions from users and donations from private individuals;
- Corporate donations are still not very relevant;
- The majority of NGOs is engaged in obtaining funding from private donors, mostly from individuals rather than from businesses. Most of them, however, lack organization and skills in this field.

Philanthropic Sector in Portugal

Data about the Portuguese philanthropic sector are lacking. Based on conversations with Portuguese Foundation Center staff, best estimates dating from 2017 point to over 500 private foundations in Portugal and around 50 public foundations of private law. Around one third of the total appears to be inactive or with very reduced activity⁶.

According to the same best estimations:

- Their overall patrimony is almost seven billion euros;

⁴ INE (2013: 19).

⁵ INE (2013: 22-23).

⁶ In October 2016, Emílio Rui Vilar, President of the Foundations Consultative Council and former President of the Calouste Gulbenkian Foundation and the Portuguese Foundation Center, gave an interview to the newspaper *Diário de Notícias* stating that the number of Foundations in Portugal is estimated at around 500 (<https://www.dn.pt/portugal/entrevista/a-lei-das-fundacoes-nao-e-clara-e-ainda-existem-zonas-cinzentas-5472061.html>).

- Although they can operate in multiple areas, more than 60% of these foundations are primarily focused on “Community Development, Solidarity and Social Inclusion”; around 20% on “Arts, Culture and Patrimony” and the remaining on “Education, Research and Citizenship”;
- Almost half of the foundations have their headquarters within the Lisbon Metropolitan Area, although they can operate in several geographical areas;
- More than two thirds have been in existence longer than twenty years, and more than one third between six and nineteen years;
- More than one third do not have “Public Utility Status”, meaning they have higher challenges in attracting donations due to the incapacity to offer tax exemptions and deductions;
- There are around seventeen thousand employees working in the foundation ecosystem in Portugal.

“The fundamental next step is to know what the Foundations’ sector is worth in Portugal”

Conversation with Mário
Curveira Santos, Portuguese
Foundations Center, October
2020

“Unfortunately, we can almost witness conflict between Associations and Foundations, when the purpose is the same, the common good”

Conversation with Marco Domingues
– Animar Network, October 2020

Following conversations held in October 2020 with different Portuguese stakeholders,⁷ we risk concluding that currently there are only four to five real grant-giving foundations in Portugal and that the majority of these organizations are mainly operational foundations.

As with data on the philanthropic sector, information and reliable aggregated data relating to corporate social responsibility (CSR) in Portugal is largely absent. Cordeiro Lopes & António (2016) published a paper in the *International Business and Economics Review* entitled, “Corporate Social Responsibility in Portugal: From Myth to Reality” in which they propose the following conclusions:

⁷ Emílio Rui Vilar, formerly President of the Calouste Gulbenkian Foundation and Portuguese Foundation Center; Luísa Valle, formerly Director of the Calouste Gulbenkian Foundation; Mário Curveira Santos, General Director of the Portuguese Foundation Center; Marco Domingues, President of ANIMAR Network; Rui Gonçalves, Chief of Cabinet of the President of the Calouste Gulbenkian Foundation; Raquel Campos Franco, Researcher specializing in social economy and philanthropy at the Catholic University of Oporto; and Miguel Alves Martins, Researcher specializing in philanthropy at Nova Business School, Lisbon.

- Although progress has been identified, CSR in Portugal continues to be characterized by sporadic actions without significant impact at the regional level;
- For big companies, the relationship with community, support to the underserved, and actions in schools are the most important CSR practices;
- The main channel of CSR is sponsorships or donations to cultural, social, educational and sports activities;
- It seems many of these actions focus more on marketing purposes than on an actual commitment to CSR;
- In opposition to the past, companies do not just write a check; many want to actively intervene in the supported NGO's activities.⁸

Community Philanthropy in Portugal

Article n.º263 of the Portuguese constitution (1976) underlines specifically the right Portuguese citizens have to create residents' organizations "in order to intensify local people's participation in local administrative life". Clearly, the democratic regime established after the Carnations Revolution of 1974 upholds the importance of citizens' active engagement at the local level including, when desired, direct participation in decision-making processes. Article n.º 265 states that residents' organizations have the right a) to petition local authorities in relation to administrative matters that are of interest to the residents, and b) to participate without voting in the parish assembly via their representatives⁹.

As mentioned previously, for centuries the church and *misericórdias* have been the main actors

"Portuguese society is very individualistic, we need to recover community and mutual support values at the local level"

Conversation with Marco Domingues, Animar Network, October 2020

in Portugal at the local level in the context of social local support. *Misericórdias* are local operational institutions that are spread all over the country (373 in total¹⁰) and focus on complementing the state's delivery of services—mainly in the fields of education, health, and support of seniors and people with disabilities—to local communities.

⁸ Cordeiro Lopes & António (2016: 126-127).

⁹ Article n.º265 of Constituição da República Portuguesa, Diário da República n.º 86/1976, Série I (10 april 1976).

¹⁰ Portugal has a total of 308 municipalities and 3085 parishes (*juntas de freguesia*, local government structures) (in www.eleicoes.mai.gov.pt/autarquicas2017, last checked in November 2020).

Side by side with *misericórdias*, associations linked to culture, recreation and sports have a strong presence at the local level in Portugal, with more than 30 thousand such structures spread all over the country.¹¹ A study conducted in 2013 under the supervision of José Ornelas concludes that civic participation and conscience is only one of four drivers of leadership in such contexts.¹² There is a lack of support from local government and members of these collectivities and unity among the collectivities is absent.¹³ A survey conducted on a sample of association leaders revealed that they are predominantly male (81%); have an average age of 47,6; have secondary or university education (around 70%); dedicate more than ten hours a week to this work (53%); and have a main profession (67%). As for the associations themselves, only 48% are focused on social issues as the main activity (taking the lead are culture, 78%; recreation, 65%; and sports, 59%). The majority of associations (68%) are located in more urban areas¹⁴.

As for community foundations (CFs), different sources mention different numbers for their presence in Portugal, with one commonality: there are almost none:

| Year | N.º of CFs | Source | Observations |
|------|------------|---|---|
| 2008 | 1 | <i>Local Mission – Global Vision: Community Foundations in the 21st Century</i> (2008) | No mention of the name of the CF identified. |
| 2010 | 2 to 3 | “Community Foundations in Spain and Portugal, and Their Influence on Local Development”, Alejandro Hernández Ranner (Ph.D. thesis, 2010) | Studies in detail two Portuguese foundations – CEBI Foundation and Joaquim dos Santos Foundation ¹⁵ and also considers Bissaya Barreto Foundation (in Coimbra) as a special close case ¹⁶ . |
| 2012 | 1 | <i>Fundaciones Cívicas 13 – Compromiso de la ciudadanía. Estudio de la Fundação para o Desenvolvimento Comunitário de Alverca, Fundación Bertelsmann Spain</i> (2012) | CEBI Foundation (Alverca) |

¹¹ “Liderança Comunitária. Estudo Colaborativo com Dirigentes Associativos” [Communitarian Leadership. Collaborative Study with Associations Managers], José Ornelas (Coordinator), ISPA, 2013.

¹² The other three are family influence on the leader, personal development, and inspiration from other leaders (ibid., 117).

¹³ Ibid., 117-119.

¹⁴ Ibid., 124-132.

¹⁵ “With a little transformation, which would affect only the way in which the members and the structure or the Board are designed, we believe that Joaquim dos Santos Foundation, in Portugal, could also be classified without problems as CF.” (Ranner, 2010:32). “We think that there are possibilities for finding more cases of organizations, both in Spain and Portugal, that can be classified as CFs.” (Ibid., 48).

¹⁶Ibid., 388.

| | | | |
|------|--------|--|--|
| 2014 | 1 | <i>Community Foundation Atlas</i> ¹⁷ (2014) | Fundação ADFP – Assistência, Desenvolvimento e Formação Profissional (Miranda do Corvo) |
| 2018 | 0 | <i>Community Foundations Support Organizations and National Champions in Europe</i> , ECFI (2018) | |
| 2019 | 0 | Sara Almeida, <i>Promoting the Concept and Practice of Community Foundations in Portugal</i> (2019) | “In Portugal there are no CFs, although there are similar organizations. E.g.: CEBI Foundation (Alverca, 1968); ADFP Foundation (Miranda do Corvo, 1987) and COI Foundation (Pinhal Novo, 2005)” ¹⁸ . |
| 2020 | 2 | Conversation with Emílio Rui Vilar, ¹⁹ former Head of the Portuguese Foundation Center (PFC ²⁰) | Two organizations were mentioned as perceived/close to the CF model: CEBI Foundation; Eugénio de Almeida Foundation (Évora). |
| 2020 | 2 to 4 | Conversation with Raquel Campos Franco, ²¹ researcher at the Catholic University | Besides CEBI (Alverca) and ADFP (Miranda do Corvo), there was also mention that Eugénio de Almeida Foundation (Évora) and Bissaya Barreto Foundation (in Coimbra) are close to the CF model. |

Although there is no legal impediment for the existence of community foundations in Portugal²², stakeholders consulted mentioned **other impediments to the dissemination of this type of philanthropic organization in Portugal:**

¹⁷ <https://communityfoundationatlas.org/> (accessed in November 2020).

¹⁸ Sara Almeida (2019: 6).

¹⁹ Conversation held in October 2020.

²⁰ Under Mr. Vilar’s Presidency, the PFC organized in 2002 a seminar on “As Fundações Comunitarias em Portugal: e tempo de aderir ao movimento Europeu!” [Community Foundations in Portugal: it's time to join the European movement!], in 5-7 April 2002, in Lisbon, with the support of the European Foundation Centre (Renner [2010: 255-256]).

²¹ Conversation held in October 2020.

²² The Lei n.º24/2012 - Lei-Quadro das Fundações was revised in 2012 and published in *Diário da República*, 1ª Série, n.º131, on 9 July 2012.

- The **state's increasing supervision of and mistrust** towards the foundation sector²³;
- Complex and timely **bureaucratic procedures** to create (community) foundations;
- **The law requires large sums of money to start** a (community) **foundation** by Portuguese standards (€250.000 of endowment, of which at least €100.000 must be financial)²⁴;
- **At least 3 years** of activity is required to apply to "Public Utility Statute" (*Estatuto de Utilidade Pública*) that allows the foundation and its donors (individuals or companies) **to have** financial advantages (**tax exemptions**)²⁵;
- Very **individualistic culture**;
- **Lack of trust** in current civil society structures, accused of not being transparent and accountable;
- Associativism has been assumed as the 'normal' local form of participation;
- **High level of politization and lack of space for diversified representation** in governance structures of Civil Society organizations;
- **Sporadic examples of local champions** promoting successful cause-related movements;
- **Absence of proper strategizing work towards** the engagement of local companies/industries in community **CSR**.

"What impact does the work of community foundations have in Portugal and Spain? The number of community foundations here is still very small because people are not familiar with the concept yet. The idea of collaborating with others is something that is not usual. But I think there is a great opportunity for community philanthropy in Portugal and Spain."

Building bridges for Local Good. A Guide to Community Foundations in Europe, ECFI, Interview with Dr. Alejandro Hernández Renner from Fundación Maimona, Spain (2017: 8)

²³ Between 2011 and 2013, during the peak of the previous economic crisis, the government did an intensive mapping of existing foundations and their tax benefits and identified 190 foundations that did not pass the criteria put in place, targeting the extinction of many of such organizations. (See for example, "Governo avalia extinção de "várias dezenas" de Fundações até final do mês" [Government evaluates the extinction of many dozens of foundations until the end of the month], in *Público online*, 2 August 2012; "*Estado corta metade do apoio a fundações*" [State cuts half of the support to foundations], in *Diário de Notícias online*, 2 August 2012 or "*OE2013 terá efeito catastrófico em algumas fundações*" [State Budget 2013 will have a catastrophic impact on some foundations"], in *Diário de Notícias online*, 28 November 2012.

²⁴ See <https://cpf.org.pt/fundacoes/como-criar-uma-fundacao/> (accessed on November 2020).

²⁵ N.º2 of article n.º24 of Lei n.º24/2012, Lei Quadro das Fundações.

Individual Giving in Portugal

“There is no tradition of philanthropy in Portugal”

Conversation with Mário
Curveira Santos, Portuguese
Foundations Center, October
2020

In the last edition of the *World Giving Index* (data collected in 2019), Portugal ranked 88th among 126 countries with an overall percentage of 25% of Portuguese population engaged in individual giving a month before the survey was completed. According to this source, 20% of Portuguese surveyed had contributed financially to a charity

and 14% had volunteered time to an organization in the previous month. In comparison with EU27 countries, Portugal holds one of the last places in the *Index’s* ranking of 126 countries—far behind France (55th), Spain (46th), Italy (33rd), Belgium (30th) and Germany (20th).²⁶

In 2018, the Gulbenkian Foundation commissioned a study to NOVA_SBE, “*Oportunidades de Desenvolvimento da Filantropia Individual em Portugal*”.²⁷ According to this source

Portugal can be classified as having a Latin-Mediterranean Philanthropic Culture (MacDonald & Borms), where the population expects that:

- State will take care of the almost totality of social services, that can then be complemented by the Church;
- Social problems can be resolved by the closest ones [family and neighbors], following the social doctrine of the Catholic Church;
- There is high difficulty of social organizations being capable to be totally autonomous from the State.²⁸

A study commissioned in 2017 to IPSOS-Market Studies by the Calouste Gulbenkian Foundation—following a survey targeting a representative sample of the Portuguese population—presented a different picture of financial donations. According to the Report *A Filantropia em Portugal*,²⁹ 46% of the respondents mentioned they had made at least one financial donation during the last twelve months; the number rises to 54%, if we take into

²⁶ CAF *World Giving Index*, 10th edition (2019: 23-24).

