

## **TOWARDS MATURITY**

Reflection paper on study visit to Slovak community foundations

November 2014

### **I. Introduction – main issues**

This year's study visit gave us the opportunity to see the oldest movement of community foundations, not only in V4 region, but as I recently learnt, also in continental Europe. Healthy City Community Foundations celebrates its 20<sup>th</sup> anniversary this year. 2014 is a year in Visegrad region of many important anniversaries, including 25 years of transition towards democracy, which is also a celebration for the whole 3<sup>rd</sup> sector. And the CFs, including Slovak ones, were (or still are) the active participants of the civil society birth. 20<sup>th</sup> anniversary of Slovak CFs is a great moment to celebrate the successes. But it is also the great opportunity for the other CFs' movements to learn from their experience, as they were the first ones testing many philanthropic ideas and mechanisms on their own skins. And they survived all of it. So, firstly, that I would like to emphasize and congratulate. It is a great success of entire Slovak CFs' movement which has been operating for so long, so stable in such unstable environment as Central Europe.

I would like to go further into a few main achievements of the Slovak CFs. There are eight CFs now in Slovakia, which services are available approximately to one third inhabitants of the country. The CFs' movement has become the part of the NGO landscape in Slovakia and a very important player in the communities where they operate in. They are present in some of the biggest Slovak cities, as well as in the small towns. Even though, in their own way, the movement unfortunately lost a few great CFs, the rest of them learnt their lesson, and it seems as they are not going to make the same mistakes. The movement is quite independent from the public money (as for the region, and especially in terms of EU funds), relying mostly on the local resources (2%tax assignation and corporate gifts, but also earned income). The strongest side of the Slovak CFs is, in my opinion, the work they have been doing in their communities for those 20 years – over \$8 million invested into community through almost seven thousands grants or operational projects.<sup>1</sup> Grantmaking is the crucial part of the Slovak CFs' job, and not only through the open grant calls, but also through donor-advised funds, which are becoming more and more common. A significant part of the Slovak CFs'

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1 Data collected within V4 Community Foundations Maturity Program, see more here [http://v4program.org/index.php?option=com\\_content&view=article&id=88&Itemid=54&lang=pl](http://v4program.org/index.php?option=com_content&view=article&id=88&Itemid=54&lang=pl)

work are also the operational programs and own projects for community, which are, in my opinion, very important while building community and civil society. But, what I like especially in Slovakia is that there are their youth programs. These youth programs not only satisfy the educational needs of young people, but they are also teaching philanthropy, toleration and responsibility through, for example, peer-to-peer grantmaking programs (mainly based on Youth Banks). I like it also, because, these programs are not only concerning one or two CF, but they are the part of almost all Slovak CFs' work. And this brings me to one more advantage of Slovak movement – close cooperation within the CFs' association. And I do not mean here any official programs, but rather the support and openness in disseminating the best practices and experiences. They are really learning from one another, and they are also very open for bringing new ideas outside from Slovakia. Let's also learn from their experience.

During this year study visit, there were two main issues that I found the most interesting. The first comes directly from what I saw in Slovakia, but also from my experience as representative of a support organization that is running the regional program for community foundations. This is the question of challenges that are ahead of Slovak CFs, because even in case of such experienced organizations (or maybe because of that experience) there is still room for improvement. In terms of this issue, I also have in mind Polish and Czech CFs, so in general the CFs that have been operating for longer than 10 or 15 years and have reached certain point of stability and maturity. What is the next step for them? In this context, I am also very interested in finding the most important ingredient of establishing successful community foundation. What is more important: the potential of the community (what kind of communities are ready to have such institution, what makes them different than the others), or the community foundations themselves (what makes the institution special – the leader, the program, communication policy). As Julia Szanton, the facilitator of our study visit group, put this question very nicely: what came first, the chicken or the egg – the community or the leader?

