

# **COMMUNITY PHILANTHROPY INITIATIVE (CPI)**

## **REVIEW**

**Commissioned by the CPI Steering Committee and the European  
Foundation Centre (EFC)**

**October 2006**

**David Carrington**

[www.davidcarrington.net](http://www.davidcarrington.net)

## **CPI REVIEW: SUMMARY CONCLUSIONS & RECOMMENDATIONS**

### **Primary Conclusions:**

1. The EFC should take on a leading role for the promotion and support of community philanthropy organisations (CPOs) across Europe
2. The CPI should close down and that CPI activities should be included within the implementation of the EFC's four new main objectives
3. The CPI Steering Committee should review progress with the EFC executive during first year, reporting on progress direct to the Governing Council.

### **Recommendations:**

#### **1. Community Philanthropy at the heart of EFC Activities** - that the EFC:

- Takes on convenor role for Europe wide community philanthropy meetings to promote achievements in community philanthropy and their further development, working in close partnership with national associations and philanthropy networks
- Hosts at least once in every three years an international community philanthropy networking event, with Governing Council and senior EFC staff as prominent participants, reporting and consulting about relevant EU level activity
- Ensures that the AGA and other relevant EFC events include agenda issues relevant to community philanthropy; and works with members to develop bursaries etc to enable access to EFC and other Europe wide activities for CPOs.

#### **2. Data Collection and Documentation** – that the EFC:

- Builds community philanthropy into its routine data collection and information giving functions, including a Europe wide 'snap shot' publication at least once every 3 years
- Works with national associations and other relevant networks to establish standard community philanthropy data collection templates, to provide information for donors, government etc about community philanthropy and to contribute data to transcontinental and global information documentation initiatives.

#### **3. Policy, Advocacy and Development Work** – that the EFC:

- Documents fiscal and legal measures which inhibit or encourage community philanthropy
- Ensures that EFC policy papers look beyond the interests of member organisations to consider the needs and potential of CPOs
- Strengthens support at national level for CPOs in countries without donor associations and networks and for transcontinental and global initiatives which could enhance CPOs in Europe.

#### **4. Information Services and Communication** – that the EFC, as 'the Voice for European Philanthropy', gives prominence to community philanthropy in the training of its staff, the development of its website and the work of each of its committees.

#### **5. Timetable** – that the EFC, working with the CPI Steering Committee:

- Uses the Madrid AGA in 2007 to demonstrate to CPOs and EFC members that the recommended changes have been made
- Convenes a final CPI networking meeting immediately prior to the main AGA to which the leadership of the EFC presents plans for ensuring that community philanthropy becomes a feature of all aspects of its work (and secures bursary funds for the event from among members and current CPI funders).

David Carrington  
October 2006

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## **ACKNOWLEDGEMENTS**

Everyone whom I consulted and interviewed during this review has been very patient with my questions. All these meetings and discussions were immensely valuable to my understanding. I am very grateful for all the help that I have been given – especially by Jana Kunická, the Coordinator of CPI; she has been unfailingly positive and supportive of my work which cannot always have been a comfortable experience for her, given that my enquiries were focused on the quality and scale of her own work and achievements. I have much appreciated her professionalism and good humour.

This sort of review cannot be a scientific exercise. As I went along, I built up a series of impressions of what had worked and what had not, of what had been the significant changes in the operating environment, of the potential for future development at national, European and global levels. I tested these impressions against CPI reports and papers and with interviewees.

I hope the report and its conclusions do justice to the investment of time and effort so many people have made in assisting me through the process.

David Carrington  
October 2006

## **CPI REVIEW – EXECUTIVE SUMMARY**

### **SECTION 1: INTRODUCTION**

This section

- defines community philanthropy and community philanthropy organisations (CPOs)
- summarises the aims and development to date of the Community Philanthropy Initiative (CPI) as a project within the European Foundation Centre (EFC)
- describes the main activities of CPI, including the Annual Networking Meeting, Research and Surveys, Information and Promotion of community philanthropy
- sets out the brief for the CPI Review and the methods adopted to carry it out.

### **SECTION 2: ISSUES & QUESTIONS**

This section:

- sets out a series of questions about the role and purpose of CPI that were raised in most of the interviews upon which the review is based. These include questions about what should be CPI's priority targets:
  - individual CPOs or networks?
  - all of Europe or primarily East and Central Europe?
  - Europe or beyond Europe?
  - Community Foundations or CPOs?
- discusses the continuing value of the Annual Networking Meeting and the CPI information and data collection/documentation functions
- reports concerns raised about the capacity of CPI as currently organised and funded to meet effectively the aims set for it.

### **SECTION 3: CPI AND THE EFC – FUTURE ORGANISATIONAL AND GOVERNANCE OPTIONS**

This section:

- discusses what has been perceived as the inconsistent commitment of the EFC towards CPI to date
- reviews the dilemma for the EFC as a member organisation of directing significant resources towards community philanthropy, from within which it is unlikely to attract new member organisations
- explores the relevance of the work now in hand within the EFC to implement a new mission and strategy – to become 'The Voice for European Philanthropy' and explores the relevance of this to the support and promotion of CPOs
- sets out 6 options for the future of CPI and its work
- concludes that the greatest benefit to EFC and its members and to CPOs throughout Europe would be if the promotion and support of community philanthropy became a mainstream and central feature of EFC's work; and that, if that happens
- CPI as a distinct project could end its work, transferring most of its functions to EFC – subject to assurances from EFC that the profile of community philanthropy within its strategy and work plan was of sufficient scale, commitment and depth.