²⁷ NOVA_SBE, “Opportunities for the Development of individual philanthropy in Portugal” (unpublished slide presentation; June 2018).

²⁸ Ibid. (author’s own translation, Slide 5).

²⁹ “Philanthropy in Portugal” (unpublished slide presentation).

consideration the last 24 months. In what relates to volunteering, the numbers are very similar to the World Giving Index, with an overall rate of 17% of respondents (last 12 months).

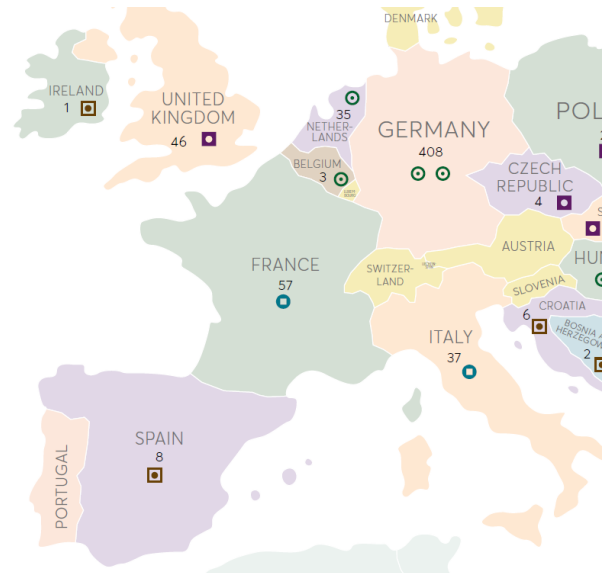
This survey also arrived at some common conclusions about individual philanthropy in Portugal:

- A majority -of Portuguese citizens (85%) acknowledges the importance of philanthropy in society (lead by women and older citizens);
- Philanthropy tends to be more valued by people with higher levels of education and monthly salaries;
- Seventy-eight percent of respondents believe “Philanthropic Institutions have an essential role in supporting to great societal causes”;
- There is “lack of trust and of information about the associations/institutes/foundations that support the social causes (47%) and this becomes the perception greatest barrier to individual donations”³⁰;
- Transparency in the process (93%), accountability of organizations (92%) and trust in the team (91%) are the key factors identified determining the decision to donate or not;
- Two thirds of donations done in the last twelve months are below €50 per year;
- The survey identifies “fire fighters³¹” (13%) and religious institutions (11%) as the main recipients of donations, followed by national causes such as the food bank (7%), child support organizations (5%), the fight against cancer (5%) and international causes, like UNICEF (5%);
- Of the 46% of respondents who mentioned that they donated within the last twelve months: only 15% of the respondents mentioned they donated at least once a month; 51% mentioned “punctually” and 30% “annually”;
- The majority of donations are made in cash (56%) or through the ATM system (20%); only 7% are through direct debits from bank accounts;
- Thirty-nine percent of donors have contributed to a local cause (44% to national and 17% to international causes);
- At the local level, the causes that attract higher donations are causes related to “social inclusion” and “victims support and protection”.

³⁰ Author’s own translation, slide 21.

³¹ 2017 was a peculiar year due to the occurrence of one of the biggest tragedies: summer fires at Pedrógão Grande resulted in 66 deaths, more than 200 injured and general destruction of villages, crops, and forests.

Benchmarks of the role of strong independent private foundations in fostering the community philanthropy agenda at national levels



Source: Bölhoff, Anja and Magowan (2018:8)

In this section, we analyze and compare how strong independent private foundations have approached the subject of community philanthropy within their respective countries, concluding that context, local culture and traditions are fundamental to an understanding of the different approaches.

We can also see that a range of possible lines of action can be taken: direct funding to create community foundations (including endowment constitution and infrastructure funding), as in the case of some Italian foundations or Bertelsmann Stiftung in Germany; capacity building and advocacy, as in the case of Fundación Bertelsmann in Spain; or the incubation model, as reflected by the King Baudouin Foundation in Belgium.

For the benchmarks, we have chosen four countries where private foundations are playing (or have played) a fundamental role at the national level in promoting local philanthropy. The countries are clustered in two groups:

- Spain and Italy – two predominantly Catholic countries, in southern Europe and with strong similarities to the Portuguese context with respect to traditions, culture, local social challenges and the state’s strong direct intervention at the local level.
- Germany and Belgium – Bismarkian or ‘Corporatist’ countries where organizations from social economy have historically, played an important role in the social assistance

and health sector, almost always under the supervision and with financial support of the public sector, mainly in what refers to labor politics towards marginalized groups that were rejected from the labor market»³².

We can already conclude that in the four countries, the option of the philanthropic sector was to approach this grassroots work by supporting the creation of community foundations, CF networks and specific CF support organizations.

In methodological terms, the information we will present per country is based on quantitative data gathered from reports and conversations with national stakeholders³³, mainly from the foundation field. The purpose is not to be exhaustive on details, but to present the main lines of approach chosen by these national private foundations.

Spain –Targeting greater local impact and ownership: Round two

- **Number of Community Foundations³⁴: 12**
- **First Community Foundation: 2000**
- **Minimum income required to start a Foundation: €30.000**
- **Specific/Autonomous legislation for CFs? No**
- **CFs are local Grantmakers? Yes, for new strategy**

Fundación Bertelsmann Spain was the first private foundation to approach the local philanthropy field, designing a medium- to long-term approach (2006-2013) centered on capacity building, certification, consultancy, delivering support to CFs (by stabilizing a concept and presenting specific criteria to be met); and validating through case studies specific local foundations as CFs, among other activities. The option in 2006 was not to use the, ‘community foundation,’ but to use the term, ‘civic foundation’ (*fundaciones cívicas*) instead.

³² Campos Franco (2015: 26), author’s own translation).

³³ For the Spanish case, we talked to the following: Mercedes Mosquera, formerly working with Bertelsmann Foundation Spain; Rosa Gallego of the Spanish Foundations Association; and Alejandro Hernández Ranner of Maimona Foundation. For the Italian case, we talked to the following: Daniele Giudici of Fondazione Lambriana; Carola Carazzone of ASSIFERO; and Daniela Castagno of Fondazione Con Il Sud. We spoke with Jan Despiegelaere from Community Foundation of West Flanders for the Belgian case. Peter Walkenhorst from Bertelsmann Stiftung and Markus Lux from Bosch Stiftung spoke to us about the German model.

³⁴ ECFI, *Building Bridges for Local Good* (2017). There is contradictory information about the number of CFs in Spain: Community Foundation Atlas (2014) presents ten CFs and according to ECFI’s report, *Community Foundation Support Organizations and National Champions* (2018), the number would be eight CFs.

According to Michaela Hertel, Director of Fundación Bertelsmann in 2011,

The Bertelsmann Foundation is convinced of the importance of the implementation of these type of entities in our country. As such, since 2006 we have been working in different phases to promote its development: starting with a first diffusion of the concept and identification of the Civic Foundations that could already exist in Spain, arriving to the consolidation with the creation of the Network of Civic Foundations in February 2009. This network is leaded by our Foundation. Through its Competencies Center for Foundations, the Bertelsmann Foundation works towards the creation and professionalization of this type of organizations and awards the recognition of the badge «Fundaciones Cívicas. Ciudadanos para ciudadanos» [“Civic Foundations. Citizens for Citizens”], to the institutions that start to make part of the network through an audit process that certifies the compliance of expected requirements of a civic Foundation.³⁵

The competencies for community Philanthropy (*fundaciones cívicas*) established by Bertelsmann in Spain targeted the following goals³⁶:

- To promote the concept of *fundación cívica*;
- To support the creation of *fundaciones cívicas*;
- To professionalize the work of already existing foundations;
- To promote network and interchange of experiences and mutual learnings among Spanish foundations.

Following conversations held with Mercedes Mosquera, Bertelsmann project leader at that time, several accomplishments were met in what comes to documentation (including three main framework documents³⁷ and the production of eleven case studies³⁸) produced in the framework of the Center of Competencies for Community Philanthropy. Also the creation and leadership of the Ibero-American Network of Community Foundations, including foundations from several countries on both sides of the Atlantic, was an important achievement at that time.

³⁵ In Fundación Bertelsmann (2011: 12, author’s own translation from Spanish).

³⁶ In Hertel & all (2007: 12).

³⁷ *Fundaciones Cívicas* n.º1 (2007) “Qué es una fundación cívica?” (“What’s a Civic Foundation?”); *Fundaciones Cívicas* n.º9 (2011) “Donar com sentido e impacto” (“Giving with purpose and impact”); and “Manual de gestión de fundaciones cívicas” (2011) (“Manual of Civic Foundations Management”).

³⁸ Numbers 2 to 8, 10 to 12 and 14 of the *Fundaciones Cívicas* Collection (available at <https://www.fundacionbertelsmann.org/es/home/publicaciones/fundaciones-civicas> - last accessed on November 2020) and also one Case Study about one Portuguese Foundation (n.º13 – Estudo Fundação para o Desenvolvimento Comunitário de Alverca, 2012).

Following conversations with key stakeholders, we can conclude that there was a very ambitious target of three new community foundations per year, yet there were no provisions of direct funds or matching funds to accomplish such a target. According to the same sources, the world crisis of 2007 to 2008 and its implications at the European and Spanish levels implied a strategy review within Bertelsmann Spain, implicating the abrupt interruption of the medium- to long-term plan for the affirmation of such a philanthropic model in Spain.

Currently with a grant of half a million euros for the first two years³⁹ from **Charles Stewart Mott Foundation** to the **Spanish Association of Foundations (SAF)** there is the goal

“Mott believes you need at least ten years for a movement of CFs to get some critical mass”

Conversation with Rosa Gallego, Spanish Association of Foundations, October 2020

... to develop community foundations in Spain. To this end, the Spanish Association of Foundations will launch a ten-year program to foster a strong and vibrant community foundation movement in Spain. Through this program, the grantee [SAF] will develop at least 40 new

community foundations, covering 50 percent of Spain’s territory; create a national network of Spanish community foundations; ensure that the community foundations adhere to internally developed quality standards; and encourage the Spanish community foundations to play a leadership role in addressing the Sustainable Development Goals on the local level. Additionally, the grantee will connect the Spanish community foundation movement internationally. During the first two years, the focus will be on building the capacity of the project team, publicizing the community foundation concept, and supporting the most promising local initiatives to develop community foundations.⁴⁰

“We target support the creation of 8 CFs in 2 years, but that all together with building a program with enough support to continue after those 2 years.”

Conversation with Rosa Gallego, Spanish Association of Foundations, October 2020

In a conversation with project leader Rosa Gallego (Director of International Relations, Regional Groups and Finances at SAF), we were told that

³⁹ July 2020 until June 2022.

⁴⁰ In <https://www.mott.org/grants/spanish-association-of-foundations-community-foundation-development-in-spain-2019-05738/> (last accessed in November 2020).

initially the reaction of stakeholders to the possibility of promoting community foundations was skeptical, underlying that local action was essentially a responsibility of municipalities and the state. After collaborating with Mott Foundation in the realization of a feasibility study about CFs within the Spanish context, there was the recognition that SAF was the best-placed institution to implement the strategy Mott would like to see put in place.

The initial strategy is to test the concept through three targets:

- Create the brand of community foundations – communication strategy;
- Demonstrate that CFs can be set up in Spain by supporting a number of groups to do so in the next two years;
- Support these local groups to establish CFs with the specific target of becoming local grantmakers⁴¹, besides activating local community through listening, making connections and fundraising activities.

By upholding the role of CFs in Spain as grantmakers there is the target to increase the resources that go to the social sector and “Help create organizations that are different from the existing ones and that are viewed as a trusted vehicle to donate: time, money, resources, connections that actually result in more resources for the organizations that are doing the social work.”⁴²

In Spain, the law defines that the initial capital to start a foundation is of €30.000. The plan is for each CF promoted under the Mott/SAF partnership to go ahead and raise the €30.000 by themselves (with SAF’s support), with the promise to receive a (one-time) grant of up to €15.000, targeting their initial core costs.

To avoid being viewed as competitors, the target is for the new CFs that will be created to start, as soon as possible, to make local grants and show that “... you are not here to compete for funds, but that you are here to raise funds for them [NGOs]”⁴³.

“We are not going to talk about philanthropy, we are going to talk about solidarity (...), community foundations are going to be a vehicle to solidarity.”

Conversation with Rosa Gallego, Spanish Association of Foundations, October 2020

⁴¹ Rosa Gallego underlined in the conversation that not all current Spanish CFs are grantmaking foundations.

⁴² Rosa Gallego and Alejandro Renner (Conversation held in October 2020).

⁴³ Rosa Gallego and Alejandro Renner (Conversation held in October 2020).

Lessons collected for Portugal from the Spanish example :

Credibility of Leader Foundation (Bertelsmann and Spanish Foundations Association) is key in gaining field recognition.

Time – Define a medium-to-long term strategy and stick with it.

Identify key Organizations (Foundations or others) that are already local catalysts of community philanthropy.

Strategize around capacity building and production of documentation.

Community Philanthropy Support Organization can be key to promote ownership, community of practice and network.

Funding should be considered, even if just in a challenge-grant/core-funding format.

Italy – Regional top-down approach challenging gaining local ownership and recognition

- **Number of Community Foundations⁴⁴: 44**
- **First Community Foundation: 1999**
- **Minimum income required to start a Foundation: according to new Law, can vary from €30.000 to €100.000, depending on typology and/or different Regions/Prefectures evaluation⁴⁵**
- **Specific/Autonomous legislation for CFs? No**
- **CFs are local Grantmakers? Yes**

Italy is a unique case in the European foundation ecosystem, once the privatization of the largest Italian savings bank in the 1990s under the Amato legislation (Act n.º218/90) allowed for the creation of some of the biggest foundations worldwide⁴⁶. Similar to the German case, the Italian CF history is strongly attached to the intention of replication of the Anglo-Saxon model, which

⁴⁴ According to conversation with Carola Carazzone from ASSIFERO (October 2020).