But, what makes me think the most, is the second main issue I am trying to write about somewhere between lines. It is the reaction to what Alina Porumb (Association of Community Relations, Romania) said, but also what I also learnt working in the regional program, that in the perspective of networking, developing international relations with other CFs, taking part in cross-border projects; it is very important to know what we stands for, what our values are. And I would like to define the values as something we believe in, not the definition of CFs. I do not mean here strict concepts defining a one and only true CF's model (through, for example, the amount of endowment or number of open grant calls). I mean rather the common belief of what is the CFs' main mission, such as i.e. building stability or openness for community needs as a core of CFs' work. It is so important to

know what we stands for here, so that we do not lose perspective and we focus not only on the CFs' survival, but on their survival because they have an important job to do. This is something that we tend to forget while concentrating on institutional development of CFs. I think it might be fruitful if we start this discussion.

I would like to begin from the reflection prepared by Dorothy Reynolds for the 20<sup>th</sup> anniversary conference, who wrote: *"It is time for the community foundations in Europe to develop their own identity and talk about the evolution of the movement in the European context. There are some genuine and valid similarities in the way these institutions in Europe (and I included everything from the UK to Russia) have been developed and have grown. Instead of brooding about having adopted something from abroad, think about the ways you can develop an identity for these organizations throughout Europe. It is time to "Europeanize" the community foundation concept."*<sup>2</sup> At the moment, I'm not sure who I have in mind saying „we“, is it just the Central or Eastern Europe or maybe we should talk in broader terms as Dorothy Reynolds suggests, but I leave it also to further discussion. In V4 countries we just started this discussion within a small project of the CFs' impact on the communities. It is not easy but I think we should take it outside, so join us in preparing the catalogue of the CFs values.

## **II. What are the challenges for (not only) Slovak CFs?**

My group visited two CFs: Nitra Community Foundation and Revia - Smallcarpathian Community Foundation. Both of them are very experienced, operating for over ten years already. Both are, more or less, stable, with endowments (quite big in case of Revia), stable staff (four people in Nitra, one person in Revia), long-term and very supportive boards. The main difference lies in the communities they operate in. Nitra CF operates in quite big city of over 80,000 inhabitants and Revia is based in a small town of 20,000 and operates mostly in rural areas. See, below, what we could learn from those two CFs.

### **1. Organizational development – why we are here**

Does the strategy planning make sense?

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2 <http://cfpracticelab.org/wp-content/uploads/Reflections-of-Dottie-Reynolds.pdf>

The question of strategy planning is sometimes confusing for the CFs, even though as grantees of several programs they are most often obliged to have such. The question is why such experienced organizations find it so difficult? The answer may also lay in their experience. When you work for several years in the philanthropy field in a region when governments tend to play with the law and find, from time to time, 3<sup>rd</sup> sector as the opponent, where the economy is balancing each year, and people are just learning how to be a community, you know that planning ahead does not have to make sense as the tomorrow may be upside down. This is in short what the CFs may think. And this is partly true. But on the other hand, that is why the strategy planning is so helpful: it has the main goals and even if the circumstances are shifting, setting the goals helps adjusting the actions and not losing the main track.

Of course, it is easy to say, more difficult to do. But this is the only way to make sure that everyone supporting the CFs is on board with its mission and goals, if he or she takes an active part in building the strategy. This is also the best chance for the CF not to miss their main goals. And the topic of strategic thinking is also linked to evaluating the impact or outcomes, observing change made by the CF. If we do not know what we did and how we influenced, than we do not know what to do next.

#### Breaking points – what is the purpose of evaluation?

During the study visit I was also very interested in finding the breaking points in the community foundation's development. I wanted to know when exactly they finally felt they were standing on their feet and what was the factor that finally made it work. Lubica Lachka, the director of Nitra CF said that the process were more important than the braking points. But I'm not so sure about this. The process is important, of course, but sometimes you need a little bit of "something special to happen" to make it upgrade to the next level. For Nitra CF it was the first donor they got and the first donor advised fund they started to manage. Their braking points are tied to the community trust. I like this attitude of looking at the CF through the eyes of community, it makes it trustworthy.