#### **SECTION 4: CONCLUSIONS & RECOMMENDATIONS**

This section:

- Sets out in more detail the Review's primary conclusion that the EFC should make the promotion and support of community philanthropy a 'mainstream' feature of its work; and that, if this happens, the CPI in its present form can end its work
- Makes a series of recommendations as to how the EFC could achieve in practice the implementation of the Review's primary conclusion; the recommendations cover:
  - The EFC role as convenor
  - Governance
  - Data collection
  - Policy and development work at Europe wide and transnational levels and support for national networking initiatives
  - Information services
  - Transitional monitoring by the CPI Steering Committee
- Proposes an implementation timetable up to the EFC Annual General Assembly in Madrid in 2007.

## SECTION 1: INTRODUCTION

### The Community Philanthropy Initiative (CPI)

The Community Philanthropy Initiative (CPI) was set up in 1997 as a project based within the European Foundation Centre (EFC). The initiative (and initial funding) came from the Charles Stewart Mott Foundation in the USA. CPI is now described as “a project led by members of the EFC” and summarises its aspirations as being as “to promote and sustain the development of community philanthropy organisations (CPOs) in Europe.”

Drawing on its own surveys<sup>1</sup> CPI asserts that CPOs “represent one of the fastest growing and most dynamic areas of philanthropy in Europe today<sup>2</sup>” and defines CPOs as organisations that “collect, manage and redistribute donations from a wide range of local donors to meet critical needs and improve the quality of life in a specific geographical area, typically a town or city.”

CPI’s detailed aims are to:

- “Strengthen existing community philanthropy organisations (CPOs) and facilitate the establishment of new ones
- “Build the capacity of emerging and established national community philanthropy support organisations and informal networks
- “Increase awareness, knowledge and understanding about issues, trends, needs and opportunities affecting CPOs
- “Promote and advocate on behalf of the community philanthropy movement to key target audiences in Europe
- “Build a strong and sustainable European-level network of CPOs, national support centres, donors and other interested groups.”

The CPI is based in Brussels within the offices of the EFC. It is coordinated by Jana Kunická. A CPI Steering Committee was created in January 2002 with the aim of supporting the CPI staff member in:

- “Revising the project’s current and future goals
- “Implementing the project’s current and future activities
- “Organising CPI’s Annual Networking Meetings
- “Promoting the work developed by CPI among key players in the field of community philanthropy
- “Designing specific projects relevant to the field in line with CPI’s goals and objectives.”

Members of the Steering Committee include staff of several of CPI’s funders.

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<sup>1</sup> *Community Philanthropy Watch: Europe 2004* and two previous surveys

<sup>2</sup> The European Overview on the CPI website provides quantitative details of this growth and also information about levels of existing and planned community philanthropy activity in 25 countries: [http://www.efc.be/projects/philanthropy/community\\_philanthropy\\_in\\_europe.htm](http://www.efc.be/projects/philanthropy/community_philanthropy_in_europe.htm)

## Community Philanthropy Organisations (CPOs)

In the CPI survey of community philanthropy in *Europe (Community Philanthropy Watch: Europe 2004)*, **community philanthropy** is defined as:

“the act of individual citizens and local institutions contributing money or goods, along with their time and skills, to promote the well-being of local people and the involvement of the community in which they live and work. Community philanthropy can be expressed in informal and spontaneous ways such as citizens and local businesses helping other residents in times of crisis. Community philanthropy can also be expressed in formal and organised ways whereby citizens give contributions to local organisations which in turn use these funds to support projects that improve the quality of life in the local community on a permanent and long-term basis. These ‘community philanthropy organisations’ serve as vehicles to nurture, sustain and enhance community development, and make it possible for individual citizens to have a larger impact at local level than acting alone.”

The survey report goes on to describe **Community Philanthropy Organisations (CPOs)** as formally constituted organisations that:

“collect, manage and redistribute donations from a wide range of local donors to meet critical needs and improve the quality of life in a specific geographic area. They can play a valuable role in helping communities address new and increasing social, economic and environmental needs, especially as conventional approaches prove less effective and funding from traditional sources decreases. This is done by mobilising new resources, involving citizens in local problem-solving and building partnerships between local businesses, local authorities and non-profit organisations.”

The survey report acknowledges that CPOs can be “found in a broad range of organisational forms including community foundations.” Within CPI, community foundations have been especially prominent. Other types of CPO include community giving campaigns/services such as United Way, community chests, giving circles and local associations such as rotary clubs. Many faith groups meet the CPI definition of a CPO as do organisations which have grown within communities defined by identity or ethnicity or interest rather than local geography or ‘place.’

## CPI Activities

CPI’s main activities are:

- Annual Networking Meeting, which is “aimed at all organisations with experience and/or interest in community philanthropy issues”
- Research and surveys such as *Community Philanthropy Watch*
- Information services and the promotion of support for and between CPOs.

CPI also contributes to and participates in relevant conferences and networking events in Europe and beyond.

The **Annual Networking Meeting** has been held each year since 1998. Numbers of attendees in the last four years have averaged 102, of which about 70% have come from Europe (EU and non-EU countries) and 20% from North America. In 2006, the meeting

was attended by 120 participants from 17 European<sup>3</sup> countries as well as 6 other countries. The meeting was, as in previous years, run as a satellite event to the EFC Annual General Assembly (AGA) and was entitled '*Engaging the Citizen: Community Philanthropy's Cookbook, the role of CPOs in increasing civic engagement.*' The meeting is described in the EFC report on the AGA as having been a "unique opportunity for community philanthropy representatives to discuss CPOs' expertise and experience in engaging the citizen in community life, increasing citizen participation and encouraging the ownership of positive change in the community."

Data is kept about participants in the Networking Meetings, enabling CPI to monitor attendance. Evaluation reports are also prepared for the CPI Steering Committee, drawing on the evaluation forms participants are asked to complete.

The EFC AGA in 2006 also included a session linked by title to the Networking Meeting that had been proposed by CFI and the *Worldwide Initiatives for Grantmaker Support* (WINGS).