⁴⁵ Information received by e-mail from ASSIFERO (16 Nov 2020).

⁴⁶ “The privatization was a consequence of the banking reform legislation in Italy in the early 1990s which required community- owned savings banks to separate their charitable functions from their business operations by creating banking foundations. (...) As part of these reforms, many savings bank foundations were expected to use their resources to give back to the local communities that were the original source of their wealth. Against this background, the creation of community foundations was seen by a number of savings bank foundations as an ideal way to carry out this mission (Sacks 2000: 22–23).” In Walkenhorst (2008:29).

originated in the United States and initially entered Europe through the United Kingdom.⁴⁷ According to Carola Carazzone, in the twentieth century people almost stopped donating once they determined that social issues were the state's responsibility⁴⁸. Following their regional mission, on one side, and intending to overcome the trend of decreasing community engagement and donations, on the other, two bank foundations (Cariplo and Compagnia di San Paolo) decided at the end of the 90s to promote the CF agenda.

Cariplo Foundation was the national “frontrunner”, sending staff to the US to study the model and in April 1998 launching “... the Fondazioni di Comunità (community foundation) project, a first for Italy, with the objective of promoting the establishment of a network of community foundations across the whole territory of reference of the Cariplo Foundation (the Lombardy region and the Provinces of Novara and Verbano Cusio Ossola) that could respond efficiently to and meet the needs of the local communities, and promote a culture of giving and participation, all with the aim to support socially beneficial projects.”⁴⁹ In 1999 the two first CFs in Italy are born in Lecco and Como.

“A promoting committee formed by eminent individuals typically serves as the initiative’s guarantor, creates consensus around the new institution and legitimizes (...). Given the complexity of the activities and time limits, the Fondazione Cariplo provides the committees with consultations, instruments, support and models to be made available to the different territorial communities.”

Petrolati (2018: 18)

The approach followed by Cariplo Foundation was very strong and mainly two-sided:

- Challenge grants for endowment creation over ten years – The “community” is challenged to collect five million euros in ten years and Cariplo will provide for a *matching* grant of ten million as an endowment fund (two euros for each euro collected).
- Capacity building and networking promotion – Since the beginning, Cariplo has put in place strict directives and procedures for issues like “... strategic aims, operational and managerial guidelines, system actions, communication planning, learning and comparison activities ...”⁵⁰ among others.

⁴⁷ See Petrolati (2018) and Omodei (2018).

⁴⁸ Conversation with Carola Carazzone from ASSIFERO (October 2020).

⁴⁹ Petrolati (2018: 18).

⁵⁰ Ibid., 19.

Still quoting Petrolati (2018),

To date, the 15 community foundations promoted by the Fondazione Cariplo have increased their collective endowment to more than €260 million. [...]

Over the past 18 years, they have obtained the trust of the citizens through more than 48,000 donations, accruing a sum of over €140 million in donations and funds. They have distributed approximately €280 million to support over 26,000 projects in the social and health sectors, the restoration of artistic and historical commons, promoting art and culture, protection of nature and the environment and, in smaller measure, projects supporting scientific research.⁵¹

According to information gathered and conversations held with key stakeholders, besides contributing to endowments, Cariplo supported core and infrastructural costs, targeting CF activities as a path to fulfill their philanthropic mission in the Lombardy region and, at the same time, gain visibility and credibility among the highest net worth individuals and families in Italy and thereby opening space for their donations and heritages (almost as a “business model”).

Although the impact evidences seem to be very strong in quantitative terms, there are empirical indications that this top-down approach did not “win over the community”, that is to say it was not able to promote and disseminate a grassroots community identification and ownership of community foundations⁵². Conscious of this, some CFs, like the Fondazione Comunitaria Nord Milano, totally reshaped their approaches by bringing tools like Vital Signs to their local action, targeting local peoples’ engagement and recognition of CFs as trustworthy institutions. According to Daniele Giudici (2018), “...Vital Signs is a process of gathering and making sense of quantitative data available about a certain territory in which attention is paid to transparency and professionalism through the involvement of all actors and entities”.⁵³ Through similar approaches and with support from **ASSIFERO**⁵⁴ in opening more space for bottom-up action and

⁵¹ Ibid., 19.

⁵² A warning about the Italian top-down approach also comes from Peter Walkenhorst (2008: 30) underlining that “... many community foundations that have been established by the Cariplo Foundation need to develop greater independence. Because they are still linked closely with Cariplo, many people view them as subsidiaries.” In the same line Bernardino Casadei talks about the threat of “...boards that could turn into mere almsgivers, especially in entities strongly supported by a third party, as for example, Fondazione Cariplo ...” (Casadei 2008: 91).

⁵³ In Giudici (2018: 13)

⁵⁴ The National Membership Association of Italian Grant-making Foundations and Private Institutional Philanthropy (<https://assifero.org/en/>) – “Assifero was established in 2003 with the mission to promote an Italian institutional philanthropy that is visible, informed, connected, effective and acknowledged as a strategic partner in sustainable human development.” (Böhlhoff & Magowan 2018:28).

participation, some of these CFs are today becoming more recognized and legitimized as local partners by local stakeholders (NGOs, companies, universities, informal people’s movements and individuals, among others).

When it comes to regional grantmaking, these CFs are absolutely dependent on annual grants from Cariplo, being incapable until now of collecting locally significant donations that would allow them to go beyond supporting administrative core costs.⁵⁵

With close similarity to Cariplo’s approach, **Compagnia di San Paolo**—in the Region of Piemonte—supported the creation of six CFs.⁵⁶ Compagnia is recognized as having a more diversified support with a stronger focus on capacity building, including infrastructure and IT support, but also higher demands on the working hours CF staff attached to due diligence processes⁵⁷.

“The Fondazione Con il Sud, which supports endogenous regional development, has not identified a single model for community foundations, allowing each local community to choose how the foundation is organized and operates in that region. Its role is to facilitate this process without passing judgement on operational decisions.”

Borgomeo (2018: 21)

Starting in 2009, **Fondazione Con il Sud** has been the main promoter of this concept in the poorer South of Italy, which is highly exposed to corruption and the mafia.

Fondazione Con il Sud, nevertheless, supports the development of the community foundations on an ongoing basis, accompanies them, supports them and monitors their achievement of planned goals. [...] The Fondazione’s aim is to contribute to the creation of a significant number of community foundations in the southern regions of Italy with at least €5 million to sustain their activities and reach a critical mass capable of attracting further funds and donations.⁵⁸

According to the same source, in 2018 there were five CFs in South Italy⁵⁹, with eighteen million euros collected to invest in their own assets and in social activities in the region, promoting approximately 700 social initiatives and having impacted over 33,000 people, predominantly

⁵⁵ Based in conversations held with Italian stakeholders.

⁵⁶ Omodei (2018: 16-17).

⁵⁷ Author’s note: There is almost nothing documented in English about Compagnia di San Paolo’s approach to the promotion of community philanthropy in the region of Piemonte.

⁵⁸ Borgomeo (2018: 21) (Author’s note: 5 million euros per CF).

⁵⁹ In conversation with Daniela Castagno, held in October 2020, the information was that currently there existed 6 CFs in South of Italy.

children and teenagers.⁶⁰ Fondazione Con il Sud focuses on the challenge grants method for endowment creation and annual grantmaking activities. Having set aside funds for institutional support, Fondazione Con il Sud is promoting CF work in the field of social impact investments and venture philanthropy.

Italian community foundations have adopted diverse models, which they have adapted to suit the local contexts of the communities they serve and the vision of the institutions that contributed to their establishment. This diversity of models has motivated a debate – at times, a bit sterile – on the ‘ideal’ type of community foundation and the heterodoxy of some foundation models, to the point of arriving at ‘purist’ declarations that, paradoxically, contradict the concept of community foundations, which is by nature inclusive.⁶¹

Conscious of the above-mentioned absence of (and need for) common identity, alignments and sharings⁶², Assifero in November 2017 promoted the first “Conference of Italian Community Foundations” and launched a support platform for CFs (CFSO⁶³) focusing on the 2030 Sustainable Development Goals (SDG) agenda. “Assifero believes that learning and sharing experiences are essential for community foundations, which is why it is promoting partnerships on projects as well as peer-to-peer learning meetings and an annual Italian meeting for community foundations.”⁶⁴

“In Italy, community foundations face different challenges in every region, but the biggest obstacle for all of them is to gain trust in institutions and institutionalized philanthropy.”

Bölhoff & Magowan
(2018: 28).

⁶⁰ Borgomeo (2018: 22).

⁶¹ Righetti (2018:7).

⁶² Both Cariplo and Compagnia di San Paolo created their individual Foundations’ CFs networks without space for a national CFs network and Support Organization.

⁶³ According to ECFI’s (2018) publication *Community Foundation Support Organizations and National Champions in Europe*, CFSO (Community Foundation Support Organizations) “as well as facilitating general networking and peer learning and engaging with relevant stakeholders, thereby connecting to wider discourses, e.g. around inequality, SDGs, climate change and to new thinking/approaches, most offer advice/training and focus on building capacity and raising professionalism in a number of areas including: leadership and governance; financial management; grantmaking; fundraising and testing of new approaches; tax and legal affairs.” (p.12).

⁶⁴ Bölhoff & Magowan (2018: 28).

Lessons collected for Portugal from the Italian example :

Challenge-grants are a good format to promote local donations (private for profit companies, HNW individuals and families, common people, among others)

Avoid absolute top-down approaches and becoming the “imposing owner of the process” instead of a “trustworthy partner of the process”

Alignment with SDG 2030 Agenda can be a good fit to bring together different CFs, private companies (taking SDG’s very seriously), Local and National Government, NGO’s and “common citizens”

Develop methodologies to “sense the pulse” of a community (like Vital Signs) as tools that will bring participation, recognition, accountability, ownership and concrete outputs (making possible future Monitoring and Evaluation exercises)

Gaining local trust, good reputation, significant donations and community engagement from the variety of local actors is a medium-to long-term investment and should not be faced as a natural easy consequence of the substantial (*matching*) fund offered by a robust private Foundation⁶⁵

Venture philanthropy and social impact investments can/should be adapted/trialed at the community philanthropy level allowing for generating some revolving funds and higher local impact.

CFSO and networks are key towards the medium-to long-term developments of the sector.

⁶⁵ According to Carola Carazzone, “Community engagement is a challenge when it’s only “ATM Machine” approach, no heart engaged at the local level” (Conversation held in October 2020).

Belgium – (No pressure) Incubator approach

- **Number of Community Foundations⁶⁶: 4**
- **First Community Foundation: 2001**
- **Minimum income required to start a Foundation: “A foundation can exist without having any capital or endowment nor other goods and still serve the purpose what it was founded for”⁶⁷**
- **Specific/Autonomous legislation for CFs? No**
- **CFs are local Grantmakers? Yes**

The **King Baudouin Foundation** (KBF) is the legal hub within which community foundations can be set up, managed and supported in Belgium⁶⁸. It all started in 2001 in consequence of KBF receiving a (exit) grant of €500.000 from the Levi Strauss Europe Foundation to promote social projects in the region of West Flanders.

Besides the establishment of Community Foundation West Flanders, KBF also supported and hosted the “transformation” of two non-profit, independent organizations into community foundations. As such, currently CFs are also active in Limburg and East Flanders.⁶⁹

“I’m very lucky because I have the best job in the world!”

Conversation with
Jan Despiegelaere (October 2020)

In a conversation with Jan Despiegelaere, General Coordinator, we were told that CF West Flanders, although created in 2001, was until very recently still considered a pilot experience by the Managing Director of KBF, Luc Tayart de Borms.

Jan Despiegelaere presents this approach in the following way:

A very important issue, compared to many other countries, we are not an independent structure, we don’t have our own tax number. Because Belgium is so small and everybody knows everybody and KBF is such an important Foundation and quality labeled, for us it would make no sense to start a new independent Foundation, because we profit of all the advantages, the overheads,

⁶⁶ In conversation with Jan Despiegelaere, we were informed that currently there were 4 CFs in Belgium, 3 in Flemish part and 1 in German-speaking part of Belgium (conversation held in October 2020). Other sources mention 3 CFs: <https://www.communityfoundations.eu/community-foundations-in-europe/atlas-support-organizations/csfo-belgium.html> aligned with CF Atlas exercise of 2014.

⁶⁷ Information sent by e-mail by Jan Despiegelaere (16 November 2020).

⁶⁸ See Bölhoff & Magowan (2018: 21).

⁶⁹ <https://streekfonds.be/community-foundations/> (accessed in November 2020).

the operations, the accounting system, the IT, the knowledge from many colleagues within the KBF. And [on the other side] we have the local networks, the proximity expertise, we know so many projects in West-Flanders, we know the people who care about which causes. So the complementarity of those two is for us the ideal situation.⁷⁰

In the case of CF West Flanders, it has the local capacity and independence to gather its own funds both for operational costs and all the projects promoted.

Through its Center for Philanthropy, KBF promotes regional philanthropy and regional funds targeting individual, company or association contributions “for the benefit of your region” and allowing “... you to become a driving force within your community”⁷¹.

In line with other donor attraction strategies (individual philanthropy, corporate philanthropy, philanthropy close to home and international philanthropy), KBF developed a line prioritizing the establishment of regional funds.