In the case of Revia, they were talking a lot about their problems and challenges met on their way, which made it really fascinating to listen to what may happen on the CF's path. Based on Dada Finkova story, the director of Revia, the turning point took the opposite direction, when they had to go back from the regional CF to much more focused one due to the financial reasons. But it seems to be very important lesson for the director and the board which also made Revia more oriented to the community and its needs.

What may be helpful in the process of development and achieving milestones or progress markers is evaluating the impact or the results of the CF work. Without it, we do not know whether the direction we took is right or not. Of course, it is impossible to take into consideration all the factors, but anyway, it is very important to measure the outcomes. The other reason for that, is also to prove that the existence of the CF is worth investing in, this is a part of transparency and building trust towards the CF. Also to show the success, in order to find new partners and supporters. The importance of evaluation is obvious that really it is not understandable why so few organizations do it. Are they afraid of the result? Or maybe it is connected to a lack of time? In my opinion it is something else – the results seem to be so obvious that it is treated as unnecessary loss of resources.

### Diagnosing local needs as a tool of engaging people

Local needs diagnosis is a part of the same story of engaging people, which leads to something bigger – building community. CFs exist for community not for itself and that is why it should know what are the problems, the main issues, even the painful ones, that should be addressed. We will not engage the community if we do not follow their needs, it is quite simple logic here. People will not support an organization that does not concern them. And this is the best way to encourage people to formulate their ideas for the community.

There are delicate issues that the majority do not want to see, but this is exactly what community building means, including everyone, not just the most interested in or the strongest/largest groups. The role of the CF should be to talk about the excluded groups or issues anyway, which is not comfortable or easy, but this is, again, the CF's job. It was put very nicely by Beata Hirt and Ida Adolfova (Healthy City Community Foundation) that the CF is the organization that represents groups that are not heard and translating it into constructive discussion. I would transform it a bit and say that the CF is an organization building community of inhabitants including groups that are not heard and translating their problems into constructive discussion and action via community philanthropy.

### Community philanthropy versus just raising funds

The 2% tax assignation plays huge role in the CFs' budgets in both CFs (in general in most Slovak but also Polish CFs, too), so a natural question arises: whether this assignation helps them or not. Especially considering that donations from individuals play such a little role in their budgets. Of course, the 2% mechanism helps organizations to raise funds, to fill in the budget. The good side of it is also the fact, that in the case of CFs, the 2% money are coming most probably from local

supporters, community members. On the other side, this is not philanthropy at all. You do not have to give anything from yourself, you just have to point out where some part of your tax will go. So, it teaches people the responsibility but it does not teach philanthropy.

I think that in the long-term perspective it does not help the community to go into the right direction, even though it is helping to sustain and run the organization. We often define a CF as a bridge or link between donors and community members and as a tool for developing community philanthropy. I will say even more; the 2% (or 1% in case of Poland), when it is being used instead of working with donors, is slowly killing community philanthropy, because it may make the CFs and community lazy. This is a big dilemma, whether it even makes sense for CF to exist when they have such big problems with engaging local donors and runs the programs just from 2% resources. Some may say it is better to do something than nothing. Maybe so, but it is not what the CF should do, it is not a role that the CF should play. And I'm not even starting the discussion here about competing for the same money with the CFs' grantees. The community philanthropy is what makes the CF different than other local NGOs – developing community philanthropy.

The best solution is, of course, to find balance, and there are such CFs that can make it – raising the individual and corporate gifts along with 2% (1%) at the same moment. And it teaches people how important is philanthropy along with civic responsibility. But if the CF pays attention and invests all the resources only to raise 2 % (1%) and not enough attention to talk to people and collect donations, then that it is not doing the CF's job. The 2% mechanism may be partly responsible for the feeling of pessimism and lack of hope for better philanthropy that was observed by some in Slovakia. Community philanthropy is also the biggest challenge, in my opinion, of Slovak (but also Polish) community foundations nowadays.