**Research and Surveys:** CPI has coordinated and/or contributed to a series of data gathering exercises. Its survey of community philanthropy organisations in Europe (*Community Philanthropy Watch: Europe*), the most recent of which describes the situation in 2004, found 532 organisations, an increase of over 200 from the previous year. Organisations were identified in 18 countries. The *Community Philanthropy Watch* survey is now carried out in collaboration with the global mapping exercise coordinated by *Worldwide Initiatives for Grantmaker Support – Community Foundations* (WINGS-CF).

CPI has drawn on the *Community Philanthropy Watch* data to produce overview reports of community philanthropy developments in 25 individual countries.

CPI has also contributed to several EFC research initiatives (e.g. the work of the EU Committee's Research Task Force and the EFC-Fundación ONCE Project on disabilities).

There is no single source of data on the number of downloads or requests for copies of the CPI survey reports and related web-based publications so the scale and nature of the market for this work is not certain.

**Information services and the promotion of support:** the CPI Coordinator is able to use her extensive knowledge of CPOs in Europe and beyond to provide information and 'sign posting' in response to a diverse range of enquiries. These are dealt with on a 'case by case' basis, by email and phone – often by referring an enquirer on to one of the national organisations and networks with which CPI is in contact. Some enquiries have led to the provision of extended advice and assistance by the CPI Coordinator to individual new CPOs and donors, the latter including several corporate donors.

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<sup>3</sup> In this report, 'European' includes the accession and neighbouring countries of east and central Europe (including Russia and the Ukraine) as well the countries of the EU and western Europe.

Since 1999 CPI has produced a regular bulletin of information and contacts – the most recent of these on the CPI website is dated December 2004. Subscription levels by then had reached 674 (from 529 organisations). Subsequently, subscriptions to the e-bulletin have grown to 813 (from 656 organisations). CPI also contributes material to *newslines*, the EFC newsletter, and to other information resources.

The CPI coordinator has also been regular contributor to networking events, especially in central and east Europe and has also collaborated closely with several international projects such as the *Transatlantic Community Foundation Network* (TCFN), the *Transatlantic Community Foundation Fellowship* programme and *Worldwide Initiatives for Grantmaker Support – Community Foundations* (WINGS-CF).

## **The CPI Review**

This review was commissioned by the CPI Steering Committee and the EFC “to address the future strategic development of the project.” As originally conceived, it was intended to prepare a “road map for the way forward” including:

- “an onward looking set of recommendations for the future about how CPI should address existing needs of its constituency
- “a plan how to sustain the project financially
- “a proposal how to strengthen governance structures.”

There had been a previous evaluation of CPI, carried out in 2002 by Dr Diana Leat. This had reported proposals for several new ambitious agenda items for CPI including:

- a media project promoting understanding of the concept of community philanthropy, in particular with governments and European companies
- developing software which can be adapted to different cultural and legal systems
- work on investment policies
- developing strategies for dealing with flow through funding from the European Union (EU)
- acting as a research and information centre for European community based philanthropy, including a source of information on EU grants
- promoting the concept of community philanthropy in Southern Europe
- developing intra-European exchanges.

More generally, the evaluation reported, CPI was valued widely (“if CPI did not exist it would be necessary to invent it”) and there was a view that “the field is now ready for more focused activities with clearer objectives and concrete results.” The evaluation suggested that “CPI will need to find a distinctive niche for itself.” To do this, it concluded, would involve “encouraging understanding of CPI within EFC, with a view to gaining full integration and support” and “working out a modus operandi with other major players in the community philanthropy field, including WINGS-CF” (which was about to relocate its office to the EFC in Brussels).

The evaluation reported concern about the ‘imported model syndrome’ – the influence on Europe of the USA based community foundation model of community philanthropy – and argued that CPI had a vital role as a “focal point for European developments and in

building on and protecting the cultural heritage, traditions and diversity of European ideals of community philanthropy wider than US models.”

The new review was conceived as a more process focused study, including questions such as:

- what sorts of products, services and representation did the “CPI constituency” want to see?
- “what programmatic and organisational structures would best serve the envisioned goals and objectives?”
- what role should CPI have in relation to community foundations, especially those in membership of EFC?
- are CPOs prepared to pay for services?
- “what is EFC’s expectation of CPI?”
- what should be the composition of the Steering Committee?
- what should be the relationship with WINGS-CF and the Global Fund<sup>4</sup>?
- what capacity was needed to address the objectives – and from where should the funding come that would be needed to build this capacity?

The initial brief for the review was prepared early in 2005. It specifically stated that the exercise should “not concentrate on evaluation of what has been done and achievements/failures of the project” and should “not question the existence of CPI or where it should be based.” The review did not commence until April 2006. By this time significant changes had taken place to the executive and non-executive leadership of the EFC. A major review was underway of the future strategy and structure of the EFC. During initial interviews with CPI Steering Committee members, it was immediately apparent that the impact of these developments must be a feature of the review and its conclusions and recommendations must take account of (and be relevant to) the likely future direction and organisation of the EFC. In particular the reviewer was asked to revisit the conclusion of the previous evaluation that CPI would have to work towards a different relationship with the EFC “with a view to gaining full integration and support.”

The original brief for the review proposed a 2 part process, the first focused on the activities that CPI’s ‘constituency’ wanted to see undertaken; the second concentrating on governance, relations with the EFC and finance. As the review commenced, the distinction between these two phases became unsustainable and, in all the interviews upon which this report is based, questions were asked relating to both.

This report is based on:

- extensive reading of CPI reports and Steering Committee papers
- more than 30 interviews – with members of the CPI Steering Committee, the CPI coordinator, senior EFC staff and Board members, representatives of other relevant networks and organisations, representatives of a sample of national associations of donors and European CPOs
- attendance at the CPI Annual Networking event in Brussels in May 2006 and at the EFC AGA.

