

Community Foundations in Estonia, Latvia and Lithuania

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Introduction

Community philanthropy is the act of individual citizens and local institutions contributing money or goods, along with their time and skills, to promote the wellbeing of others and the betterment 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. It can also be expressed in formal and organized ways whereby citizens give contributions to local organizations which in turn use these funds to support projects that improve the quality of life in the local community on a permanent, long-term basis.

Community Philanthropy Organizations (CPOs) serve as the vehicles to nurture, sustain and enhance community development, and make it possible for individual citizens to have a larger impact at local level than when acting alone. CPOs 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, typically a town or a city, although experience shows that the geographic areas covered by these organizations can be considerably larger and encompass a big metropolitan area, a county, a state or even a group of regions from different countries (e.g. the Carpatian Foundation). The population of the region served may also differ considerably, from several thousands to millions of residents.

Philanthropy and charity are better developed in countries, which do not have a centralized and state supported social security system as, for example, the United States.

In Europe, CPOs can be found in a broad range of organizational forms, including Community Foundations, Community Giving Campaigns, Philanthropic Civic Groups and Regional Corporate Funds.

Community foundations are certainly one of the most popular forms of community philanthropy in today's panorama and this is also true for Europe where community foundations have also experienced rapid growth. Nothing illustrates this better than numbers: In 1994, there were some 30 CPOs in Europe, in 1999 there were close to 90 and in 2004 we have some 300 CPOs operating in all of Europe (these are approximate values based on different sources). Northern Europe is still under-represented.

Today community foundations are found in every inhabited continent. There are community foundations in most parts of the developed world and in many developing countries and regions around the globe. Community foundations originated in the United States and credit for creating the first community foundation is universally given to Frederic Harris Goff, who in 1914 helped to create the Cleveland Foundation, setting the fundamental framework for many of the currently existing community foundations. The modern community foundation, which was born out of a particular tradition of philanthropy in North America, in the early twentieth century, has been adapted successfully to local cultures, socio-economic circumstances and giving traditions in countries around the world. Community foundations are one of the fastest growing forms of philanthropy worldwide and are increasingly becoming players in the global civic society.

This brochure gives a short overview of the basic characteristics of community foundations, about their history and developments in Europe and in the whole world and on the other hand reflects the current situation of community philanthropy developments in three Baltic countries – Estonia, Latvia and Lithuania.

What is a Community Foundation?

Community foundation is a grant-making organization that:

- Seeks to improve the quality of life for all people in a **defined geographic area**. The size of a community may vary from a small town or village to a big city, county, state or even international region. The peoples' self-determination is the principle regarding what "makes" a community.
- Is **independent** from control or influence by other organizations, governments or donors. It has its own legally recognized nature and makes its decisions autonomously via a board of citizens broadly reflecting the community it serves. Although community foundations invest their assets and use the returned interest to cover their costs and make grants, they are not commercial entities and their operations are exclusively for charitable purposes.
- Is a **resource developer**. A community foundation mobilizes, attracts, pools, invests and manages financial resources for the current and long-term

benefit of a community. Its primary aim, over time, is to build a permanent reserve of charitable assets that will exist to serve the community. The community foundation acts as a guardian of the funds following sound investment principles to protect the safety and long-term value of the donations.

- Is a **donor service agent**. A community foundation provides services tailored to the philanthropic aims and interests of donors who want to contribute to the betterment of their community. Donors can include individual citizens, businesses, NGOs, other foundations, local and national governments.

- Is a **grant-making institution**. A community foundation uses the interest from their investments to make grants and to operate programs that respond to the needs of the community. Community foundations do not concentrate their action on a single field or interest but, instead, they support any project or program that can promote community development, be it in the area of education, health, environment, the elderly, the disabled, economic development, arts and culture, historical heritage, ethnic minorities etc.

- Has **open and transparent policies and practices** concerning all aspects of their operations.

- Is **accountable** to the community by informing the general public about its purposes, activities, and financial status on a regular basis.

- Is a **catalyst** in the community. While a community foundation acts as a funding source for local non-profit organizations, it plays an even greater role as an agent of social change. By attracting and mobilizing new resources and by creating partnerships between a community's citizens, businesses, NGOs and government, these foundations serve as a powerful mechanism for addressing problems at the local level. They promote a true dialog, obtaining increased synergy and building community self-reliance.