## **2. Leadership – who is responsible for the community**

### Should it be so personal?

In both cases we came across CFs with very strong leadership, which can be understood both ways – as a strong position of the CF in the community as well as the strong leader position within the CF's structure. Both leaders know very well the donors and board members. They all seemed to be a group of friends. As one of the director said, they have been working for so long that they know each other very well. The question rises how does this strong leadership influence the performance of CF. The link between the leader and the board/donors definitely plays a significant role. Thanks to the

leaders' charisma and connections the CFs were introduced to donors and board members. What is more, the CFs' image, trust and reputation seems to be tied very closely to the CFs' leaders. A natural question is what is going to happen when the leaders leave the CFs? And what is more, does the success of the CFs rely only on the leaders? The conclusion from what I have seen in our region is that there is no good CF without good leadership. In a society with trust problems, the CF is kind of a personal project rather than institutional. I think it is not the best solution when we are thinking about something permanent but I cannot see any big changes in this matter. The CF trust is based on trust towards the leader. It is very tricky to use this trust and transform it into the trust towards the institution, and it should be the role of a good leader, too, to look ahead.

When we talk with Dada Finkova from Revia, she mentioned the period of time when she was preoccupied with personal issues and could not take an active part in the CF work. It was a time for the CF's withdrawal. The CF survived, but only because she came back. It would be a big loss for the community if the CF did not come back as we observed the good job it was doing there. That is why I think about the huge responsibility not only of the CF as the institution, but also its leaders not to be alone in it and to have some assistance that may take over when it is necessary.

I like Lubica's idea of leadership transition through developing the youth programs in order to look for new leaders and supporters. I find the CF Nitra organizing the staff work very promising, where different generations are mixed and being empowered. That is also why I keep my fingers crossed for Dada's attempts to look for additional staff members. But this is not just a problem of staff, but also the boards, which support both CFs for years and also need new generations to jump in. Youth programs are the best tools that come my mind in order to solve this problem, along with some attempts for looking for some people with leadership skills and supporting their development.

I see this problem in Poland, too. Some of the CFs are older than 10-15 years with the same leaders. It is difficult to keep the same enthusiasm for the work they have been doing so long. I notice in Poland that those leaders are looking now for new energy in their CFs, someone who will take over in the future, but it seems not to be so easy. Just to present how personal and emotional job it is for leaders, I would like to mention the cases when the entire families of the leader are engaged into the CF work (like family companies). This really works and it is natural that a leader searches for a trustworthy successor, but on the other side, it is not very transparent and may be seen as nepotism.

As trust is a problem of the post-communist societies, it is very important to take good care of that in the CFs' work. That is why, I think, building a community who are engaged into the CF's work and feel

responsible for it, is crucial, as well as sharing the power and leadership within the CF. And the changes in the leadership generations are the last, but very important challenge for those mature CFs.

### What does motivate people to engage?

To find the most important ingredient I started from looking at the community members, looking for some personal reason that motivates people to engage and support the CF. I was wondering whether there is something specific in a person that makes him or her engage into philanthropy or charity. Is it a thing of personality or maybe external conditions?

Based on the conversation I had in Slovakia and previous experience, I made, just for my own convenience, a very simplified set of main kinds of people that may be (or should be) invited into CF's work. First of all, there are those charismatic people who have their own mission of making big changes, with the need of great impact or maybe with the feeling of great duty and responsibility of giving back to the community. They are activists to the core. I call them True Activists. The existence of the CF does not change their life mission, they will do things for the community whether the CF exists or not. However, the CF's job is to engage them into the common action, so that their energy and resources are not wasted but used properly, as sometimes they do not have enough knowledge or capacities. The CF's attitude towards them should be very individual so that the energy of the person is being used properly but also accordingly to the Activist's beliefs and needs. They may be great community leaders, individual donors, funders, charismatic board members and CF's ambassadors. It is very important also to learn from them their point of view and treat it as a great source of new ideas and values. In short, they become engaged because they want to be and whether they know how to do it or not.