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<sup>4</sup> The WINGS Global Fund, which is supported financially by the World Bank has been launched in 2006. It will be administered from the EFC office in Brussels. WINGS is moving its main Secretariat base from Brussels to the Philippines at the end of 2006.

## SECTION 2: ISSUES & QUESTIONS

### Introduction

The interviewees who participated in this review had many different types of involvement in CPI – EFC staff and Board members, CPI Steering Committee members, funders, people involved in national associations of donors and support organisations, community philanthropy leaders and practitioners (from across Europe and beyond). This diversity was reflected in their contributing many different perspectives and interpretations both of what was needed to promote and further develop CPOs in Europe and also of the value and potential of the work of CPI. Despite this, a number of themes did occur repeatedly, the same issues and questions being raised in almost all the interviews. This section of the report highlights these.

### 1. Vision and Aims

When asked, few of the interviewees could articulate the aims of CPI – indeed, almost half began their response with a phrase similar to “well, it’s a bit unclear.” Almost all expressed concern about whether or not CPI was, in reality, the ‘Community Foundations Initiative’ (see next page). There was also a concern among some of those who have been involved with CPI for some years that there seemed to be less clarity of purpose now than previously; two of the more firmly voiced concerns were:

- “the whole scene is far more complex – with lots more players – I find it increasingly hard to see where CPI best fits in”
- “it’s got stuck – the debate about role and the future goes round and round – it will get left behind unless something is done soon.”

One interviewee summed up her anxiety by describing what she called the “circles of uncertainty” which she felt now surrounded CPI. The uncertainties to which she and others referred seemed to centre on the following questions about what should be the priority targets for CPI:

- **Individual CPOs or the networks?** The scale and spread of institutional philanthropy in many countries had changed significantly since CPI was set up. Interviewees wondered if CPI had developed a clear enough strategy for shifting its primary focus from direct help to individual CPOs to working with the associations and networks of donors in those countries which now have them and which may be better placed to provide support and information to emerging and established CPOs than could a small Europe-wide resource?
- **All of Europe or primarily East and Central Europe?** The efforts of CPI to support and promote community foundations in east and central Europe was much praised, but it had also shaped many perceptions of the project, several of the interviewees from western Europe being of the view that CPI was of little direct relevance to the development of CPOs in their own countries.
- **Europe or beyond Europe?** In the ‘What is CPI’ section of its website, CPI describes its role as being “the EFC member-led Community Philanthropy Initiative (CPI) promotes and sustains the development of community philanthropy organisations (CPOs) in Europe and globally.” Elsewhere, and in previous years, the ‘and globally’

was not part of this assertion. All interviewees could see value in CPI participating in global and inter-continental conferences and initiatives where the European experience could be presented usefully to others – and the experience gained in other continents reported back to Europe. There was, however, considerable confusion (and differences of opinion) as to whether any of CPI's scarce resources should be committed to providing advice and information to individual community organisations or foundations outside Europe.

▪ **Community Foundations<sup>5</sup> or Community Philanthropy Organisations (CPOs)?**

For all interviewees there was a concern that the work of CPI was, in reality, focused almost entirely on community foundations (albeit an 'Europeanised' version of the US model, with less emphasis on endowment building as a primary aim). Almost all interviewees (and those who attended the CPI Networking event in Brussels), used the terms interchangeably, as if, for some, the only form of community philanthropy (or the only form that they understood was relevant to CPI) was community foundations. Interviewees either reported concern that CPOs other than community foundations were insufficiently prominent in CPI activities and services or that they did not know what other forms of community philanthropy might exist and warrant attention.

In general the uncertainties about aims and purpose can be summed up in the crisp assessment offered by one interviewee:

"it's all very busy and energetic, but it's all about activities – there's nothing about outcomes; I would not know if CPI had achieved its mission – and I'm not sure it would, either."

## 2. Annual Networking Meeting

CPI is best known for its annual networking meeting, the ninth of which was held in Brussels during the course of this study, providing an invaluable opportunity to meet people involved in the project from across Europe. There is immense good will towards the event and (at both personal and professional levels) to the hard work and commitment of the Coordinator. Enthusiastic as participants were about the event, however, few interviewees were able to identify specific benefits that they had gained directly from participation that had been of critical or lasting impact on their work. "It's a welcome chance to recharge batteries" said one but (like several others), he also said that "I would not have come but for being able to get it fully subsidised." "I could not justify using my own organisation's funds to attend" said another.

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<sup>5</sup> In CPI's Community Philanthropy Watch 2004, a community foundation is described as an "independent non-profit organisation which:

- is formally set up as a foundation
- supports a broad range of charitable activities improving the quality of life and the environment within a specific geographic area (city, region)
- maintains an ongoing programme to attract new endowment funds by seeking donations from a wide range of potential donors in the community
- uses funds that come from a broad range of sources
- serves as a catalyst for positive changes in the community
- has an independent governing body not appointed by a single entity and broadly representative of the public interest
- builds its own endowment

It seems the event may be a welcome bonus but not a necessity – whereas it may have been in previous years when there were no or very few opportunities for peer-to-peer learning and sharing of experience among practitioners. Most interviewees reported that they now felt they gained more in practice from their engagement in national networks and/or multi-national ‘regional’ events bringing together people from 3 or 4 neighbouring countries.

Concern was expressed by some interviewees that there seemed to be some confusion as to whether the event was intended to be a global gathering or focused on developments in Europe. This concern arose primarily because of the prominence in many sessions of participants from north American community foundations.

### **3. Building up the data and documentation**

CPI has attached major importance to its work on data collection and information giving. Undoubtedly reports such as the *WINGS Community Foundation Global Status Report* are much the more useful and comprehensive for the data collection work done in Europe by CPI. In reality, however, the documentation of community philanthropy in Europe, other than community foundations, is not substantial. CPI has not had the capacity to seek out proactively and document different types (and experiences) of community philanthropy. For some interviewees this was something to be regretted:

“story telling is so important if you are going to enthuse and inspire others”

“I’d love to know more about giving circles and the issues raised by faith based philanthropy – but I don’t see CPI as engaged in that sort of debate or enquiry.”