No two community foundations are exactly alike. They are shaped by their local traditions of charitable giving and the local resources available to meet the needs of their communities. Even in regions where they have been established for the longest period of time, variations in structure and emphasis have developed. Community foundations display all of the attributes listed above to a greater or lesser degree. The adaptability of the concept makes it possible for each country and area to mold its community foundations to fit its unique circumstances. For example, the mix of donors may vary. In North America, the overwhelming support for community foundations

comes from individual donors of moderate to wealthy means. In countries newer to community foundation development and especially in areas where the resources of individuals may be more limited, local businesses and national corporations and domestic and foreign foundations may provide more of the support. Even raising small sums of money locally, from a large number of people, has been a successful strategy for establishing community foundations in some of the poorer parts of the world. In other areas, national and local governments have played a larger role in providing funding, especially for grant-making, as they see community foundations as a way to more effectively identify and fund local needs. Variation in the ways community foundations attract funds is only one example of how they can be successful by adapting the concept to meet local needs. A number of examples could be drawn from other functional areas of community foundation operations, such as differences in board composition. As long as community foundations remain true to the basic concept, there can be considerable flexibility in how they are constructed and carry out their mission. The creativity and ingenuity, which communities have displayed in developing variations on the community foundation concept, are a testimony to the power of the idea and its effectiveness. As more and more community foundations are developed around the world, it appears that every country, region and community will find a way to take the concept and make it their own.

A Brief History

People helping each other is a fact as old as history. Even the Babylonian King Hammurabi's code of laws, in 1750 BC, mentioned that assisting orphans and widows is useful.

Community philanthropy is not a modern concept. Organized forms of local philanthropy existed in Europe in the Middle Ages in countries such as Italy, Germany and Portugal, to mention just a few. Many of these forms of local philanthropy could be best described today as "community chests" and many times had a strong religious component to them. Due to numerous upheavals in the history of European nations, community philanthropy declined. It is in the United States (US), in particular, that a new instrument of community philanthropy took root – the community foundation. In 1914, in Cleveland Ohio, John D. Rock-

efeller, founder of Standard Oil and the Rockefeller Foundation was angered by taxation authorities of the State of Ohio and in retaliation decided to move his family, his business and his philanthropy to New York City. He offered his long time friend, banker and attorney, Frederick Goff, the chance to move to New York with him. But Goff was a lifelong Cleveland and he knew that Rockefeller's departure would be devastating to his hometown. Goff decided to stay in Cleveland to see if he could help the city to recover. He reasoned that if he could create a vehicle through which many people of some means, but not necessarily Rockefeller-level means, could contribute something of permanence to their communities, knowing that their gifts would be well managed and carefully distributed for the community's benefit, then, perhaps, he could help Cleveland fill the gap left by Rockefeller's departure. This led to the creation of the Cleveland Foundation, the first community foundation in the US, today a powerful institution with assets well over one billion USD and bigger than many private national foundations in the US. Today there are circa 600 community foundations in the US with total assets exceeding thirty billion USD and annually making gifts of circa four billion USD. Current developments in the rest of the world, whether exact copies or adaptations, have all been inspired by this original model.

Canada, the next country to see the creation of a community foundation in 1921, the Winnipeg Foundation, has now over 100 community foundations.

In Europe, the **United Kingdom (UK)**, for historical and cultural reasons, was the first European country to witness the creation of community foundations in the late 1970's. Today, there are around 65 community foundations and some 25 years of history.

Nevertheless, it must be pointed out that the creation of the "Fondation de France", in 1969, was also partly inspired by the community foundation model. The "Fondation de France" covers the **French** territory through six regional delegations and these are responsible for implementing the foundation's policy at local level.

In **Belgium**, the King Baudouin Foundation, established in 1976, is also, to a certain extent, the reflection of a community oriented type of philanthropy not only due to the political organization of the country in linguistic regions but also in view of its operating model, through the use of affiliated funds.

It took until 1994 for the first community foundation to register its appearance in another European country, this time in the **Slovak Republic**, although since then, and particularly between 1998 and 1999, numerous initiatives have led to the creation of community foundations, or similarly inspired organizations in the rest of Europe.

In **Germany**, the first modern community foundation was created in 1996 and today there are circa 60 community foundations in the country.