Regional Funds are inspired by the Community Foundations in the English-speaking world. A Regional Fund campaigns actively among private individuals and businesses locally to raise funds and makes decisions independently on how to use these resources. This type of Fund can be set up permanently or for a specific period. When companies set up a Regional Fund, the Fund must have a minimum duration of three years. This period can, of course, be extended.⁷²

In what relates to governance,

A Regional Fund supports projects within your region and encourages everyone in the region to invest in it too. The governance of the Regional Fund is the responsibility of a Management Committee which reflects the local community and ensures a broad base of support⁷³. The King Baudouin Foundation is

“In a Regional Fund you can engage with local partners in a process of long-term reflection on the development of your region.”

KBF website
(last accessed October 2020)

⁷⁰ Conversation with Jan Despiegelaere (October 2020).

⁷¹ <https://www.kbs-frb.be/en/Centre-for-Philanthropy/Our-philanthropy-vehicles/Regional-philanthropy> (accessed in November 2020).

⁷² Ibid.

⁷³ In conversation with Jan Despiegelaere, we were informed that private for-profit companies have been key partners in the success of these regional philanthropy strategies. We have also been informed that to be well known as very independent and pluralistic, politicians representatives are not allowed to be on the board (October 2020).

responsible for financial management and provides administrative and methodological support.⁷⁴

Still according to the same source, donations start at €40 and, according to Belgium law, give rise to a tax reduction of 45% on the amount actually paid.

Although there is no “one size fits all” model, in the case of West Flanders, recognizing that such local funds should not be governed from Brussels, KBF gave (and supported operational costs of) two years to the local leader to create a diversified board and collect their own funds, targeting local ownership and investment. A seat for KBF is reserved on the board of each of the “incubated” CF.

According to Jan Despiegelaere, with this approach KBF benefits from the fact that the hosted CFs can engage with grassroots organizations and movements that usually do not have access “to Brussels”.

“CFs are the right facilitators, the right vehicles, who represent the KBF on this regional level and amplify the voice of KBF to reach out to more people, to more projects, lower ground, more grassroots.”

Conversation with
Jan Despiegelaere (October 2020)

On the other side, CFs “incubated” by KBF benefit from “clean” reputation and accountability, know-how gathered throughout more than 40 years of existence, administrative, IT, financial investments and communications support from the “mother house”, among other areas.

Recognizing the importance of knowledge-sharing, capacity building and networking, at the international level, along with Bertelsmann Stiftung and CS Mott Foundation, KBF was part of the main collaborative platforms created on community philanthropy, namely: the Transatlantic Community Foundation Network (TCFN⁷⁵) and the Transatlantic Community Foundation Fellowship (TCFF, no longer active).

⁷⁴ <https://www.kbs-frb.be/en/Centre-for-Philanthropy/Our-philanthropy-vehicles/Regional-philanthropy> (accessed on November 2020).

⁷⁵ In our conversation in October 2020, Peter Walkenhorst highlights that the most important thing coming out of the TCFN collaboration was to “build trust” between European and North American CFs practitioners.

Lessons collected for Portugal from the Belgium example :

If your structure is robust and well recognized by society in what relates to accountability, credibility and transparency, “incubating” CFs can be a great starting option.

Give space, time and support (financial and infrastructural) to local team to engage local/regional stakeholders, including private companies.

The existence of a centralized Center for Philanthropy frees KBF from pressure to target/force new CFs to start, giving time for interest and proposals that come from the field.

Even after almost 2 decades, KBF’s Managing Director still sees CFs as a pilot experience.

Consider CFs as the vehicles to amplify your Foundation's presence at the grassroots level that usually is incapable to reach your support.

By incubating the local funds leveraged and impact achieved by CFs , Foundations add to their own goals and accomplishments.

Legal Tax reductions are essential to attract donors (individuals and companies).

Active local or regional politicians are not allowed to have a seat at the Board.

By providing significant administrative support hosting Foundation opens space for smaller in number and more focused local staff.

Germany – Smaller scales also work

- **Number of Community Foundations⁷⁶: 408**
- **First Community Foundation: 1996**
- **Minimum income required to start a Foundation: €50.000 is suggested ⁷⁷**
- **Specific/Autonomous legislation for CFs? Yes**
- **CFs are local Grantmakers? Hybrid model (both operational and grantmaking) ⁷⁸**

Under the initiative of entrepreneur Reinhard Mohn and with the support of the **Bertelsmann Stiftung** (including a onetime grant equivalent to one million euros⁷⁹), the first German

⁷⁶ See Küstermann *et al.* (2018).

⁷⁷ *Ibid* (p.20).

⁷⁸ According to conversations held, the majority of CFs in Germany are more small scale and operational.

⁷⁹ 2 million DM = EUR 1,022,582, in Küstermann *et al.* (2018: 12).

community foundation was established in Gütersloh in 1996. In 1997, a more grassroots approach led to the second CF in Hanover, Germany with a much smaller, but locally gathered capital.

These two first foundations are often cited as examples of two different models of community foundations: on the one hand the top-down foundation in Gütersloh on the initiative of a foundation or patron, and on the other the bottom-up version in Hanover initiated and supported by the civic community. If we look at the big picture, however, they represent not so much two ideal types but indicate the heterogeneity of the community foundation landscape in Germany.⁸⁰

In a conversation with Peter Walkenhorst, we were informed that two main arguments were used to convince the board of Bertelsmann Foundation to initiate dialogue about CFs in Germany. One was that the country was facing an intergenerational transfer of wealth accompanied by a willingness to give back to society. The other was that at the same time, a demographic change was taking place with “more and more people without children, without heirs, people who had to think what to do with their wealth.”⁸¹ So the Bertelsmann strategy was to establish a concept around CFs in Germany and other European Countries⁸² targeting the moderately wealthy.

Following its Think Tank DNA, Bertelsmann—besides supporting the initial CF in Gütersloh (presented as the role model to be followed)— focused a lot of resources on producing and disseminating knowledge of this concept, through conferences and publications.

In May 2000, succeeding the creation of the Community Foundations Workshop within the Association of German Foundations, a Seal of Approval and 10 characteristics of German CFs were agreed upon,⁸³ underlining that “... what distinguishes community foundations are participatory elements, which are often described as the triad of money, time and ideas.”⁸⁴ Since then, “the German community foundation movement has gained considerable momentum”⁸⁵. In 2007, there were more than 170 CFs. In 2016, ECFI identified 307,⁸⁶ and currently the number surpasses 400.

⁸⁰ See Küstermann *et al.* (2018: 12).

⁸¹ Conversation held in October 2020.

⁸² In line with Fundación Bertelsmann approach in Spain.

⁸³ See the 10 Characteristics in Annex 1 of this paper: Concepts and Definitions.

⁸⁴ *Ibid.*, p.13.

⁸⁵ Walkenhorst (2008: 28).

⁸⁶ See Bölhoff, Anja and Magowan, James. European Community Foundation Initiative (2018).

This development was fostered by the Bertelsmann Stiftung and other private foundations, which provided administrative support and technical assistance to several community foundations during their start-up phase. Also, they organized or supported opportunities for peer learning on the national and international level and set up a support structure for community foundations, the “Initiative Bürgerstiftungen” (Community Foundation Initiative), which is now associated with the Association of German Foundations based in Berlin (TCFN 2007: 27).⁸⁷

According to Peter Walkenhorst, the incorporation of the Community Foundation Initiative in the Association of German Foundations was a shared strategic move by strong private foundations (including Bertelsmann, Köber, Tshira and Bosch), towards integrating the new foundation concept into already existing support organizations.⁸⁸

According to the same author,

In comparison to the Anglo-American world, many German community foundations give relatively more attention and devote a greater portion of their resources to develop, conceptualize, and implement their own programs. As measured by their assets, most German community foundations are, however, still quite small. Few have professional staff. Many still rely entirely on volunteers. Due to the relatively small asset bases and the consequently small returns on investment, a significant part of the foundations’ annual operating budgets must be secured by ongoing fundraising activities.⁸⁹

Currently, sustainability of CFs is a challenge: “in terms of their capital, most community foundations remain at a level where stable funding of their expenditures is not assured. Only about 16 per cent of the community foundations can already work with income from a capital of over EUR 1 million.”⁹⁰

⁸⁷ See Walkenhorst (2008: 28).

⁸⁸ Conversation held in October 2020.

⁸⁹ *Ibid.*

⁹⁰ Küstermann *et al.* (2016: 16).

In what refers to scale, municipality approaches—much smaller scales than those happening in Italy or Belgium—seem to have been successful.

“A community foundation can work as an independent, neutral and yet representative platform in its municipality, function as a moderator on future-related issues or in specific disputes and bring together instrumental people from the municipal administration, the civil society and business.”

Küstermann *et al.* (2016: 16)

Peter Walkenhorst (2007) underlines a similar trait to other European countries in what relates to public-private relations:

The growth of organized philanthropy in Germany has also been fostered by the shift from traditional social welfare policies to new forms of public-private partnerships. Increasingly, the responsibility of government agencies for the funding and delivery of social services is devolving to either private for-profit institutions or nonprofit organizations. As a result, the traditional roles of the state, the private sector, and the not-for-profit sector are being renegotiated and new forms of public-private partnership explored. This search for a new balance between the state and the not-for-profit sector presents new opportunities for community foundations to expand their activities on the local or regional level.⁹¹

“Community Foundations it’s not about giving, it’s about acting”

Conversation with
Markus Lux (October 2020)

On the side of strong private foundations, besides Bertelsmann Foundation, **Körber Foundation**, **Klaus Tschira Foundation**, and **Bosch Foundation**⁹² embraced this community philanthropy agenda. They mainly focused on supporting capacity building⁹³ and networking,

both at the national (Initiative Bürgerstiftungen, IBS) and international levels. Bosch Foundation was also part of the consortium of foundations that created the exchange programs, such as the

⁹¹ Walkenhorst (2008: 28-29).

⁹² In conversation with Markus Lux from Bosch Foundation, we were told that CFs concept/support was mainly worked within the international programs, mainly in what relates to Eastern Europe (with a strong focus in Russia).

⁹³ With strong focus on “second tier” of staff of CFs, trying to give them perspective and international network (Markus Lux, October 2020).

Transatlantic Community Foundation Fellowship. By linking both sides of the Atlantic in peer learning processes, such programs “... played important roles in building skills, knowledge and identity of the field through a process of peer learning.”⁹⁴ Along the same lines, Bosch Foundation has provided support during the last few years for the European Community Foundation Initiative (ECFI), the only European umbrella support organization around the concept of community philanthropy.

Lessons collected for Portugal from the German example :

Don't interrupt your strategy abruptly, design your medium-to long-term plan and keep with it⁹⁵

German CFs target successfully a much smaller scale (assets, geographically and in number of population), closer to the Municipality level⁹⁶, than other examples explored in this paper, such as Italy or Belgium.

Clearly defined communities are needed to embrace and own the concept.

Community Foundation Support Organizations (CFSO) are essential to promote peer learnings, networking, knowledge exchanges and even setting minimum standards and principles.

Such CFSOs will need an initial push from private large independent Foundations that believe in the concept of CF.

CFs can also be successful with smaller initial capital (more realistic for some contexts like the Portuguese⁹⁷)

⁹⁴ Knight (2017: 15).

⁹⁵ Bertelsmann Foundation interrupted/redesigned in 2008/2009 the strategy towards civic engagement stopping their support to CFs concept development in Germany.

⁹⁶ In our conversation Peter Walkenhorst mentioned that the issue of scale was a frequent issue within the TCFN meetings. Walkenhorst upholds that “Community means people living and interacting together, the stronger these community ties are, the greater potential for success is. So many CFs work better in smaller cities, or medium size cities.” (October 2020).

⁹⁷ In conversation with Markus Lux from Bosch Foundation this was one of the indications received as recommendation for Gulbenkian Foundation work in Portugal: try to promote an advocacy strategy towards the creation of an autonomous typology for CFs within Portuguese Foundations’ law, with a minor demand in what comes to initial capital (currently at €250.000).

Calouste Gulbenkian Foundation: How can current legacy contribute to future grander impact?

Direct activities vs. distributive activities of the Calouste Gulbenkian Foundation

Since the 60s, and mainly since the opening of Gulbenkian Foundation headquarters in 1969, direct activities have represented more than 50% of the annual activities investment. In 2008, in the context of the celebration of the first 50 years of the Foundation, Rui Esgaio coordinated the publication of *Fundação Calouste Gulbenkian 1956-2006. Facts and Numbers*. In the first chapter (“Presentation”) of that publication, Emílio Rui Vilar, President of the Board of Trustees at that time, when analyzing the difference between direct activities and distributive activities, concluded that since 1964 the first have been taking the lead, with the second representing between 50% and 40% since the end of the 80’s⁹⁸.

Correia de Campos & Simões (2007), when analyzing the percentage of “human development”⁹⁹ activities and grants in Portugal in the overall expenditures of Gulbenkian Foundation’s first 50 years, conclude that this domain reached its peak of expenditure in the 60s, with 10,83% and was since then decreasing towards 6% (6,77% in the 90s and 6,03% in the period between 2000 and 2005)¹⁰⁰.

Until today, the funds allocated by the Gulbenkian Foundation towards social projects in Portugal continues to decrease as a percentage of the overall annual expenditures. According to the 2019 annual report of the Foundation, a total of €16,72 million were conceded in grants and scholarships, of which €4,57 million went towards social cohesion/integration and sustainability development in Portugal¹⁰¹ (representing 4,8% of the overall operating costs of the Foundation¹⁰²).

⁹⁸ Fundação Calouste Gulbenkian (2008: 17).

⁹⁹ The author of this paper opted to translate “Beneficência” as “Human Development”.

¹⁰⁰ Correia de Campos & Simões (2007: 213).

¹⁰¹ The remaining amounts were: Scientific and Knowledge Activities = €4,96 million; Artistic and Cultural Activities = €1,86 million and Social Development and Sustainability Activities outside Portugal (Armenian Communities, Partnerships for Development and UK Branch) = €5,32 million.

¹⁰² Author’s own calculation.