A key part of helping fledgling organisations gain confidence and grow is that they have easy access to guidance about practice:

- tool-kits setting out proven processes and systems, discussion of what works and why
- comparative materials about standards on, for example, transparency, accountability and governance.

Though some of the interviewees had heard of useful information through their attendance at CPI meetings (or from enquiries of the CPI office), few saw CPI as a primary source of such guidance – most looked to national networks or drew on the informal links they were building up with colleagues within the same country or region. Or they looked to some of the other information sources – for individual community foundations within Europe, for example, the *Transatlantic Community Foundation Network* (TCFN) Newsletter was a valued source.

### **4. Effectiveness**

The aims of CPI are ambitious (see page 6). All interviewees commented positively about the very hard work and energy of the CPI Coordinator but most also observed that a small, one person project, even if supported by an active Steering Committee, could not be expected to achieve so much. One interviewee warned that “they” (he meant the EFC) “must get real; the project is in danger of being drowned by its ambitions and peoples’ expectations – it will fail to be effective because it’s trying to do too much.” CPI’s lack of capacity generated the most heated comment from interviewees. “If

community philanthropy is to develop in Europe”, said one, “the EFC has got to provide additional capacity and get fully behind the work; otherwise it will never do more than scratch the surface of what is possible.”

Another interviewee argued that a much more focused approach was necessary – the very ambition and multiple aspirations of CPI diluted the effectiveness of its work: “If CPI continues to try providing something for everyone, they will never really be that important or relevant to anyone in particular” she argued.

Interviewees recognised that resources devoted to the promotion and support of the development of community philanthropy within Europe were limited and likely to remain so. All were concerned, therefore, that any resources that were available to help strengthen community foundations and community philanthropy organisations should not only be clearly focused and effective but must also be complementary to each other.

Most interviewees observed that the arena within which CPI worked (and, in particular, the community foundations sector) was already quite crowded with sources of networking opportunities, peer-to-peer learning and easily accessible good practice guidance. “It’s crazy that there should be so many different initiatives” said one interviewee, referring, among other projects, to the *Transatlantic Community Foundation Network* (TCFN) and the German Marshall Fund’s *Transatlantic Community Foundation Fellowship* programme. (She did also recognise and applaud the efforts the leaders of these various projects make to work together and to combine resources – the thrust of her argument, however, was that the present ‘patchwork quilt’ of organisations did not seem to be the most efficient way of deploying limited resources).

CPI’s effectiveness was also limited, some argued, by it being “on the edge” of the EFC – “it’s sort of part of it and yet is semi-detached” as one commented, going on to ask if “most EFC members really know much about it or give it much time – surely it would be stronger if it was more central to the work of the Centre?” Another argued that “community philanthropy is a key part of the philanthropic menu; if the EFC ignores or marginalises it, it will just reinforce the perception that it’s just a ‘rich boy’s club.’

## **SECTION 3: CPI AND THE EFC – FUTURE ORGANISATIONAL AND GOVERNANCE OPTIONS**

### **Introduction**

In the 'brief' for this review, an "issue to be taken into consideration" was stated to be "the overall position of the CPI within the EFC – as a special project hosted by the EFC as opposed to being a core activity." Specifically, the questions that were listed in the brief included several which explored the current and potential relationship between CPI and EFC. However, the brief also stated that the review should "not question the existence of CPI or where it should be based." As acknowledged in the introductory section of this report, initial discussion with members of the CPI Steering Committee confirmed that the status of community philanthropy within the EFC's future strategy had to be a central feature of any review of CPI's prospects and plans.

During the period within which the review has been undertaken there have been substantial changes within the EFC and a new mission, strategy and organisational structure is being developed. It is my judgement that these developments are fundamentally significant for CPI as they alter the policy and operational environment within which the project has worked to date. My conclusions and recommendations take these developments into account – indeed, the changes at EFC are pivotal to them and they would have been very different otherwise.

### **The Early Years**

CPI was originally set up as a project hosted by EFC. The initiative which led to it being set up is largely attributed to its funder, the Charles Stewart Mott Foundation – from discussion with some people who were involved with the EFC at that time, it seems that it is unlikely that EFC would have made the promotion and support of community philanthropy in Europe an objective without external encouragement and finance.

Reference to reports from the early years of the project and Interviews with people who have been involved with CPI for several years indicate that there has been continuing uncertainty within CPI (and the EFC) about the place of community philanthropy within EFC's work – and of CPI within EFC. CPI has been able to rely on considerable informal and operational support and encouragement from within the EFC staff team. At times, however, there have been suggestions from the EFC leadership that CPI should consider planning for a more independent status. The argument seemed to be that the EFC had a role as an 'incubator' of new initiatives but did not expect to make a long term commitment once the project was established – therefore, CPI must plan to 'move on' because its work was not mainstream or essential for the EFC to carry out.

The 'engagement' with the project by the EFC executive leadership and Board has sometimes seemed minimal and seldom actively committed. CPI Steering Committee members reported that they had been uncertain as to whether or not they could rely on EFC for long term support for the project.

## **EFC – a Membership Organisation**

The proposition that EFC should take on the promotion of community philanthropy is not straightforward. The EFC is a membership organisation – the primary focus of its work, therefore, many would argue, must be the interests of its members – for representation, information, peer-to-peer learning and guidance. Few community philanthropy organisations are likely ever to be of a size and financial scale to seek membership of the EFC. This is the more likely as national or specialist networking groups and organisations emerge who can provide a more directly accessible (and affordable) service to new and small philanthropy organisations.