In **Russia**, where there were no community foundations until 1998, there are now 18 community foundations and more are on their way.

In **Poland**, before 1998 no such organizations existed but today there are 15 local funds covering much of the country.

In **Italy**, there were no community foundations prior to 1999. Today, there are seven well-established community foundations.

The overall number of CPOs in Europe is circa 300.

Community Foundations and Global Civil Society

In 2004, it became clear for the first time that community foundations were not merely one component of global civil society, but were becoming a movement that is helping to create and shape global civil society. At first glance, this observation may appear to be a paradox. The outlook of community foundations is primarily local. They focus their efforts in the defined geographic areas where they are based. They work to build the community and improve the lives of the people in the areas they serve. Their boards of directors or trustees are composed of local citizens and actions are accountable to the local community. As organizations that promote community giving, encourage citizen action and support nonprofit institutions through their grant-making, community foundations should play a key role in creating civil society in their local areas. Given their local mission and local focus, how can community foundations be actors in the global civic society? It is a conclusion that is not based solely on the growth in numbers or the widespread acceptance of the community foundation concept in most parts of the world, although these certainly play a part. It is based on evidence of the increasing interconnection of community foundations, the global issues they face, and the learning and experiences that are being shared worldwide, not

just at the local, national, regional or even transatlantic level. Even though a community foundation's primary mission and focus is local, community foundations are increasingly coming together to address common issues and work together to meet their own and global needs. It is also often the case that donors, especially in the more developed countries, have international interests and are asking their local community foundations to do more than address local issues. The community foundations, which serve these donors' communities, are also routes for them to contribute globally, as can be seen in responses to natural disasters.

Highlights of global community foundation development in 2004

	2000	2003	2004	2005
Asia/Pacific	10	19	33	41
Africa	7	7	11	12
Europe	98	186	209	248
The Americas	720	852	867	874

- 1 175 community foundations have been identified in 46 countries.
- The number of community foundations has grown by 5% in one year; the number of countries has increased by 9%.
- 154 additional community foundations have been identified as being in formation.
- 40% of community foundations globally exist outside the US, up from 37.5% last year and 34% in the prior year.
- Germany and Australia show the greatest growth in numbers, growing by 33% and 47% respectively in one year.
- Countries in Africa and Thailand in Southeast Asia are especially showing a lot of new activity regarding community foundation formation.
- Not only are community foundations located in all parts of the world, they have become a global movement that is increasingly interconnected and is helping to spread the concept into new parts of the world.
- Community foundations are beginning to have a significant impact worldwide as their numbers and resources increase.

The Baltic-American Partnership Foundation (BAPF) and the Baltic-American Partnership Program (BAPP) — Supporters of the Community Philanthropy in the Baltic States

The first CPOs were established spontaneously in Estonia (Tartu Cultural Endowment 1991) and Lithuania (Papilė Neighborhood Support Foundation 1998), but the holistic community philanthropy concept was brought to the Baltic states with the support of the Baltic-American Partnership Foundation and the Baltic-American Partnership Program.

As BAPF's and BAPP's role has been remarkable in promoting philanthropy and community philanthropy in the Baltic States, we now will give a short overview of their goals and activities.

The Baltic-American Partnership Fund was established in 1998 by the United States Agency for International Development and the Open Society Institute (the Soros Foundation), as a public-private partnership. Each founder had provided \$7.5 million to the BAPF to be spent over the next ten years. The BAPF is a New York based public charity, directed by an independent Board of Directors. The Board of Directors is composed of prominent individuals who are committed to the democratic and civil society mission of the organization and to the objectives of the BAPF in all three Baltic nations.

The programs in the Baltic countries are implemented by the Open Estonia Foundation, the Soros Foundation Latvia, and the Open Society Foundation – Lithuania. Each of these foundations has established a Baltic-American Partnership (BAP) Program, which is guided by a local expert council. The local expert councils have developed country priorities related to BAPF's program objectives and have identified activities to achieve the program objectives. The BAP Programs, in turn, provide grants to local NGOs. In March of 1999, the BAPF Board of Directors approved the first round of proposals submitted by each of the foundations. Funding for the programs began in May of 1999.

BAPF supports the continued development of democratic institutions and market economies in the Baltic countries by enhancing the civic engagement of populations and by increasing the capability of and opportunities for citizens to participate effectively in

political and economic decision-making. Through its local partners, the BAPF provides grants to Non-Governmental Organizations (NGOs) to strengthen the capacity and sustainability of local NGOs and to improve the environment in which NGOs operate.