Calouste Gulbenkian Foundation and community (philanthropy)

Mr. Calouste Sarkis Gulbenkian lived in Portugal the last thirteen years of his life and gained a reputation for being a philanthropist (*benemérito*), with a significant focus on specific communities he ended up getting to know better. Correia de Campos & Simões (2007), when analyzing the first 50 years of the Foundation activities in the charity¹⁰³ domain, start by recalling several direct financial living donations from Mr. Gulbenkian to local communities such as Ericeira or Amora.¹⁰⁴

Since it was instituted in 1956, the Calouste Gulbenkian Foundation has continued this link with local Portuguese communities, both urban and rural, through different approaches, including, among other examples:

- Scholarships – from high school to postgraduate education in various domains;
- Traveling libraries – still today considered the most innovative social, educational and cultural project of the Foundation in what comes to having a wide impact in geographical terms and overall number of beneficiaries;
- Municipal libraries – the Gulbenkian Foundation was the main donor (in-kind and financially) to the first Portuguese municipal libraries;
- Health centers / Hospitals – during the twentieth century, many less centralized health centers and hospitals benefited from donations of new equipment they needed;
- Aging, disabilities and early childhood – many grants have been given over time to civil society organizations working in these fields throughout Portugal;
- Social housing projects – also during the twentieth century, although in minor numbers, there were even grants towards the construction of social housing neighborhoods to provide better housing and shelter to those more exposed to social exclusion.

¹⁰³ According to the Testament of Mr. Calouste Sarkis Gulbenkian, the Foundation should focus its aims on four main domains: Charity; Education; Science and Arts.

¹⁰⁴ Correia de Campos & Simões (2007: 199-200).



Gulbenkian Foundation Traveling Libraries¹⁰⁵

In the twenty-first century, the Gulbenkian Foundation adopted a more strategic and medium-term focus in defining its approach to social issues. While never interrupting its commitment to scholarships, it moved away from responding to spontaneous grant requests towards more proactive co-creation of priorities and lines of action¹⁰⁶.

In 2020, different strategic programs like the Sustainable Development Program, the Active Citizens Program or the Knowledge Program, through their calls for projects, contribute via grants, capacity development and knowledge production across the country, working with civil society actors in small, medium and large communities.¹⁰⁷

Focusing in particular on the case of the current Sustainable Development Program,¹⁰⁸ since 2005 special attention has been given (pro-actively) by the Foundation to community leaders, their engagement, capacity building and promotion of sense of belonging and ownership. Some examples are: [Projeto Geração](#) (Amadora: 2005-2010); [Belonging](#)¹⁰⁹ (Amadora: 2008); [It's Our](#)

¹⁰⁵ <https://www.mediotejo.net/constancia-as-bibliotecas-itinerantes-e-a-salvaguarda-do-patrimonio-cultural-imaterial-em-debate/> (last accessed in November 2020).

¹⁰⁶ Barreto (2007: 65)

¹⁰⁷ Acknowledging that many of the arts and culture related Operational Activities were not generating impact and visibility beyond Lisbon Metropolitan Area, already under the Guidance of President Isabel Mota (2017-2022), both the Orchestra (and Choir) and the Museum have initiated itinerary and local partnership projects so that Gulbenkian Foundation own artistic production is accessible in other, less centralized, communities and cities like Bragança (in the hinterland North East), Castelo Branco (hinterland Center), Sines (Alentejo) or Portimão and Tavira (in the South).

¹⁰⁸ Formerly known as “Human Development Program”.

¹⁰⁹ In partnership with Manifesta, Runnymede Trust, RTP2 and NASUWT – The Teachers Union.

[Community](#)¹¹⁰ (Moura, Bairro dos Loios, Alta de Lisboa, Aldeia de Chãos: 2010-2012); [UBUNTU Leaders Academy](#)¹¹¹ (Lisbon, Porto and currently country wide: 2011- to present); [Our Km²](#) (Rêgo – Lisbon: 2014-2017) or [PARTIS – Artistic Practices for Social Inclusion](#) (all over the country: 2013- to present).

Our Km² project provided the Gulbenkian Foundation team with many learnings for future interventions within communities. “If each one of us takes care of its Km² the whole country would have community teams reacting rapidly to local challenges”. Based on that basic but very true assumption: the project selected the borough of Lisbon for the Gulbenkian Foundation Headquarters’ and a leading organization to implement the project locally. Then, in coalition with local universities and CSOs, the project developed initially a “census” of local social problems/challenges and then prioritized its intervention areas.

In 2014, Luísa Valle, former Director of the Gulbenkian Foundation, when proposing the “Our Km²” project to the Board, advocated that:

Gulbenkian Foundation should assume the challenge of mobilizing community and its institutions to find answers to the main social problems identified (...) based in the following principles:

- i) If each institution, organization, company and citizens takes care of the space and people that surrounds them, many of the social problems and needs not-satisfied will have a reply;
- ii) So that there is long term sustainability of these replies we need to engage the people to which their destined since the inception, in the implementation process;
- iii) On a daily basis there is high waste of resources that are not mobilized once they are not credited potential;
- iv) The urgent need to promote collaboration once the lack of articulation between public and private institutions contributes strongly to such waste;
- v) In each community there are talents and resources that need to be convoked, reinvented and put in the service of the community.¹¹²

Although many successes were achieved (lower unemployment rates, higher number of youth in training, creation of a youth association, creation of safe spaces for local children and youth, increased participation in local life, among others), there was no community appropriation of the project and, at the end, a deep dependency on the initial main donor–Gulbenkian Foundation–was perpetuated, resulting in a more top/down approach than one locally owned from the bottom/up.

¹¹⁰ In partnership with Big Society Network, NCVO, NESTA, and the UK Branch and Paris Delegation of the Calouste Gulbenkian Foundation.

¹¹¹ Promoted by Instituto Padre António Vieira, with almost 1200 leaders trained and model replicated in 15 more countries.

¹¹² Internal Information n.º 05/2014 (p.1, unpublished).

Another interesting Gulbenkian Foundation legacy example is PARTIS's grant giving, capacity building and networking strategy. The 48 local projects supported until today have allowed the leading team to collect many learnings from their co-creative and participatory practices. In a recent publication, "Art and Hope" (Cruz 2019), presenting such learnings, this paper's author underlines:

Although at different levels and with different visibility, all participatory art projects have an associated political dimension. By promoting unlikely encounters between professionals and non-professionals, between population groups of different backgrounds (age, socioeconomic, ethnic, cultural and religious, among others), these projects aim to question the status quo and to propose alternative formats of coexistence and recognition of diversity in contemporary societies. [...] If art has always been recognised as a space and opportunity for political intervention, this connection is almost embryonic in participatory art processes, creating robust vehicles that convey concerns and 'gaps' through messages transmitted in a wide variety of formats (performances, installations, short films, etc.).¹¹³

In the same publication, when referring to Local Ownership, Seabra (2019) upholds:

What PARTIS projects have taught us most is that achieving ownership, hugely present in the majority of [PARTIS] initiatives developed to date, requires a great deal of investment from all those involved. The professional artists need to be flexible and open; the artistic team need to form a coalition with those responsible for the social monitoring of participants; and participants need to be encouraged and capacitated to engage in the different stages of reflection, creation, implementation and presentation of their projects. Based on principles of good intentions and universal values, the field of participatory art embodies high risks of improper use and manipulation of the project participants, particularly those in situations of greater social vulnerability. The best way to avoid this risk is to give participants the power, not only to 'voice their opinions', but for them themselves to be the co-builders, authors and protagonists of the process, equally responsible for the artistic and community outcome of the intervention.¹¹⁴

Through many approaches (including the ones presented here), the Gulbenkian Foundation acknowledges today the critical importance of work within communities through the support of co-creative, participatory and co-owned processes, bringing local citizens from beneficiaries to participants, co-creators and owners. Through such projects local stakeholders recognize they have a role (through their talent, resources and time) within the "production chain" not as final recipients/clients but as part of the driving forces of these interventions.

¹¹³ Seabra (2019: 58-59).

¹¹⁴ Ibid., 61.

Calouste Gulbenkian Foundation's role: Leader, follower or both?

Barreto (2007), when reflecting about the first 50 years of existence of the Foundation and the debates about its role within Portuguese society, poses the following questions: “In what measure should its activity be supplementary or complementary to the ones headed by the State and by private initiative? Or should it be mainly in the vanguard, focusing essentially in what makes the difference, what is new and of what would never reach and take hold in Portugal? [if not through Gulbenkian Foundation action]¹¹⁵.

In a conversation with Rui Gonçalves¹¹⁶, Director of the Office of the current Foundation President, we were told what we have been hearing from conversations with other external stakeholders: “Not wanting to be either pessimistic, or too optimistic, I believe the Gulbenkian Foundation needs urgently to find a new vocation, and has to stop living of the past”¹¹⁷.

“The main risk the Gulbenkian Foundation faces today is the risk of irrelevance, of not counting”

Conversation with Rui Gonçalves
(October 2020).

Gulbenkian Foundation is unquestionably the Portuguese philanthropic and civil society champion and leader and has been a frontrunner for many years among the main coalitions of European foundations and philanthropic movements, including the

European Foundation Center, the Network of European Foundations or The European Venture Philanthropy Association, just to name a few.

Gulbenkian Foundation leadership of the venture philanthropy operations in Portugal is another example of the organization's capacity and vision to anticipate and introduce at the national level innovative philanthropic and social economy formats of the Foundation's interventions. There are several examples of the Gulbenkian Foundation leading by example: opening the path; risking pilots in new domains; monitoring, evaluating, and documenting findings in partnerships with other foundations, the state (both national and local government), academia and other relevant stakeholders from the social economy sector.

¹¹⁵ In Barreto (2007: 66, author's own translation).

¹¹⁶ Conversation held in October 2020.

¹¹⁷ This same opinion was shared by two academics/researchers on the field of Portuguese philanthropy: Miguel Alves Martins from NOVA School of Business and Economics and Raquel Campos Franco from Universidade Católica.

That said, it is our opinion that there is space for improvement and lessons to be collected, adapted and tested from other equally robust private independent foundations (located in neighboring European countries and facing similar societal challenges), which have been piloting, monitoring, and validating new approaches to leverage resources at the local/community level and, through that, generating greater societal impact.

Could leading a community philanthropy agenda in Portugal be an opportunity for Calouste Gulbenkian Foundation to catalyze resources and achieve greater impact?

“Gulbenkian is searching for a purpose that I think it has not yet found. Gulbenkian has done extraordinary projects (...) but at this time has too many lines and it’s difficult to find a clear course of purpose”

In conversation with Raquel Campos Franco, Researcher specialized in Civil Society, currently developing a study about foundations (Conversation held in October 2020).

Raquel Campos Franco also informed us that in current research, they are realizing that foundations in Portugal are perceived as elitist, too close to political powers, very closed and Lisbon-centric, and mainly imposing top-down approaches. According to the same source, there are no clear and concise medium- to long-term strategies being put in place by Portuguese foundations. Currently foundation-supported projects essentially target one to (maximum) 3 years strategies¹¹⁸.

Gulbenkian Foundation will develop in 2022 a strategy review of its main priority areas of intervention, for implementation in 2023. In what refers to community philanthropy, this could be the right timing to:

- Align learnings collected from community projects conducted/supported by different units of the Foundation;¹¹⁹
- Benefit from the identification of local community champions by such previously supported projects;¹²⁰

¹¹⁸ Also Emílio Rui Vilar (conversation held in October 2020) underlined that the Gulbenkian Foundation model of projects up to three years had, in many cases, failed and that to achieve significant social impact and change, the Foundation needs to re-consider this approach and strategize for longer cycles of time.

¹¹⁹ Examples are: Ageing in Community; PARTIS; Knowledge Academies; Hack for Good; MAZE; Projects supported under Axes 1 and 2 of EEA Grants – Programa Cidadãos Ativos, among others.

¹²⁰ Some examples of middle size Portuguese communities where Gulbenkian Foundation has already worked (or is currently working) are: Bragança, Amarante, Guimarães, Fundão, Covilhã, Castelo Branco, Coimbra, Pedrógão, Peniche, Óbidos, Santarém, Évora, Odemira, Loulé, Funchal or Ponta Delgada.

- Engage, share and learn with/from the few community-oriented foundations existing in Portugal;¹²¹
- Benefit from interest in partnerships and collaborations shown by international philanthropic stakeholders active on the field of community philanthropy such as C.S. Mott Foundation, King Baudouin Foundation, Bosch Foundation or national and European foundation support organizations;¹²²
- Develop a medium- to -long-term strategy, aligned with 2030 SDGs,¹²³ promoting higher participation in decision-making processes from citizens at community level – targeting the growth of community philanthropy.

“We have to plan with a long term vision, at least 10 years. Where do we want to be within 10 years?”

Conversation with Rui Gonçalves
(October 2020).

This community philanthropy, medium-to long-term¹²⁴ bottom-up strategy would allow Gulbenkian Foundation to get much closer to local medium-sized communities and, benefiting from the legacy of 65 years of great reputation, transparency and accountability, leverage new resources (financial, talent, time and networks) towards ample social justice and cohesion.

¹²¹ Mainly Eugénio de Almeida (Évora), Bissaya Barreto (Coimbra), CEBI (Alverca), ADFP (Miranda do Corvo) Foundations.

¹²² Community Foundations of Canada, Spanish Foundations Association, ASSIFERO (Italy), Active Citizenship Stiftung (aktive-buergerschaft Stiftung Germany), ECFI – European Community Foundation Initiative, among others.

¹²³ SDG – United Nations Sustainable Development Goals: <https://sdgs.un.org/goals> (accessed on November 2020).

¹²⁴ According to the conversations held with Foundation officials from other countries, it should ideally be a strategy for ten years, never less than five years.