## **EFC – the Voice for European Philanthropy**

The current review of the EFC strategy and operational structure suggests, however, a different view. It identifies EFC's primary role – on behalf of its members – as being to build a “resilient infrastructure from which European philanthropy – with its unique embrace of innovation, dynamism and cooperation – can advance the public good in Europe and beyond.” To achieve this, the new mission of the EFC describes it as an association which “works with an array of partners to strengthen the independent funding element of European philanthropy” – to become the “Voice for European Philanthropy.” This includes “Telling the European Philanthropy Story”, the documentation, support and promotion of all forms of philanthropy – including community philanthropy.

For foundations seeking to assist in building a strong civil society and a well resourced and effective non-profit/voluntary sector infrastructure (within communities defined both by geography and by interest or identity), the support and encouragement of positive community led activity must be a primary focus – community led philanthropy and engagement will be at the heart of any such efforts.

As the leading representative and promotional organisation for institutional philanthropy in Europe, moreover, the EFC needs to be alert to new and emerging forms of organised and collective philanthropy at all levels and rooted within all types of community. This will involve:

- monitoring trends
- identifying and communicating lessons learnt
- encouraging the sharing of information and experience
- taking up and promoting opportunities for changes to the fiscal and regulatory environments which could enable further growth and strengthen the ‘culture of giving’ across Europe.

Some of these new forms of philanthropy will emerge from within communities and groups that will never seek membership of EFC – that should not be a factor for ignoring their importance and potential.

## **EFC and CPI – future options**

In forming my conclusions, I have been significantly influenced by the steps the new leadership of the EFC has been taking to establish the organisation as the *Voice for European Philanthropy*. For this to happen, it seems to me, EFC has to incorporate the

support and promotion of community philanthropy organisations into its mainstream activities. The continued project status of CPI – within EFC yet not fully so – is not consistent with that strategy.

I therefore recommend that CPI should conclude its work as a separate project but that most of its functions should be maintained and further developed directly by EFC as part of its ‘mainstream’ work.

Before reaching this conclusion I examined and discussed with interviewees several alternative options for the future of CPI:

1. Close down CPI – because the initial aims of the project have been achieved and the current national and Europe-wide infrastructure is now strong enough for CPOs to be able to access support, assistance, representation and networking from elsewhere
2. Close down CPI – because it is not well enough placed, structured or resourced to carry out its ambitions; and, at current level of funding, cannot add sufficient value to other infrastructure organisations to justify continued funding
3. Continue as at present, with existing level of funding, capacity, programme of activities and governance structure
4. Seek additional resources so that the existing CPI can enhance and extend its present services, maintaining a focus on community foundations but within a strategy that gives at least as much attention to engaging with other forms of community philanthropy; and can become more pro-active in countries within which national networks are either non-existent or pay little or no attention to CPOs
5. Restructure CPI (either at present level of activity or enhanced/extended as described above) so that it is a distinctly managed project with a governance structure independent of EFC management (either constituted as an independent entity or as a self governing project hosted by EFC)
6. Make the support and promotion of CPOs a mainstream function of EFC, the various activities currently provided by CPI becoming part of the work of the relevant sections/committees within EFC.

Among the interviewees there was support, to different degrees, for all these options. All interviewees were keen to see a strong and effective support structure for CPOs in Europe at national, trans-national and Europe wide levels – but there was no consensus on which of the options would contribute best to that being achieved. However, when I asked for reactions to the last option (EFC mainstream function) there was a general consensus that that was the preferred option – if EFC could provide adequate assurances that the profile of community philanthropy within its strategy and work plan was of sufficient scale and depth.

A formal commitment from the EFC of institutional support to community philanthropy was recognised as a crucial step forward if the EFC was to live up to its aspiration to be the “Voice for European Philanthropy.” As two interviewees observed:

“any European philanthropy agenda must have community philanthropy at its heart – that’s where many new philanthropists start and where new ideas and possibilities get explored”

“active support for CPOs should be essential and legitimate features of the EFC mission.”

The majority view among the interviewees was that not only would such a development ensure that the work and achievements of CPI could be sustained and grown, but that placing the promotion of community philanthropy at the heart of the EFC mission would have a positive impact on all aspects of the development of philanthropy within Europe – informing and influencing the EFC’s work with its members and established foundations, national associations and networks of donor organisations, special interest philanthropy organisations, private banks and philanthropy advisers, the EU and other Europe wide and trans-continental institutions.

It was also argued by almost all interviewees that the work and reputation of EFC would be enhanced by such a development, enabling member foundations to become better informed about opportunities for – and the potential value of – investment within community led groups, collaborations and organisations (whether those communities be defined by place or shared identity). Such investment, it was argued, was a legitimate and positive way through which external funders could support the strengthening of civil society and community asset building and, by so doing, help focus philanthropic resources on tackling social disadvantage and lack of equitable access to opportunity.

## SECTION 4: CONCLUSIONS & RECOMMENDATIONS

### Introduction

The primary conclusion of this review is that an explicit shift in the focus of the EFC is now required to make the promotion and support of community philanthropy a 'mainstream' and central feature of its work. Only if this shift takes place, it is argued, will the work and achievements of the CPI be effectively consolidated and further developed within the infrastructure of philanthropy and community philanthropy organisations (CPOs) across Europe.

If the EFC does adopt such a focus within its work, then the CPI in its present form can end its work, the majority of its aspirations and functions being taken forward as part of the EFC's future strategic and operational development.

This final section of the report sets out this primary conclusion in more detail and then offers recommendations for the implementation within the EFC's work of a renewed and vigorous focus on the promotion and support of community philanthropy across Europe. Each of the recommendations can be tied to one or more of the four new objectives that the EFC has adopted.