When BAPF began its grant-making programs in 1998, the challenges facing those involved in civil society development particularly, the non-profit sector were considerable. These challenges included: (1) Weak or mixed legal frameworks. (2) Low civic participation and lack of trust in public institutions. (3) Few or no mechanisms for civic engagement and interaction among individuals, non-governmental organizations (NGOs), the private sector and the state. (4) Underdeveloped management, advocacy, coalition-building and technical skills among NGOs and limited sources of funding and experience with organized philanthropy.

In the five years since then much has changed. Estonia, Latvia and Lithuania have become fully-fledged members of the European Union and joined NATO, achievements, which reflect their successful transition to democratic systems and the free market economy. During this period, the role and capacity of civic society in all three Baltic countries have grown considerably. Under the leadership of a number of BAPF's grantees, the legislative framework for non-profit sector work and charitable giving has undergone significant improvements and innovations in all three countries. There is a growing number of NGOs at the national and local level in each country, which have acquired advocacy skills and policy-making expertise and are participating actively in public debate and dialog on critical social and economic issues. The willingness of individuals to take part in civic life has increased and governments have demonstrated more understanding of and openness to the notion of individuals and NGOs as stakeholders, constituents and partners in decision-making processes. The practice of volunteering time and financial resources is slowly taking hold among the inhabitants of all three countries, although it is constrained by the still very difficult economic conditions in which the majority of the Baltic populations live.

While much progress has been made in strengthening civil society, significant challenges remain – challenges, which BAPF will seek to address in the remaining years of its life span. To develop philanthropy at the local level, a part of this strategy is to promote community foundations and cultivate a favorable philanthropic climate. With support from BAPF, there is a fledgling com-

munity-based philanthropy movement already underway in all three countries. Corporate giving is on the increase and efforts are being undertaken to develop more transparent and independent mechanisms for channeling government support to NGOs. Nevertheless, it will be some time before local funding sources acquire "critical mass" in terms of providing significant support for third sector initiatives. BAPF considers this as one of the most critical issues to address in its programming in the final five years.

In 2000, the Participatory Planning and Community Philanthropy project, which introduced the concept of community philanthropy and encouraged the start-up of community foundations, was initiated in the Baltic States with BAPF's support.

First of all, BAPF offices in all three countries organized a call for projects to select one national support organization (NSO) for each country and two pilot regions for local philanthropy development. The call for NSOs was won by the Peipsi Center for Transboundary Cooperation in Estonia, the Riga NGO Support Center in Latvia and the Kaunas NGO Support Center for Lithuania. As pilot regions, two county centers Viljandi and Paide in Estonia, county center Talsi and a small town Lielvārde in Latvia and county centers Telsiai and Utena were selected.

In late 2000 and in 2001, trainers from the United States from the New England Antioche Institute came to Estonia, Latvia and Lithuania several times to train the project managers of the NSOs and pilot regions as well as community activists and volunteers. Training materials and study books introducing the concept were translated into the Estonian, Latvian and Lithuanian languages.

After the first training session project managers and initiative groups already started introducing the model to different target groups in the communities (NGOs, potential donors, local municipalities etc). The first phase of the project was a community development process, which culminated in a one-day event – a Community Forum, which was held in all pilot regions, from the winter to summer of 2001. Representatives of different community groups came together to discuss local development, identified problems and agreed on priorities. By the end of the forum day, 5 to 8 project groups had been established in each of the 2 pilot sites by local community members. Parallel discussion about establishment of the local foundation was initiated.

A study tour to the community philanthropy organizations in the Slovakia and Czech Republics, which gave an opportunity to see the everyday life of the community foundations and get answers to practical issues, was organized in autumn 2001.

Eight community foundations were established during 2002-2003 in the three Baltic States, four in Lithuania, two in Latvia and the same in Estonia.

The second phase of the project, which started in 2002 and is still in process, is focused on the institutional development of the community foundations. BAPP provides institutional development grants to nearly all community foundations on an annual basis and supports NSOs in order that they could publish and disseminate information, organize training courses, give expertise and introduce the Estonian, Latvian and Lithuanian experience on international events and networks. In the second phase of the project, 'Charities Aid Foundation Russia' experts have been consulting Estonian and Latvian community foundations and also organized a study visit to Russian community foundations. Ekopolis Foun-

ation in Slovakia was the consultant for Lithuanian colleagues.