Learnings and Implementation:

“Whenever there is an organization that puts energy, resources and focus into translating the concept into the culture of the country and supporting a few people that could be interesting in developing a project of this kind it seems it’s working. The second thing is that it’s working in cultures and countries with completely different socio-economic circumstances, backgrounds, religions, so on and so forward.”

In conversation with Rosa Gallego (Conversation held in October 2020).

Form follows function

In Mott Foundation’s commissioned paper, *Promoting the Concept and Practice of Community Foundations in Portugal*, Sara Almeida concludes that for the introduction and development of community foundations (and philanthropy) in Portugal “... it is necessary to foster deep cultural changes on the culture of giving, civic participation and engagement and dependency on public funding.”¹²⁵

Referring to community foundations, Almeida concludes that “Neither communities nor donors are prepared for this model, for now. There is a lack of critical and creative capacity of civil society to ensure their participation at the local level.”¹²⁶

“Focus of approaches should always be on action rather than organization. How should this intervention be done? Several times the debate is skewed by starting focused on the organization and only after debating action, and I think that the most important is action.”

In conversation with Rui Gonçalves (October 2020).

Building on this line of thinking, we advocate that before focusing on form (i.e. community foundations), the Gulbenkian Foundation strategy for Portugal would need to start by addressing and focusing on function (i.e. community philanthropy) towards the growth of a giving culture and key stakeholder engagement and ownership.

¹²⁵ Almeida (2019: 8).

¹²⁶ *Ibid* (9).

As done in the past by the Gulbenkian Foundation, when opening the path for new thematic areas, this strategy would need a two-fold focus: knowledge production, dissemination (based on conferences and roundtables; research; production of recommendations; capacity building, etc.), and empirical pilot project(s)¹²⁷.

In keeping with this, we present in the next section three lines of possible future action that can be pursued in isolation or in combination.

Options of intervention¹²⁸:

Initial disclaimer: This section presents a draft of the author's plan for action based on his current knowledge of the Portuguese philanthropic ecosystem; Gulbenkian Foundation and its current and past programs and projects; and knowledge gathered during the ten-week course with the Center on Philanthropy and Civil Society at The Graduate Center of the City University of New York. This paper, an exercise in benchmarking examples of approaches led by equally strong private and independent Foundations in four countries, allowed us to design next steps with the benefit of already identified good practices and lessons collected from less successful lines of action. As such, we suggest that during 2022 (strategy review process within the Gulbenkian Foundation) a diverse working group of Gulbenkian specialized staff is put in place to brainstorm around this subject and co-create a possible final strategy to be presented to the Board of Trustees and ideally piloted in the future.

In line with previous work done by the Gulbenkian Foundation in the areas of migration, aging and children at risk (to mention three examples), we propose that the Community Philanthropy Gulbenkian Foundation action plan be divided into three domains:

- Knowledge production
- Advocacy work
- Pilot project(s)

¹²⁷ An example has been the migrations activities (2005 to present), with simultaneous work on knowledge production and piloting field projects.

¹²⁸ Possible to develop in isolation or in combination.

○ Knowledge Production¹²⁹

Benefiting from:

- The great interest of international stakeholders in supporting Portugal, namely Gulbenkian Foundation, in developing this agenda (Mott Foundation; Bosch Foundation; King Baudouin Foundation and European Community Foundations Initiative [ECFI], etc.);
- Gulbenkian Foundation’s good relations with Portuguese regionally-based foundations that have close DNA with community foundations¹³⁰ (CEBI– Alverca, Eugénio de Almeida – Évora or Bissaya Barreto – Coimbra);
- Academia’s interest in pursuing knowledge development in this area;
- Social economy umbrella structures (ANIMAR, Fórum Cidadãos, among others) that uphold bottom-up participatory decision making processes;
- Government (and municipalities) strong interest in the engagement of citizens through co-owned processes such as the “Participatory Budgets Program”¹³¹;

Gulbenkian Foundation could promote a cycle of conferences and roundtables, with key national and international actors, to open the debate and start disseminating these concepts. In alignment with the previous, the production of free-access online reports presenting findings, case studies and recommendations would permit a broader reach of knowledge dissemination at the national level and allow for the delivery of targeted capacity building trainings/sessions.

Another line of this work could be partnering with academia to develop specific philanthropy-related classes/courses in specific Portuguese university post-graduate studies and start designing donor training contents for the future.

¹²⁹ Aligned with Sara Almeida’s recommendations: 2 “Promote an ideology-free discussion about the concept and make sure that the organizations involved have a common understanding”; 4 “National dissemination and awareness strategy” and 6 “Promote international peer learning experiences to support community leaders” (2019: 11)

¹³⁰ Raquel Campos Franco upholds that the engagement of already existing foundations working at the regional level (even if they are missing some of the key characteristics of CFs like the shared and diversified governance structure) should be done since the beginning in this work (conversation held in October 2020).

¹³¹ The XXIst Government set aside 5 million euros to promote two programs targeting participatory budgets in the country – one of them exclusively focused on youth – and the current (XXIInd) government program maintains these two approaches for the period 2019-2023 (p.27).

Lastly, knowledge production could also focus on studying and benchmarking how tax benefits can impact private individual and corporate donations to community initiatives (both in Portugal and in other countries), supporting with evidence and facts the advocacy work that needs to be developed.

Possible partners of knowledge production: NOVA-SBE, Universidade Católica de Lisboa, Mott Foundation, Bosch Foundation, King Baudouin Foundation, Community Foundations of Canada, City University of New York, Spanish Association of Foundations, ASSIFERO, European Community Foundations Initiative (ECFI).

- Advocacy strategy¹³² (Community foundation legislation and tax exemptions legislation)

In alignment with the Portuguese Foundation Center, and benefiting from knowledge produced and gathered through the previous proposed line of action, Gulbenkian Foundation could develop an advocacy strategy towards:

- Revising the Portuguese Foundations Law¹³³, targeting issues like reducing both mandatory initial capital (currently €250.000) and minimum of three years to obtain Public Utility Status¹³⁴;
- Revising Tax Exemptions and Tax Deduction for Donations legislation;
- Consider pros and cons about developing a specific and autonomous legislation targeting community foundations as exists in Germany¹³⁵.

“If there is potential to “cultivate” our business men in this vocation to give back to society in a redistributive logic? I believe there is this opportunity, there should exist incentives, including fiscal ones, to lead people to give back to society part of what society also gave them”

In conversation with Rui Gonçalves (October 2020).

¹³² Aligned with Sara Almeida’s recommendation 7 “Involve the public sector, including local power, for political endorsement” (2009. 11).

¹³³ Lei n.º24/2012.

¹³⁴ Sara Almeida (2019: 9) also identifies current legally required initial capital and the long wait for a foundation to have privileges and tax exemptions to be the two main obstacles to the possibility of community foundations existing in Portugal.

¹³⁵ In a conversation with Markus Lux from Bosch Foundation, this was one of the preferred options mentioned when suggesting possible future paths of work for Gulbenkian Foundation in Portugal.

Possible partners of advocacy work: Portuguese Foundations Center, Portuguese Law Company Foundation(s) and European Community Foundations Initiative (ECFI).

- Pilot project(s)¹³⁶

“[Referring to Promotion of Philanthropy at the more regional level] I imagine the Gulbenkian Foundation having this role of advisor, with all the collected legitimacy and reputation, as long as the project would be led by someone known and recognized by peers (...). I believe it could be spectacular, once I believe there is a huge inertia once people don’t know, because we are away from these European dynamics, we are very far away from the center of Europe where these strategies are more current and natural.”

In conversation with Raquel Campos Franco, Researcher specialized in Civil Society, currently developing a study about Foundations (Conversation held in October 2020).

As presented, we believe the Gulbenkian Foundation should lead this strategy of creating momentum and building critical mass. When it comes to local projects, innovative methodologies (in what refers to the Portuguese ecosystem) have to be put in place, if the plan is to implement a bottom-up approach.

To lead and implement community philanthropy pilot projects—and acknowledging that one of the main goals is to leverage financial contributions—we would advocate an incubation strategy, similar to King Baudouins’ Philanthropy Center, at least for this very initial stage. This Incubation model would benefit from Gulbenkian Foundation’s already existing transversal teams such as accounting, IT support, communications and marketing, legal support, among others.

In conversations with officials, several recommended that in designing an action plan for local communities, Gulbenkian should look at its own legacy and work already in place¹³⁷. The legacy and work go beyond previously successfully supported local/community-based organizations and local partners (including the for-profit ecosystem and municipalities); it also includes the enormous pool of former scholarship-holders of the foundation. They are spread all over the country, many with successful careers and openness to giving back and engaging.

We would suggest the identification of a group of no more than eight medium-size communities that benefitted from Gulbenkian’s work with local champions (Ideally, these communities should be from different parts of the country: urban/rural; shore-line/in-land, islands included).

¹³⁶ Aligned with Sara Almeida’s recommendations: 3 “To have proof of concept, conduct a pilot” and 5 “Promoting civic engagement awareness and “activate” community leaders”.

¹³⁷ Conversations with Anja Böllhoff, Jan Despiegelaere, Luisa Valle, Luís Jerónimo, Mercedes Mosquera, Miguel Alves Martins and Raquel Campos Franco.

Once these localities are identified, initial network and capacity building session(s)¹³⁸ and co-construction of next steps are envisaged.

“Community means people living and interacting together, the stronger these community ties are, the greater potential for success is. So many CFs work better in smaller cities, or medium size cities.”

In conversation with Peter Walkenhorst (Conversation held in October 2020).

In line with what was done in the “Our km²” project, and as a way to gain local ownership and space for participatory final decision-making processes, Gulbenkian Foundation would support the development of methods and tools (e.g. Vital Signs method or similar tool) for diagnosing local social needs. The results of such a local up-to-date diagnosis would allow for the identification of the most pressing social challenges faced by each community. Aligned with the knowledge production domain, the results, in the form of up to eight reports (e.g. Vital Signs) would be published online and disseminated as examples of methodologies that could be used at the community level.

Engaging from the beginning with relevant local CSOs is also an essential step towards local recognition of this pilot and avoiding misunderstandings and possible future problems around issues of competition, overlapping of approaches or duplication of resources allocated.

Targeting an increased sense of ownership and engagement, the next phase would entail the selection of the four or five most promising communities for further development with the following steps:

- Local community assemblies – engaging categories of people, including common citizens, local for-profit representatives, local high-net-worth individuals (HNW), municipality representatives and other relevant stakeholders to identify and agree on the top two or three local challenges for which funds should be pooled;
- Put in place a challenge grant¹³⁹ strategy through which the identified community leaders will be challenged to locally raise funds to a certain amount that will be matched by Gulbenkian Funds, if the minimum required goal is achieved.

¹³⁸ Capacity building sessions would also aim to present to these local champions with fund-raising validated and successful methodologies, like giving circles and youth banks. (For giving circles, see Hodgson & Pond (2018: 21); for youth banks, see <https://www.youthbankinternational.org/> - last accessed on November 2020).

¹³⁹ Challenge grants are donations made by a grant-making organization to a nonprofit organization once that institution has raised a certain amount of funds as prescribed by the challenge. To find out more, see: <https://doublethedonation.com/tips/challenge-grants/> (last accessed on November 2020).

To make the most of this matching funds challenge¹⁴⁰, many parties should be engaged in fundraising, including:

- Common citizens¹⁴¹ – many small regular donations (giving circles or youth banks) may be more important than one-time significant contributions;
- Local HNW individuals – target those individual local business leaders and wealthy families that are strongly engaged with local society but avoid politics and parties;
- Local for-profit companies and industries – according to conversations held, this group has not been properly exposed to locally-owned social development lines of action¹⁴², ideally aligned with tax exemptions and SDGs;
- Local HNW former Gulbenkian Foundation scholarship holders¹⁴³;
- HNW individuals in the diaspora¹⁴⁴ – successful Portuguese emigrants who connect on a regular basis with their community and may consider donating to a trustworthy and locally-led project;
- Municipalities.

“Lack of Local Private Companies contributions – they want to contribute to community development but don’t have the training nor the channels”

In conversation with Marco Domingues (Conversation held in October 2020).

Finally, to achieve local ownership and start cultivating a stronger local giving culture, the final decision-making process—as it relates to pooled fund social project allocation—would be done by the community of donors, where Gulbenkian has an equal vote as other donors¹⁴⁵.

Possible partners of pilot project(s): King Baudouin Foundation, Charles Stewart Mott Foundation, ANIMAR, Fórum Cidadãos, local champions – previously identified Gulbenkian Foundation organizations.

¹⁴⁰ Matching funds take several forms, the most common form being one euro donation for each euro raised.

¹⁴¹ According to each community characteristics, specific fund raising approaches could be set in place.

¹⁴² Conversation held with Marco Domingues from ANIMAR (October 2020).

¹⁴³ This strategy could be aligned with the network of former scholarship- holders that Gulbenkian Foundation is currently launching.

¹⁴⁴ According to the Observatório da Emigração website, emigrant remittances to Portugal in 2019 amounted to 3,645 billion euros. (<http://observatorioemigracao.pt/np4/1315/>) (last accessed on November 2020).

¹⁴⁵ Following a very interesting conversation with Manuel Arriaga, from Fórum Cidadãos, other alternative decision making participatory models could be considered towards the future, like deliberative democracy.

Conclusions

All around the world robust private foundations have been the national igniters of the community philanthropy agenda. This experience began in the US, with Charles Stewart Mott Foundation, Ford Foundation and Rockefeller Foundations, and progressed to new territories, like those we have analyzed in detail in this paper, with the key players being Bertelsmann Foundation in Germany and Spain; King Baudouin Foundation in Belgium; Cariplo, Compagnia di San Paolo and Con il Sud Foundations in Italy; Bosch in Germany (and countries formerly of the Union of Soviet Socialist Republics) and C.S.Mott Foundation in Spain.