The second type I call Sleepy Activist. They are people who would like to do something, but they are not sure what, how and with whom. They want to give something from themselves but do not have the capacities, knowledge and mostly the energy and charisma to do it. They are the ones who give to charity when they are asked to do it, as they are not indifferent, but they need a direction, they need goals. They are great supporters and followers, that is why CF may be so important for them and they may be great partners for the CF. After some time they even may mature towards becoming the leaders. They may be the stable core for the CF's work in building community. The CF is very important for them, if it fails they might fall "asleep" again. The CF' job is to find them and engage, show possibilities, help in finding personal goals in philanthropic area, figuring out their



place in the sector and in community, building and securing trust. They may also serve as great ambassadors, board members, permanent volunteers, donors, etc. The CF's grants may serve as motivation and identification of the active people in the community, so it is the perfect tool for this purpose. So, they engage because they want it, but only if they know how to do it.

The third group for me are Indifferent or in some aspects Antagonistic – people who just do not see or do not feel the community needs, not engaging into any activism or being hostile towards charity and philanthropy. It may be due to lack of time, not trusting or not seeing any interest or for thousands of other possible reasons. Nevertheless, within this group there may be potential activists who just never came across these kind of activities, or just do not trust the philanthropic sector or treat it as something not worth investing in. It is very important to show that the issues mentioned by the CF concerns everyone and building community of all people may be profitable also to everyone. It is important to show the variety of topics that the CF is interested in, so that some people may find their interests in it, too. It is very important to find common good, which serves the entire community. That people may have potential to serve as volunteers, beneficiaries, participants of public events and public collection or just small supporters who give their 1 or 2% of tax, but it is really important so that they know the CF exists and they know its mission to support the community. So, they do not engage because they do not want it and/or do not care about it.

And last, but not least, there is a fourth group – the Strangers. They are all the people, who Beata Hirt called those ones who are not represented by anyone, not heard, sometimes the ones that are invisible or strange to the rest of community. The CF may be the only chance for them to be introduced and accepted by the community. They are always the minority in society, so this is so important to have open-eyes for such groups. Among them, there may be great activist potential but they have never had the chance to use it. The CF's job is to empower them. They do not engage because no one wants them to or they do not identify with the mainstream activities.

Based on those types who should be engaged into the community foundations' work? It would be so easy just to say all of them. However, the reality is, the True Activists should be welcome in the CF and the CF should find them their place somehow, the Sleepy Activists should be the main core of the CF work and the Indifferent should be always taken into consideration as a main recipients of the CF's job of building community. In terms of the Strangers, the CF's job is first to raise the awareness to their problems, build acceptance for them, empower them and engage them into community. My conclusion of this is that the CF may influence the personal motivation but the dynamic of the communities is more or less the same.

### What keeps the CF going?

In our group we were looking for the engine that keeps the CF going. I was wondering whether the secret ingredient lies in community, the organization, or in the leader. My conclusion to this is not as I was expecting. First of all, all three aspects play some role. A great leader will not be so successful without the support of the staff, procedures, stable and transparent organization. The best organization will not be visible and full of energy without charismatic leader. And none of those two aspects will even work if the community does not allow them to do it and accept it. Without their acceptance, the leader would be just outsider and the organization would have no resources to work. But, I was really hoping that the secret lies in good and stable organization. However, after many study visits, and many conversations with the CFs, I just think that the CFs in our region are mainly based on the CF's leader. He or she is the fuel of this engine. If the leader is not trustworthy, charismatic, energetic or just well known, the CF may not survive. Most of the ties between CF and the partners or donors are based on personal trust. I'm not very sure whether this is good or bad, but this is just not a very good sign for the CF stability. So, what we really need in our region is to put more effort into building trust towards organizations.

### **III. One technical remark on learning process**

Before I go further into summary I would like to add one technical remark on the process of learning that we experienced in Slovakia. It is very difficult to keep distance of what I knew before and what I learnt on the trip, especially that with some background already, I was lacking lots of information on our meetings. The picture presented by the CFs was not full, which is understandable – a few hours is not enough to say everything about a 15 year old CF, especially considering we were focusing on the particular themes, such as community engagement. Nevertheless, I feel like we did not see the whole picture and sometimes we were fixed on the issues that in reality do not play such important role as we assumed. For example, after meeting in Nitra there was the assumption of the CF more donor-driven and not taking into consideration enough the community problems or needs. But isn't it what we wanted to see there? The topic was the community engagement so we met with the community members engaged the most: the donors, CF's board and local NGOs. In case of Revia, we assumed to have there a community full of grassroots initiatives and local activists, because such people were introduced to us, so we called it the CF more open to community. But, when we look at reality, we also see a rural area with big problems of engaging local donors. We have to take into consideration that what we saw on the study trip was not everything, just a small part, and that is why we need to