The BAPP project, implemented simultaneously in three Baltic States, proves that the community philanthropy concept is adaptable and proper in most of the countries of the world. Estonia, Latvia and Lithuania – each of them have found their own paths to develop community philanthropy. The community foundation model is implemented by taking into account local differences and this is the key to success.

Despite challenges three important ingredients for building a viable community foundation, are present in many locations in the Baltic countries: a strong sense of community, local pride and a universal desire to shape a better future for the next generation. These factors, combined with visionary, dynamic leaders living in many communities in the region, can unleash the philanthropic impulse that exists in every community and lead to the successful development of community foundations.

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ESTONIAN Community Foundations

History

For many centuries the main goal of charity has above all been to help the elderly, the diseased and orphans. First data about charity and welfare in Estonia date from the XIII-XIV centuries. At that time, they were connected to the spread of Christianity and the activities of church congregations (shelters in cloisters, poorhouses, hospices for lepers, syphilitics and handicapped people).

In the XIX century, the responsibility of organizing welfare began to move from the congregations to the counties and towns, which were, of course, not able to satisfy all needs from their own means. Various benevolent private organizations helped people to deal with their problems. Tallinna Evangeeliu-miselts (Gospel Society of Tallinn), for example, opened the Magdalenium for prostitutes in 1887 to lead them back to a decent way of life, and in 1889, Eestimaa Jooma- ja Auta Elust Päästmise Selts (Estonian Society for Saving from Drinking and Dishonorable Life) was founded to help alcoholic addicts. After the First World War, charity focused on improving the situation of those suffering from the consequences of war. In 1921, Eesti Pimedate Hoolekande Selts (Estonian Society for Welfare for Blind People) was founded in Tartu, in 1922 Eesti Kurtide Selts (Estonian Society for Deaf People). Between the two World Wars, the main operating charity organizations in Estonia were: Naisliit (Women's Union) and other women's organizations, The Red Cross, Karskusliit (Abstinence Union), Ühisabi (Common Help), churches. Charity balls and other events were organized. The benefit was used to help families with many children, the elderly and the diseased. Beneficiary help was particularly needed in the times of the economic crisis in the beginning 1930s, because state welfare couldn't support all people in need.

During the Soviet regime, all charity organizations were closed, as in a "state of working people" charity was considered to be a useless survival from the times of the bourgeoisie. People didn't have the possibility to support their fellow citizens in the way they used to any more. In some cases, support and donations were obligatory, buying bonds of govern-

ment loan, for example, or paying a sum to the Red Cross.

After Estonia regained independence, different charity organizations and funds and also churches started to work again. The Estonian legislation didn't provide any special favors for charity organizations, but, on the other hand, it was relatively easy to establish a fund or an NGO. Due to this, there are today 654 registered foundations in Estonia, operating in the most different fields of life. Unfortunately, by far not all of the registered foundations have managed to budget successfully, raise donations, invest reasonably and support their chosen field with good results.

Overview of the community foundations – current situation

The first two community foundations in Estonia were initiated by leading community activists and local businessmen and established in 2002-2003, as a result of the BAPP pilot project.



The Viljandi County Community Foundation (Viljandimaa Kogukonna Fond) was established by 4 citizens in December 2002. It was the first community foundation initiated by the BAPP program. The next community foundations and initiative groups have had an excellent opportunity to learn from Viljandi's experience.

The Viljandi County Community Foundation serves the 57 000 residents living in the region, including 20 000 living in the town of Viljandi.

The foundation is established with a charitable purpose to solve the problems and support the developments of the Viljandi community by attracting financial resources and spending them in a charitable purpose.

To achieve the purpose, donations are raised from private persons, business companies, NGOs and local governments, state institutions etc. The foundation supports projects that are important for the development of the community of Viljandi County by giving out grants, prizes and subsidies for projects in open contest.

One premise for a successfully functioning community foundation is to be informed about the values that are important for the community and to act towards satisfying the needs emerging from these values. Priorities of the foundation are: dialect and culture of Mulgi, youth and nature protection.