Economic and social crises are not just periods of growing problems and negative concerns (such as, higher unemployment, higher state debt, growth of mistrust in the state and the societal future, etc.). These **crises are also great fields of opportunities for innovation and trial of new approaches**. As we have seen with the examples detailed in this paper, **foundations** are surprisingly well-positioned within the social fabric to **assume leadership, pilot innovative experiences, monitor and adjust local interventions and risk** fail but also, if things go right, risk obtaining much grander impact.

In common, there are **3 lines of action that can be followed** (in isolation or in combination): **Knowledge production, advocacy work, and pilot project(s)**.

Sometimes being a latecomer has its advantages. In this paper, we identified “dos and don’ts” collected from benchmarking work in other European territories. The aim is to help Portuguese strong independent foundations (such as Calouste Gulbenkian Foundation) avoid committing the same mistakes and to provide a **‘fast track’ towards a successful approach to spreading community philanthropy in Portugal**.



In our conversation, Rui Gonçalves spoke about the window of opportunity for a future societal intervention strategy by the Gulbenkian Foundation and concluded with the following observation to which we fully subscribe:

“It’s unthinkable that Gulbenkian Foundation can be a Start-Up, it’s not within our nature, and it’s not going to happen, but we should have the focus of a start-up, meaning we should urgently have one or more areas where the Foundation should work as a Start-Up, where the time-reference would not be the 70 years of legacy but the 5 years ahead. Where you are testing new approaches that will make the Foundation of the future. (...) To have an area of work within the Foundation that is testing new approaches without being so obsessed with things like evaluation, reporting and metrification. (...) There has to exist metrics, but I believe that there should exist areas that are freer, where the future of philanthropy is rehearsed”

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Annex 1: Concepts and Definitions

Charity vs. Philanthropy

According to <http://givingcompass.org>¹⁴⁶:

Charity and philanthropy are sometimes used interchangeably, but there are noticeable differences.

Charity is a natural, emotional impulse to an immediate situation and giving usually occurs in the short-term. Charity can take the form of monetary donations or volunteering.

Philanthropy addresses the root cause of social issues and requires a more strategic, long-term approach. In addition to giving money or volunteering, some philanthropists participate in advocacy work.

Regardless of the issue area, the two terms — and practices — share one main thing in common: They're all about spreading the love.

The original meaning of charity — “Christian love of one’s fellow,” is rooted in Late Old English while philanthropy, or “the love of humanity,” originated in Greek. When “charity” entered the English lexicon by way of Old French’s “charite,” the meaning evolved to what we are familiar with today: Giving help or money to those in need. Meanwhile, the practice of modern philanthropy is often credited to titans of industry like Andrew Carnegie and John D. Rockefeller.

Original contribution by Jen Jope, Editor-in-Chief at Giving Compass.

Philanthropy

“Voluntary donation of money, goods, or time made by individuals or organizations, punctually or on a regular basis.”

Sara Almeida (2019: p.3)

Community Philanthropy (GFCF)

In 2019, with the guidance of Dana R.H. Doan, the Global Fund for Community Foundations (GFCF) published the report: *What is Community Philanthropy? A guide to understanding and applying community philanthropy*. According to this source:

Proposed Definition of Community Philanthropy

Community philanthropy is both a form of, and a force for, locally driven development that strengthens community capacity and voice, builds trust, and most importantly,

¹⁴⁶ Last accessed in 9 November 2020.

taps into and builds on local resources, which are pooled together to build and sustain a strong community. (p.7)

Community philanthropy is not an organizational form, it is a practice.

When people mention community philanthropy, it is not uncommon to hear the term automatically equated with community foundations. Although it is assumed by many scholars and practitioners that community foundations are engaged in community philanthropy, I would caution against equating a particular organizational form with a practice such as community philanthropy. There are two reasons for precaution. First, community philanthropy is a universal practice that originated long before the first community foundation was established in Cleveland, Ohio in the early 1900s. Second, community philanthropy is a process rather than an organizational form. (p.4)

Community philanthropy relates to various conceptions of philanthropy, including: grassroots philanthropy, engaged philanthropy, participatory philanthropy, horizontal philanthropy, social justice philanthropy, indigenous philanthropy, place-based philanthropy, and co-production. These concepts share similar norms and values, such as: reciprocity, solidarity, social cohesion, self-reliance, and interdependence. Such concepts are present in traditional practices from around the world, such as South Africa – *Ubuntu*; Kenya – *Harambee*; Ireland – *Meitheal*; the People’s Republic of China – *Renqing*; and a number of Latin American countries – *Buen Vivir*. And, in North America, Native American tribes have long practiced mutual aid, regularly engaging in the practice of pooling and reinvesting their resources to protect and strengthen their communities. It is a strategy often employed by migrants, who leverage their resources in the face of adversities so common to displacement. (pp.4-5)

The above mentioned – and other – examples of community philanthropy have presented in a variety of organizational forms, including, but not limited to: identity-based funds, giving circles, community foundations, religious federations, youth banks, volunteer groups, and cooperatives. (p.5)

Norms fundamental to community philanthropy, include: reciprocity, solidarity, transparency, obligation, and trust. Similarly, to achieve a strong community, to live in harmony with nature, or to increase well-being in a community, organizations that seek to catalyze community philanthropy are often engaged in the following norms and practices:

Socially embedded Socially embedded organizations are able to define issues based on community priorities; appreciate local assets – ‘taking what we have to make what we need’; and operate at the most local level of interactions.

Prioritizing relationships Relationships are first and foremost in community philanthropy. And community philanthropy works to facilitate relationships by building bonding, bridging, and linking capital within local communities and between local communities and the sources of external resources, because trusting relationships develop from repeat, honest, and reciprocal interactions.

Co-producing Organizations that co-produce give voice, control, and attribution to the individuals, families, and communities they serve in the design, delivery, and evaluation of their programmes.

Focus on root causes The pursuit of structural or systemic change alongside short-term fixes is essential, and helps to ensure that no harm is done along the way.

Honest, intentional, neutral conveners and facilitators Organizations seek to facilitate multi-stakeholder relationships among key stakeholders by offering objective knowledge, expertise, and understanding while taking care of the small details, such as meeting dates, times, and other logistics.

Pooling of resources Community philanthropy involves the identification, valuing, and pooling of the diversity of available resources, ranging from financial and human capital to cultural and moral capital.

Enlightened leadership Organizers that foster curiosity, creativity, and civic dialogue; that identify shared interests and capture agreement on critical issues; and that convince those with power to share it with others are community philanthropy organizations. (pp. 5-6)

A number of different measures, or indicators of progress, were described in the literature on community philanthropy. The table below presents the various measures that were mentioned, and attempts to categorize them into process versus outcome measures (e.g., whether the measure evaluates the means to the end or the desired end itself):

| Measures | Process | Outcome |
|--|---------|---------|
| Increase in cooperative values: trust, respect, social justice | ■ | ■ |
| Increase in cooperative behaviours: change in policies, build connections, listening, sharing, capacity building, advocacy, participation, inclusion | ■ | ■ |
| Change mindsets: hope, sense of community/belonging | | ■ |
| Strengthen relationships: type, quality, quantity | ■ | ■ |
| Feedback loops: community feedback, impact, utility | ■ | |
| Marginalized communities are stronger: assets, capacities, trust | | ■ |
| Communities are stronger: assets, capacities, trust | | ■ |
| Improved equity (gender, race, etc.) | | ■ |
| Poverty reduction: human needs are met, overall well-being | | ■ |

Sources: Hodgson & Knight, 2010; Martinez-Cosio & Bussell, 2013; Edwards & Sen, 2000; ECP, 2005; Hodgson, Knight & Mathie, 2012; White, 2016; Phillips, 2018b.

(Table in p.8)

Community Philanthropy (EFC)

In 2015, in preparation for the Global Alliance for Community Philanthropy programme, Avila Kilmurray makes a literature review and presents the following definition proposed by the European Foundations Center (EFC 2002) for Community Philanthropy placing emphasis on human reciprocity and solidarity:

Community philanthropy encompasses the act of individual citizens and local institutions contributing money or goods, along with their time and skills, to promote the well-being of others and the betterment of the community within which they live and work. Community philanthropy can be expressed in informal and spontaneous ways, whereby citizens give contributions to local organisations which, in turn, use the funds to support projects that improve the quality of life . . . (p.6)

Community Foundations or Community Philanthropy? I

In the same work Avila Kilmurray describes the *terminological tangle* between these two concepts.

Over recent years an important and delicate dance around terminology has emerged around the terms of ‘community foundation’ (an established model, but arguably too narrow) and ‘community philanthropy’ (more inclusive, but potentially too broad). (p.7)
(...)

The spectrum of community philanthropy can also include place-based organizations whose priorities shift over time (and in response to available resources) between mobilizing grant-making/re-granting funds and resourcing their communities in other ways. The limited asset base of many new community funders, and the diversity of local conditions, often requires a flexible approach that confounds any static terminology or definition. (p.8)
(...)

The hypothesis set out by GFCF argues that:

- if people feel that they are co-investors in their own development, they care more about the outcomes
- if residents bring their own assets to the table, the power dynamics are more equal, which creates a partnership approach rather than the more traditional donor- beneficiary relationship
- if local people govern and give to community philanthropy, local recipients have to be accountable in ways that build social capital
- if community philanthropy institutions can act as repositories of different kinds of trust and assets, they can drive developments in effective ways (p.8)

(...)

Although the 100-year Cleveland narrative is an important one in the story of the community foundation field, no single narrative can explain the diversity of the current family of community philanthropy organizations. Rather, many experiences and contexts – political, historic and cultural, combining multiple external and local factors – have contributed to the current field as it stands. The problem with a singular linear narrative is that it runs the risk of disregarding the fact that community philanthropy is a universal good that is found in virtually all communities, everywhere, and contributes to inclusive and caring societies. (p.9)

(...)

Given the diverse nature of such contexts, it is possible to relate to Mayer's proposition (2005) that community philanthropy is best conceived in empirical rather than theoretical terms. Mayer concluded that the phenomenon should be recognized as *'Local people helping each other by sharing resources for the common good'*. (...) The importance of local agreement on what constitutes 'the common good', and a commitment to long-term sustainability of resource sharing and planning, distinguishes community philanthropy from externally driven development aid. (p.9)

Community Foundations or Community Philanthropy? II

Atallah Kuttub in ECFI's publication "Building bridges for local good: A guide to Community Foundations in Europe" (2015) also addresses this debate:

I prefer to use the term community philanthropy, which can sometimes take the institutional form of community foundation. (p.32)

(...)

There are various trends of philanthropic models that are gaining prominence around the world. For example, in parts of Africa, the concept of "Ubuntu" is considered a key value in traditional African culture. It means "I am who I am because of who you are." "Ubuntu" as a form of giving and self-help continues to prevail. Linked to this is the better understanding of community philanthropy and horizontal philanthropy, meaning people of equal means (not rich) helping each other and together helping their community. In many cases this has always existed, but it was neither seen nor acknowledged. We failed to recognize these philanthropic practices, because we were fixated on specific institutional models and dismissed others. (p.32)

Community Foundations (CFC)

According to 2002 publication: Community Foundation of Canada (CFC). *The Community Foundation Difference: Describing What Makes Us Special*.

Community foundations bring together people who care about their communities. They are independent, volunteer-driven, charitable organizations that aim to strengthen their communities by facilitating philanthropy, by partnering with donors to build permanent endowments and other funds from which they support community projects, and by providing leadership on issues of broad community concern.

Founded on trust, community foundations help donors achieve their charitable goals and invest financial capital in their communities. But, they also stimulate and nurture the relationships that link us to others and that create our sense of belonging to a community. Social scientists call these vital connections "social capital" and have found that they are linked to many measures of community and individual well-being. Community foundations, experienced in building financial capital for their communities, also have a leadership role in building social capital – the glue that holds communities together. (p.2)

Special Strengths of CFs (p.2):

- *A long-term view*
- *Permanence*
- *Community-based, personalized donor service*
- *A broad perspective*