### Primary Conclusions

4. That the EFC, in seeking to translate into reality its new mission and objectives, should take on a leadership role for
  - promoting the value of –
  - providing support for –
  - encouraging the further development of –
  - community philanthropy organisations (CPOs) across Europe.
5. That, if the EFC does act as set out above, the Steering Group of CPI and the EFC should close down the CPI in its present form.
6. That most of the CPI functions and activities should be renewed and incorporated within the EFC's mission to "strengthen the independent funding element of European philanthropy"...and to become "the *Voice for European Philanthropy*," and that community philanthropy in all its organisational forms<sup>6</sup> should be included within the remit and plans for the implementation of the EFC's four new main objectives:
  - Creating an enabling environment
  - Communicating and documenting European philanthropy
  - Benchmarking and capacity building
  - Networking.

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<sup>6</sup> As throughout this report, community philanthropy organisations include organisations set up wholly or in part to distribute philanthropic funds for public benefit that are based and led within communities defined by geographical area or by a shared interest or identity. These include what the US Council of Foundations describes in its *2006 Operating Plan for the Strategic Framework 2005-2009* as "emerging giving and grantmaking mechanisms involving collective participation" that bring people together "to enhance the effectiveness, impact and leverage of their philanthropy."

## **Recommendations: Community Philanthropy at the heart of EFC Activities**

While acknowledging that the EFC has a primary responsibility to its own members among endowed and corporate foundations, the proposal that the EFC should incorporate a commitment to community philanthropy into the centre of its work must, of necessity, include enabling community philanthropy organisations and networks to engage in EFC activities when appropriate and to have access to EFC information and services. For this to be feasible in practice, some additional resources are likely to be needed within the EFC. Such an investment would serve the interests of EFC member organisations if it leads to a stronger community philanthropy sector within Europe as that should result in:

- the strengthening of the infrastructure of organised philanthropy
  - the encouragement of community led philanthropic asset development
  - a broader 'culture of giving'
- contributing to a more inclusive civil society.

To achieve this, it is proposed that the EFC:

1. Takes on the convenor role for Europe wide meetings to celebrate and promote achievements in community philanthropy and to encourage their further development, working in close partnership with the relevant national associations and philanthropy networks and, in countries within which formal associations or networks do not yet exist, with leading community philanthropy organisations and other relevant infrastructure organisations.
2. Hosts at least once in every three years an international community philanthropy networking event to review and debate practical challenges, standards and effectiveness which brings together:
  - leading community philanthropy organisations from throughout Europe
  - representative and national associations and networks
  - endowed and corporate foundations which have (or might want to establish) a commitment to supporting community philanthropy
  - practitioners and experts (from outside as well as within Europe)
  - partner organisations from other continents.
3. Ensures that EFC Governing Council members and senior staff should play a prominent part in the transnational events outlined above, demonstrating, by doing so, the EFC's continuing strategic and operational commitment to this aspect of philanthropy. Within these events, moreover, EFC should report on progress at EU level of representations and lobbying in which they have been engaged which are of relevance to the maintenance and development of community philanthropy; the EFC leadership should also use these events as opportunities to listen to and to debate with community philanthropy practitioners about policy or regulatory initiatives which could be taken at an EU or Europe wide level to enhance the prospects for further developments.
4. Reviews the objectives and organisation of existing thematic, round-table and other networks that the EFC supports to ensure that their agenda, includes, when appropriate, issues relevant to community philanthropy and that access is possible and feasible, again when appropriate, for community philanthropy organisations; and, in planning future such activities, the potential of them for the further development of community philanthropy is among the criteria used.

5. Arranges that those within the EFC who have responsibility for planning the AGA should encourage session organisers, speakers and presenters to have regard for the place and potential for community philanthropy within the aspects of organised philanthropy they are considering; and that EFC reports to the AGA about policy, representational and lobbying progress and plans should include commentary on issues relating to community philanthropy alongside those specific to endowed or corporate foundations.
6. Work individually and collectively with member foundations to explore and introduce ways that will enable access to EFC activities for CPOs and practitioners when such access is made impossible or difficult by lack of financial resources. Bursary and other resources should be organised to address these problems. In parallel to these efforts, the EFC should take steps to encourage member organisations that focus some of their work on specific communities (of area, identity or shared interest) to provide funds to enable CPOs or practitioners serving those communities to participate in national, transnational or Europe wide information sharing, peer-to-peer support, policy debate or capacity building opportunities.

## **Recommendations: Data Collection and Documentation**

The CPI has worked hard to improve the quality and breadth of data about community philanthropy that is collected regularly within Europe. The CPI has also been energetic in contributing data to global information gathering about the extent, nature and growth of community philanthropy. The data about the scale and range of community philanthropy in Europe remains, however, partial and incomplete – and very little is available which addresses questions of outcomes, impact or effectiveness.

To address this issue, it is proposed that the EFC should:

1. Build into its routine data collection systems, 'mapping' and information giving functions the capacity to describe and celebrate the achievements across Europe of community philanthropy in all of its organisational forms. Data collection systems and timetables should be organised so that a "snap shot" of the work and extent of community philanthropy organisations across Europe can be published at least once every three years with regular updates issued between these main publication dates.
2. Work with national associations of foundations and other relevant regional and national networks to establish standard data collection templates which can be used within each country to record progress in the development of community philanthropy and to contribute to the EFC's data collection/presentation. The EFC should also work with the national associations/networks to provide "awareness raising" information for donors, government, the general public and the charity sector about the achievements and potential of community philanthropy; this should be distributed and used to encourage all sectors to support the maintenance and further development of community led philanthropy.
3. In any country within which a national association of donors or other relevant network has yet to be established, work with EFC member organisations based within or having a particular interest in that country to identify and collect data about existing CPOs. If a new national network or association does emerge, the EFC can then encourage 'local' data collection within that country to adopt the standard template from the start.
4. Contribute data about community philanthropy to transcontinental and global information gathering and documentation initiatives on the 'state' of philanthropy.