The council of Viljandi County Community Foundation has 7-11 members and the term of office lasts three years. At present, the council has 8 members: 1 representative of Viljandi Culture Academy, 3 members of Parliament from Viljandi County, 1 deputy of the European Parliament, 1 local businessman, 1 leader of local government, 1 private person. In the case of the end of term of office, resignation or recall of members of council, new members are assigned by the council. Persons assigned as members of the council must have the necessary knowledge and experience for being in charge of a foundation, as well as a flawless reputation.

The board has 1-5 members and governs and represents the foundation in everyday activities in accordance to the law and the statutes. The board has a term of office of three years. At the moment, the board of the foundation consists of 1 member.

Viljandi County Community Foundation has organized several project contests and charity events.

In May 2004, a sub-fund was formed to support the Mulgi Free School in Lilli. The government of Karksi County decided to close the primary school in the little village of Lilli near the Latvian border in September 2004. The children's way to school and their schooldays would have become very long. The local government did not react to the appeals from local people and so the Lilli village society, Tatsu, took the responsibility of opening a private primary school that has 5 pupils at the moment. Charity events and fundraising have been organized consistently to assure the continuing existence of the school – in June, a charity concert was organized in the St. Paul's church of Viljandi, in September, a charitable dancing marathon took place. Until now, almost 25 000 kroons have been raised by donations. The last time supporting appeal letters were handed over and information was distributed in November 2004, when the Viljandi County Community Foundation visited the Estonian parliament, with the pupils from the school and addressed each Member of Parliament personally.

Viljandi County Community Foundation and the Viljandi Folk Music Festival cooperate to support the development of heritage music in Viljandi

County. The region, covered by the Viljandi County Community Foundation, is distinguished from the rest of Estonia by its Mulgi culture and dialect. Folk music festivals, launched in Viljandi in 1993, have today evolved into an annual four-day-long folklore festival, the largest of its kind in Estonia. In the summer of 2004 and 2005, the festival team and the community foundation combined their efforts to promote the development of heritage music in Estonia. The festival team sought additional funds to buy folk music instruments for students beginning their studies at the Viljandi Culture Academy and to pay the fees of children attending the ETNO camp, a training course on folk music. Four Viljandi County Community Foundation volunteers, during the festival in 2004, collected the equivalent of more than €400 and in 2005 € 500. This example was remarkable, not so much because of the amount of money that was raised, but for the way in which different interests came together. In addition, the Viljandi Folk Music Festival is a good place to promote the Viljandi County Community Foundation because of its popularity all over Estonia.

The initiative group of Viljandi County Community Foundation was concerned about the sustainability of the foundation from the start. Calculations showed that there are no big donations to be expected in the region in the next years. By now, connections with the Mulgi Society in America and with Estonians living in America and Sweden have been established.

With regard to long-term sustainability, it is important that the foundation would start to raise endowment. Different possibilities were thought over and finally the foundation decided to turn to the local governments of Viljandi County with a proposal to take part in raising the fixed capital. Two possibilities of supporting the community foundation were offered: either to donate 1% of the administrative expenses of the local government or 1 kroon per person living on the territory of the local government for the endowment of the foundation.

Most local governments supported the "1 kroon per person" idea.

Already in 2003, Viljandi County Community Foundation raised 50 726 kroons from the local governments. 4 local governments out of 18 did not participate, bringing out the following reasons: lack of financial means, lack of information about the community foundation (means: lack of trust), forgot to transfer the money (!).

When the foundation organized its first project contest “Free time of youths”, at the end of 2003, the council of the community foundation decided not to take into account applications coming from local governments that had refused to donate towards the endowment. Local people were displeased with that and expressed this to the governments. As a result, in 2004, the first ones to offer money were the ones that had opted out of paying the year before. 1 kroon per person is a small sum, but the foundation regards it as very important that a sustainable system of raising fixed capital has been started. Also substantial is the close cooperation, trust and mutual understanding that has emerged between the community foundation and the local governments and gives hope for continuing success and also higher financial contributions in the future. Until now, 67 500 kroons of endowment has been raised and subsidies in the sum of 276 800 kroons have been given out.

8% of every donation is used to cover the administrative expenses of the organization.

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Järva County Community Foundation
(Järvamaa Kogukonnafond)

was established in November 2003 by the transport company AS Assotrans and the sewing enterprise OÜ Pakpoord.