be more humble in our opinions. In retrospect, when I'm going back to last year visit in Romania I see how easy it was for me to see just a small part of the picture and based on that evaluate the entire movement.

#### **IV. What should we stand for? – the summary**

As it was mentioned before we should have a catalogue of values to know what we stand for. My opinion is more or less presented above. Here, I would like to summarize it shortly and provoke others to take part in this discussion. I'm underlying here one value that, in my opinion, may be the answer to some challenges that are standing in front of the new and older community foundations. The most important value that we should focus on - trust. **Trust is the essence of the CF.** And it can be built via two main goals that each CF should be following, strongly linked to each other: organizational development focused on community building and being responsible.

As organizational development focused on community building I understand: including all possible groups, working based on needs' diagnosis and addressing also painful issues. I also mean being open, but in the active not passive way (just saying or even publicly announcing that we are open for everyone may not be enough), developing volunteering and empowering people in the community. It also means for me creating balance between the donors' ideas and the beneficiaries' needs. The ideal community foundation is not donor-driven or beneficiaries-driven, but entire community-driven.

As for being responsible I mean working strategically in terms of the organization development. We should realize that establishing a CF means also taking part in being responsible for the community. That is why the organization needs to work on its stability in terms of stable finances and transparent procedures, but also in terms of its leadership role in the community. The CF's leaders should think about what will happen with the CF when they stop working there. The CF should not be the personal project but the community project. Being responsible is also measuring the progress and changes achieved in the community.

I think that trust, worked out by those two main processes, is the essence of the community foundation model in our part of Europe, which is lacking of this basic value. The rest is about the right instruments we use (grantmaking versus own projects, building endowment or not), which may vary in each community.

And in terms of values, I'm getting back to the questions of what kind of issues should be addressed by the CFs. We always say the CF is a space for bringing all topics, so it should be open for addressing all the issues, even the most delicate ones that concern even the smallest minorities of the community. It probably means, for example, that the Romanian and Slovak CFs should talk about the Roma issue instead of explaining that it is a government issue and they do not have the tools. We also say in this aspect that the CF should be neutral. So, does it mean that Polish CF should not work so closely with local governments? And what about new Polish success of implementing the re-granting of public money. Polish CFs assure they worked out some quite safe mechanisms for keeping some kind of balance of neutrality, but still friendly cooperation public administration. But what about Hungarian NGOs? Should they still be neutral or should they rather engage more into politics so that they survive? Should they address this problem in their work? How to stay neutral when it may also mean to be rejected by the community (I imagine it may happen if, for example, Romanian or Slovak CFs engage deeply into the Roma issue), became too close to local politics (it may happen if the Polish CFs keeps advocating, pushing local governments or lobbying the changes in law) or destroyed (it may happen if Hungarian NGOs goes deeper into war against government). Should they take the risk, and where are the borders of neutrality. They are the questions I do not know the answers to, but it brings me back to the issue of what is more important: the CF's existence or fulfilling its mission in community. Finally, what about the situation when the CF keeps as neutral position as possible, but the others are not neutral towards it, for example, when (local or not) government feels endangered by its work for some reasons and treats it as opponent – the CF whether it wants it or not, is a party of that conflict. Not taking side does also mean a position in the conflict. Being proactive is not possible when staying neutral. **Neutrality is a great idea, but very difficult to put in reality.**

At the end, I would like to say again that we should discuss the values, because it is time for the study visits program to find some answers, even if they are not the perfect ones. I would like to thank all the organizers of the study trip for great opportunity to meet and exchange thoughts and ideas.

*Warsaw, November 6<sup>th</sup>, 2014*