## **Recommendations: Policy, Advocacy and Development Work**

As “*the Voice for European Philanthropy*”, the EFC has a key role as representative of and advocate for organised philanthropy within the corridors of the EU and other Europe wide initiatives. This includes working to build a more favourable fiscal and legal environment at EU level and promoting complementary improvements at national level. These efforts will need to reflect the proposed stronger strategic and operational commitment to community philanthropy and have regard to measures which will have positive impact on the maintenance and further development of CPOs.

To achieve this, it is proposed that the EFC should:

1. Give particular and prominent attention to documenting and monitoring fiscal and legal measures which have the potential either to inhibit or encourage community philanthropy, drawing on the experience of countries with a more favourable environment, analysing and demonstrating why some measures succeed and others create obstacles.
2. Ensure that all those preparing EFC policy papers look beyond the interests of member organisations to ensure that the needs and potential of CPOs are considered.
3. Encourage transnational initiatives within Europe which enable peer-to-peer support to take place between CPOs and relevant networks and national associations.
4. In any country within which a national association of donors or other relevant network has yet to be established, the EFC should work with member organisations based within or having a particular interest in that country to consider appropriate and feasible tactics to encourage existing CPOs to come together, to make links beyond their own country with similar organisations and to engage as appropriate with the EFC and its work. If resources can be secured and collaborative ‘local’ partnerships constructed, the EFC should assist as best it can the development of new national and regional networks which can provide support for existing and emerging CPOs.
5. In countries where a national association of donors or other relevant network already exists but does not yet see CPOs as part its ‘constituency’, the EFC could actively encourage and support developments by them to extend services to and make links with emerging and established CPOs, perhaps by helping to create affinity groups or special membership arrangements within the existing network or organisation.
6. Share information with and provide input to and support for transcontinental and global initiatives which have the potential to further enhance the work and development of CPOs in Europe.

## **Recommendations: Information Services and Communication**

In order to place CPOs at the heart of its efforts to promote and be 'the Voice for European Philanthropy', the EFC will have to ensure that it has an appropriate level of knowledge and expertise – and 'sign posting' skills – among its own staff. Their efforts will need to be backed up by a continuing investment in well coordinated, high quality and up to date information services and materials (paper and web based).

To achieve this, it is proposed that the EFC should:

1. Equip its staff with knowledge and skills needed to present with confidence a comprehensive 'map' of all forms of organisational philanthropy, 'sign posting' to relevant specialist sources of information when appropriate, convening debates or commissioning new materials or reports in order to fill knowledge gaps and to monitor trends and the impact of environmental changes. These efforts should all include ensuring that high quality practical information about the achievements and potential of community philanthropy is easily accessible together with practical guidance (or sign posting to it) which could help a new organisation develop or an existing one review and enhance its work.
2. Consider creating within its own work internship and/or secondment opportunities which have a specific focus on community philanthropy; it may also be valuable to consider short-term secondment opportunities for EFC staff to work in CPOs as part of their professional development.
3. Invest in enhancements to the design, accessibility and content of the web site to make it the primary source of information about all forms of community philanthropy within Europe – with extensive links to local, national and international organisations, to sources of guidance and resource materials for experienced as well as new practitioners, and to references to research on effectiveness and to policy papers. Opportunities should also be explored for how the EFC site could become more interactive – the specialist market place for community philanthropy peer to peer learning and knowledge exchange – while always also being diligent in referring and linking with national and specialist organisations which can offer CPOs direct and accessible services.
4. Consider how best to ensure that there is knowledge about community philanthropy within and/or accessible to each of its new committees and at Governing Council. If community philanthropy becomes an explicit and central feature of the mainstream work of the EFC, there is probably no need for a special 'representative' voice at committee or Council level. The diversity of community philanthropy also makes it very difficult to identify how such a genuinely representative presence might be satisfactorily identified. At the same time, the transitional period during which community philanthropy moves more 'centre stage' within a membership organisation which does not include CPOs among its members will need careful management if it is to work properly – and the necessary changes to the organisational and governance 'culture' are to become effectively rooted. The EFC leadership will have to be assiduous in demonstrating that the commitment is not just tokenistic. It may be useful if the CPI Steering Group meets at least twice during the 12 months after CPI ends its separate existence – reviewing with the executive leadership of EFC how the

incorporation of community philanthropy within the mainstream functions of the EFC is progressing, reporting those meetings to the Governing Council.

## **Recommendations: Timetable**

If the primary conclusions and recommendations of this study prove acceptable to the CPI Steering Committee and the EFC, a timetable needs to be adopted for 'winding down' the existing CPI and building a strong and clear focus on community philanthropy into the work of the EFC. This process needs to be carried out without delay or momentum could be lost and motivation drain away – reputationally, it will be important for EFC to be able to demonstrate that the extended focus of its work to cover, explicitly, the community philanthropy sector is taking place as its own new objectives are implemented and its new committee structure is introduced.

To achieve this, it is proposed that EFC, working with the CPI Steering Committee:

1. Aim to use the Madrid AGA in 2007 to demonstrate that the change has been made – convening a final CPI networking meeting immediately prior to the main AGA to which the leadership of the EFC present plans for ensuring that community philanthropy becomes a feature of all aspects of its work.
2. Secure sufficient bursary type funding from among its members (and current funders of CPI) to ensure that CPOs from across Europe can send practitioners to the networking meeting.
3. Ensure that the planning of sessions within the AGA in Madrid in May 2007 does relate to community philanthropy in the ways set out on page 22 of this report. Moreover at the Madrid AGA, it is recommended that any plenary report on developments within the EFC should include specific details of the moves being undertaken to move community philanthropy into the 'mainstream' of the organisation's work and priorities.

David Carrington  
October 2006