Järva County Community Foundation serves the Järva County with a population of 40 000 residents, 10 000 of them living in the county seat, Paide.

The community foundation is established in the public interest for charity purposes to solve the common problems of the community of Järva County and to support the innovative development of Järva County, as well as culture, education, sport, nature protection and social welfare, to collect financial means for these aims and share them for intended use and to start and carry out projects.

The main objectives of the foundation are to support young people so they would stay in their home places, leisure activities of youths, learning, and families with many children.

The council of the community foundation has 5-15 members who are assigned for four years.

Persons assigned as members of the council must have the necessary knowledge and experience for being in charge of a community foundation and a flawless reputation. There has to be at least one member with knowledge and experience in the fields of economics and financial management. The founders have the authority to assign and recall the members of the council. At present, the council has 7 members and meets quarterly or more frequently, if necessary. Members of the council are: governor of the Järva County, representatives of three enterprises, representative of one NGO, leader of the local museum and the editor of the local newspaper.

The board has 1-5 members and its term of office lasts three years. Members of the board are first assigned by the foundation charter, further on they are assigned by the council. At present, the board has 1 member. The chairperson works as a volunteer and is not reimbursed. Expenses for private car use are compensated.

A grant for young specialists has been established at the Järva County Community Foundation. Qualified candidates are specialists under 30, whose first working place, after graduating from university or vocational school is in Järva County.

An endowment for families with many children has been established at the Järva County Community Foundation. The community foundation supports families with many children, who live in Paide, with a small grant and organizes a yearly Mother's Day party. In 2005, 17 000 kroons were spent for this purpose.

The foundation supports, in contests, projects from the young people of Järva County that are involving hobbies, cultural changes and are connected to the foreign relations of the county.

In 2004, the foundation supported the organization of the concert, by a youth choir from Carroll County, Maryland, USA in the church of Paide (4 000 kroons) and in 2005, the concert tour of the youth choir “Sirjelind” in the USA (28 000 kroons).

In cooperation with the members of the board, the Hungarian Embassy gave sports equipment and board games to the Childrens' Help Center of Järva County before Christmas of 2004. Followed by a

positive media response, the foundation started a fundraising to buy a table-tennis table for the Children's Help Center. The table was purchased from the donations of private persons and the means of the foundation (3 300 kroons).

The first fundraising campaign has been carried out.

The endowment of the foundation has risen to 120 255 kroons, donations have been collected in the sum of 121 255 kroons.

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Estonian community foundations' income in 2004

Donor	Viljandi	Järva
Individuals	6%	1%
Businesses	10%	19%
Local municipality	8%	41%
Government	7%	0%
Estonian funds	1%	0%
International donors	68%	39%

Peipsi Community Foundation (Peipsi Kogukonna Fond) was established in November 2004 by three private persons.

The foundation differs from others, because it doesn't serve a county or a town, but all local governments bordering on Lake Peipsi. This region extends on the territory of four counties (Ida-Viru, Jõgeva, Tartu and Põlva). There are 20 local governments bordering the lake with a total territory of 3 600 km² and total population of 30 800. The fourth largest lake in Europe is divided by the borderline with Russia, but for Estonia, it's a periphery with few residents and lacking enterprise, resources and charity.

Peipsi Community Foundation has been established for charitable purposes, to solve the common

problems of the Peipsi community and to support development through purposeful collecting of means and sharing them for intended use in the following fields: culture, education, science, environment, regional development, local initiatives, youths, children and families. The foundation supports projects that are important for the development of the community by giving out grants, prizes and subsidies for projects in open contest.

There are 1-15 members in the council of the foundation. The first council is assigned by the founders for one year, further on the term of office is three years. The members of the council are not reimbursed. At present, the council has 7 members: 3 third sector activists, 2 representatives of enterprises, 1 representative of the local government and 1 civil servant.

The board of the foundation governs and represents the foundation in its everyday activities in accordance to the law and the statutes. The term of office is three years. The board consists of 1-5 members. At present, the board has one member who works as a volunteer without receiving a salary.

With the help of volunteers, the community foundation tries to find ways of financing projects that advance local life. First priority is children, the first program that started is called "A piece of bread" and its goal is to help children from very poor families. By now, 35 000 kroons have been spent on carrying out projects that are aimed on children.

Another important topic for the community is the environment with the greatest attention being paid to cleaning the shore of Lake Peipsi.