- *Commitment to community service*
- *Accountability*

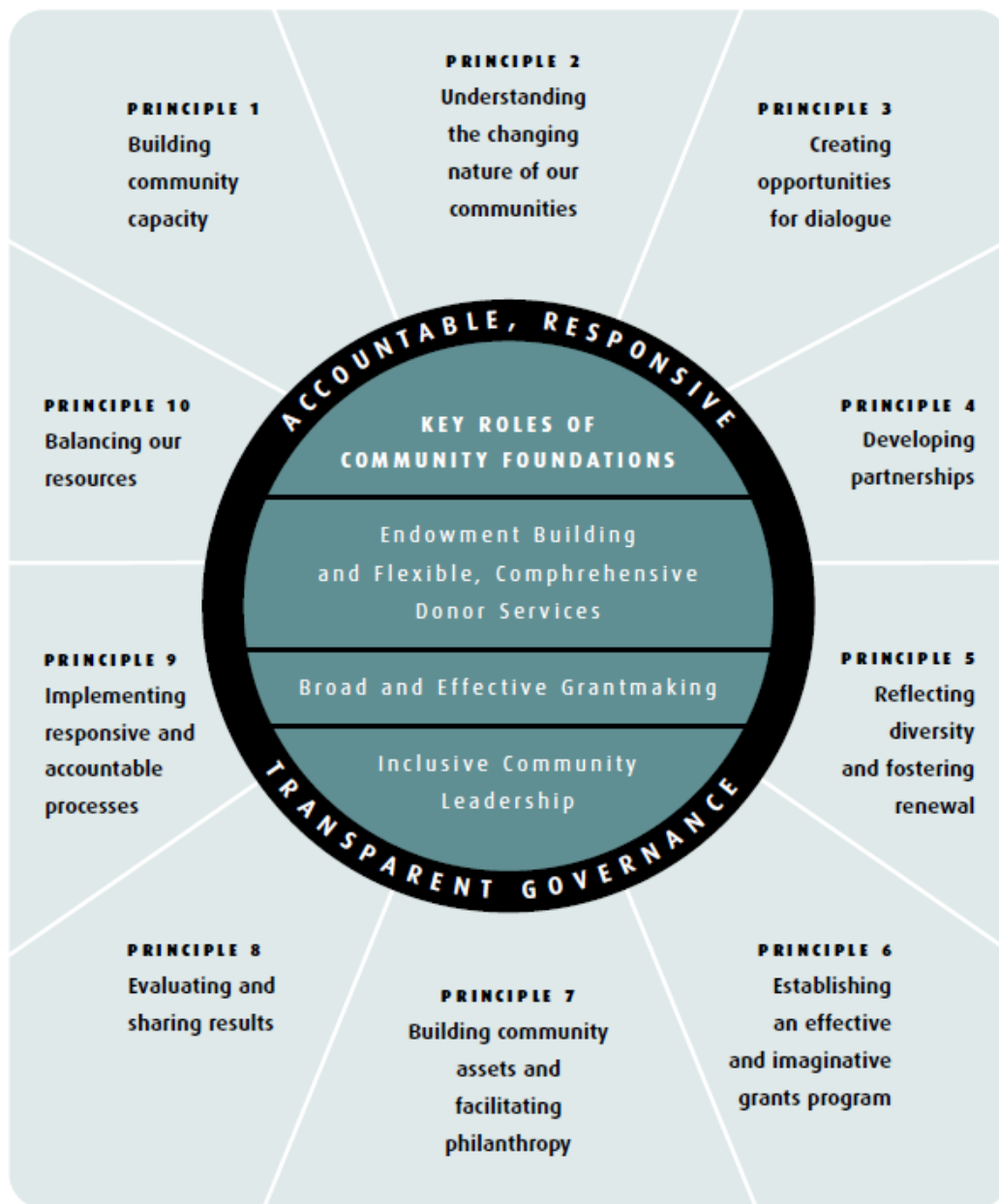
The Three Roles of Community Foundations (p.3)

All community foundations combine three main roles:

1. *Endowment building and flexible, comprehensive donor services*
2. *Broad and effective grantmaking*
3. *Inclusive community leadership*

but every community foundation is unique in the way it fulfills these roles and in the priority it places on each area. The emphasis on each role can also vary at different times in a community foundation’s development.

Community Foundation Roles and Principles (p.6)



Community Foundations (Germany)

In ECFI's publication *A Guide to Community Foundations in Germany (2016)* the following definition and 10 characteristics are presented by Küstermann et al:

A community foundation is an independent, autonomous, non-profit foundation of citizens for citizens with an ideally broad purpose. The foundation works sustainably and long-term for a community in a geographically defined area, and generally acts in the interest of all the citizens in its catchment area.

10 Characteristics:

1. A community foundation is non-profit and works to strengthen communal living. It sees itself as part of a self-determined civil society.
2. A community foundation is generally launched by more than one donor. An initiative for its establishment can also issue from an individual or a specific institution.
3. A community foundation is economically and politically independent. It is not tied to any one confession or political party. A dominant single donor, party or company will be rejected. Political groups and administrative heads are not permitted to assert their influence on decisions.
4. The community foundation's field of action is geographically defined to a city, rural district or region.
5. A community foundation must continually increase its endowment funds. In doing so, it gives all those citizens who feel bound to a certain city or region, and who approve of the foundation's goals, the opportunity to donate to the fund. Additionally, it collects project donations and can create sub-foundations and funds to pursue individual approved goals or to focus on regional sub-districts.
6. A community foundation affects a broad spectrum of urban or regional life, the betterment of which is of foremost importance. For this reason, the aims of the foundation must also be broad. Generally, a foundation's work encompasses the cultural sector, youth and social programmes, education, nature and the environment, and the protection of historical monuments. Its work is either supportive or operational, and should also aim to be innovative.
7. A community foundation supports projects that rely on civil participation or that help others to help themselves. In doing so, the foundation endeavors to encourage a new form of social commitment.
8. A community foundation carries out its projects publicly and also conducts public relations work in order to give all citizens in its region the opportunity to participate in the projects.
9. A community foundation may coordinate a local network of different non-profit organisations within a city or region.
10. The internal workings of a community foundation distinguish themselves through participation and transparency. A community foundation has several groups (directors and controlling bodies) in which citizens acting for other citizens can hold an office with an executive or controlling function. (pp.6-7)

Community Foundations (Peter Walkenhorst I)

In his article *From Local Institutions to Transnational Actors: The Spread and Evolution of the Community Foundation Concept* Peter Walkenhorst (2008) quotes WINGS – World Initiative for Grantmaker Support – definition of CFs as philanthropic organizations that:

- seek to improve the quality of life for all people in a defined geographic area;
- are independent from control or influence by other organizations, governments, or donors;
- are governed by a board of citizens broadly reflective of the communities they serve;
- make grants to other nonprofit groups to address a wide variety of emerging and changing needs in the community;
- seek to build a permanent resource for the community, most often through the creation of endowed funds from a wide range of donors, including local citizens, corporations, governments, and other foundations and nonprofits;
- provide services to donors to help them achieve their philanthropic goals;
- engage in a broad range of community leadership and partnership activities, serving as catalysts, conveners, collaborators, and facilitators to solve problems and develop solutions to important community issues;
- have open and transparent policies and practices concerning all aspects of their operations; and
- are accountable to the community by informing the public about their purposes, activities, and financial status on a regular basis.(P.12-13)

Community Foundations (Peter Walkenhorst II)

In 2010, Peter Walkenhorst publishes “Community Foundations” in the International Encyclopedia of Civil Society and argues that:

As a result, the community foundations concept has become truly international and now offers a framework for the development of community-based philanthropy around the world. Notwithstanding the differences among individual countries, community foundations everywhere have similar functions: By building philanthropic and social capital they are strengthening the essential fabric of their given communities. By attracting financial resources from many different donors, they also make an important contribution to the democratization of philanthropy. (p.1)

Definition of CF

The community foundation concept is, at the same time, both simple and complex. It is simple in the sense that a community foundation mobilizes and connects resources to needs in a community. It is complex, however, because this mission can be accomplished in various ways. Feurt (1999: 25) defines a community foundation as “an independent philanthropic organisation working in a specific geographic area which, over time, builds up a permanent collection of endowed funds contributed from many donors, provides services to those donors, and makes grants and undertakes community leadership activities to address a wide variety of current and long-term needs in its service area. The foundation is governed by a board of citizens broadly reflective of the community it serves.”

These functions and characteristics distinguish a community foundation from all other types of foundations. Yet, it is important to note that no two community foundations are exactly alike. While some display most of the attributes listed above, others place greater emphasis on one characteristic over another [...]. Consequently, as the concept has spread to different countries, it has adapted and modified itself to relate to different societal and cultural contexts. (p.1)



Community Foundation Support Organization (Gaynor Humphreys)

In 2008 Gaynor Humphreys describes the Role of Support Organizations in Spreading the Community Foundation Concept:

Most of the infrastructure bodies which nurture and support community foundations work on all of these components. It is these multiple facets which create some of the challenges faced by community foundation support organizations. Gaberman has developed a list of the core activities of a support organization which can be summarized as follows:

1. the services it provides its members, ranging from essential information to using the new technology, to fundraising and investment practices to governance
2. the convening function, allowing members to renew relationships and share experience
3. opportunities for collaboration
4. development and use of codes of practice
5. promotion of an enabling environment
6. representation and protection of their members and networks, especially in the public policy arena
7. promoting philanthropy and the culture of giving
8. communicating the value of institutional philanthropy to the public and to policymakers and opinion-formers
9. providing a gateway to other funders (this especially in the context of low-income countries which attract foreign funders)
10. encouraging work with other sectors, and perhaps especially with government
11. strengthening the current leadership of the philanthropic field and building the next generation of leaders. (pp.98-99)

Community Foundation Support Organization II

Bölhoff & Magowan (2017) in the report *Community Foundations Support Organizations and National Champions in Europe* describe the work of CFSO:

This work is informed by the range of contextual, operational and engagement challenges faced by community foundations. Support organizations are also important players in stimulating discussion and promoting engagement with other stakeholders around a range of current, relevant topics.

As well as facilitating general networking and peer learning and engaging with relevant stakeholders, thereby connecting to wider discourses, e.g. around inequality, SDGs, climate change and to new thinking/ approaches, most offer advice/training and focus on building capacity and raising professionalism in a number of areas including:

- Leadership and governance
- Financial management
- Grantmaking
- Communications
- Fundraising and testing of new approaches
- Tax and legal affairs

Giving Circles I

In Hodgson, Jenny & Pond, Anna. *How Community Philanthropy Shifts Power. What Donors Can Do to Help Make That Happen.* #ShiftThePower, GrantCraft, 2018 (21).

WHAT ARE GIVING CIRCLES?

Giving circles are another way to encourage giving as a form of participation and collective action. They provide the space for people to come together, pool money, and contribute to a common cause. Although they have “emerged” relatively recently as a particular expression of organized community philanthropy, the essence of giving circles harks back to the cultural and social traditions of altruism, reciprocity, and solidarity that have always existed, in one form or another—in communities around the world.

In the United States, giving circles have had a particular resonance within African-American communities as a way both to acknowledge historic systems of mutual aid and support within that community (often expressed as “neighbors helping neighbors”) and to reframe philanthropy as a more accessible, democratic proposition that can drive social change. More recently, and with support from the Funding Network in the U.K. and the Charles Stewart Mott Foundation, they have also been adopted by CPOs in Central and Eastern Europe and in South Africa as part of the new fabric for organized giving and citizen engagement. “Philanthropy often gets associated with rich people giving money, but we know it’s beyond that,” says Nick Deychakiwsky at the Mott Foundation. “Giving circles...bring people together to consider collectively what to contribute, how much, why it’s important, and that is very powerful.”

Not only do giving circles offer ways to demystify philanthropy by making it more accessible to the wider public, but as the space for civil society shrinks in many countries, they may also serve to play a strategic role in providing critical support for organizations working on “uncomfortable” issues.

Giving Circles II

In Pisankaneva, Monika. *Giving Circles: Unlocking Generosity by Bringing Donors Face-to-Face with Beneficiaries.* ECFI website (2016: 2)

What is a giving circle (donor circle)?

A **giving circle (sometimes called a donor circle)** is a form of participatory philanthropy where groups of individuals donate money to a pooled fund and decide together how and where to give it, usually to a charity or community group. In doing so, they seek to increase their understanding of and engagement in the issues covered by the charity or community project¹.

Many circles, in addition to donating money, also contribute time and skills to support local causes.

A giving circle can be formal or informal. It may vary in size from just a few people meeting around a kitchen table to a few hundred people meeting at a formal event. It could be themed or un-themed (e.g. women’s issues, human rights etc.) and meetings can be “live” or virtual (i.e. facilitated over the internet).

Annex 2: Community Foundation Field in Europe

Information gathered from: Bölhoff, Anja and Magowan, James *Community Foundations Support Organizations and National Champions in Europe*, European Community Foundation Initiative (2018: 10-11)

| Country | Number of operational community foundations in 2018 | Year of establishment of first community foundation | Number of community foundations in process of being established |
|-------------------------|---|---|---|
| Azerbaijan* | 1 | 2014 | 0 |
| Belgium | 3 | 2001 | 1 |
| Bosnia and Herzegovina | 2 | 2003 | 0 |
| Bulgaria | 13 | 2002 | 2 |
| Croatia | 6 | 2000 | 0 |
| Czech Republic | 4 | 1997 | 0 |
| France | 57 | 1997 | 2 |
| Germany | 408 | 1996 | 4–15 |
| Hungary | 4 | 2011 | 0 |
| Ireland | 1 | 2000 | 0 |
| Italy | 37 | 1999 | 5 |
| Kazakhstan* | 1 | 2008 | 0 |
| Latvia | 9 | 2003 | 0 |
| Lithuania* | 2 | 2002 | 0 |
| Netherlands | 35 | 2004 | 30–35 |
| Moldova* | 2 | 2007 | 0 |
| Poland | 27 | 1997 | 3 |
| Rep. of North Macedonia | 1 | 2008 | 0 |
| Romania | 16 | 2008 | 4 |
| Russia | 70 | 1998 | 5–11 |
| Serbia | 3 | 2013 | 0 |
| Slovakia | 8 | 1994 | 0 |
| Spain | 8 | 2000 | 0 |
| Turkey | 1 | 2003 | 0 |
| Ukraine | 33 | 1995 | 3 |
| United Kingdom | 46 | 1975 | 1 |

(Source: Survey respondents except those marked * where the information is from the CF Atlas 2014.)



Acronyms and Acknowledgments

CF – Community Foundation

CFs – Community Foundations

CFSO – Community Foundations Support Organizations

CSO – Civil Society Organizations

CSR – Corporate Social Responsibility

CUNY – City University of New York

ECFI – European Community Foundations Initiative

EU27 – European Union 27

GDP – Gross Domestic Product

HNW – High Net Worth

INE – Instituto Nacional de Estadística (National Statistics Institute)

KBF – King Baudouin Foundation

NGO – Non Governmental Organization

NOVA-SBE – NOVA School of Business and Economics

PARTIS – [Práticas Artísticas com Impacto Social (Artistic Practices with Social Impact)]

PFC – Portuguese Foundations Center

SAF – Spanish Association of Foundations

SDG – Sustainable Development Goals

TCCF – Transatlantic Community Foundation Fellowship

TCFN – Transatlantic Community Foundation Network

US – United States

WGI – World Giving Index

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