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In addition to the previously described community foundations, started as part of a BAPP project, there are some dozens of funds established in Estonia from the beginning of the 1990s that carry the name of a town, parish, region or county. To name just a few: Setomaa Sihtasutus, Pro Narva Sihtasutus, Avatud Kihnu Fond, Imavere Sotsiaalkapital, Valgamaa Fond, Leisi Valla Sihtkapital and many others. Some of them are active, but some were created with the purpose to have a financial instrument in case donations would come in. With local initiative, volunteers and interest, it would be possible to develop a community foundation out of some of the funds.

* * *

Very successful and very similar to the model of a community foundation is **Tartu Kultuurkapital (Tartu Cultural Endowment)**, established at the end of 1991 by the Tartu city council. A detailed description of its activity follows.

Tartu Cultural Endowment serves the city of Tartu, which has a population of about 100 000 residents.

The mission of Tartu Cultural Endowment is to support Tartu-centered culture, science, education and sport projects and creative work of private persons in the public interest and by collecting financial means and sharing them for intended use.

The main task is to give out grants and prizes in open contest to legal and natural persons for carrying out Tartu-centered culture projects and to support the creative work of persons in the fields of literature, folk culture, music and drama, fine art, applied art, science, education and sport.

The council of the foundation has 15 members. The members are assigned by the city council of Tartu. A principle is followed when assigning the members: one candidate is proposed by the University of Tartu, one by the Estonian Agricultural University, eight candidates by the Tartu city council and five by the city government. At least five members of the council must have knowledge and experience in the field of economics and financial management. The members of the council are assigned for three years. They are not reimbursed for their work.

The Cultural Endowment is represented and its activities are led by the board of the foundation, consisting of one member – the director. The direc-

tor is assigned by the council for five years. Also engaged in the Cultural Endowment is a secretary-bookkeeper.

To give an expert opinion on the grant applications, the council forms three commissions of its members: a culture commission with six members, a science commission with three members and a physical culture commission with three members. To solve financial questions, there is also a finance commission formed.

Tartu Cultural Endowment has 16 sub-funds and 7 grant funds. A yearly prize is given to an outstanding person in the field of culture or sport, a scientist or an educationalist in Tartu.

Altogether, subsidies have been awarded 2910 times, in the sum of 17 885 234 kroons.

A fixed capital of 3.5 million kroons has been raised and invested in low-risk assets.

The biggest donor is Vilhelm Fischmann, an Estonian living in Australia who has altogether donated 7 million kroons.

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The counties of Võru, Jõgeva and Saare, as well as the towns Maardu and Narva, have also showed an interest in the model of community foundation. Discussions on the implementation of the model of community foundation are ongoing.

Estonian community foundations have only recently started with fundraising. Money, for subsidies as well as for the fixed capital, has mainly come from local governments and enterprises, not so much from private persons. BAPP has helped to cover the administrative expenses. Donations have been raised to pay subsidies as well as for the fixed capital.

Community foundations, for their part, regard more intense fundraising and roping in volunteers as very important. Closer cooperation with regional and state governments is also considered necessary, as well as informing the public about the possibilities and needs of community philanthropy, foremost by presenting positive case studies. The biggest challenge for Estonian community foundations is to find resources to cover administrative expenses. Until now, BAPP has provided help, but after BAPP ends its activities in 2007, the situation in this field will become quite critical. Besides searching actively for financial resources, it is important to find volunteers, with a sense of mission, who would help to keep the fund alive in hard times.

The environment for charitable giving

In today's Estonia, charity has only started to develop, also similar to other undertakings of our society. Community service and charity, especially in the social field, deserves appreciation from the state as well as better utilization. One could ask: why do we need charity, if we have a state health insurance and pension system? Unfortunately, there will always be citizens who are not able to come to grips with themselves, be it their own fault or the fault of someone else. Charity doesn't always have to be aimed at an individual, it can reach some other part of society, like a children's hospital or a private school. In our contemporary developed society, charity also doesn't have to mean guaranteeing someone a living wage, as was understood centuries ago. There are other fields, which can be promoted through philanthropic acts: culture, medical research, democratic development of the society and many more. Charity and charity organizations are needed even in the richest society. Not only because there are always fields or people worth supporting, but also to change attitudes in the society, to make people understand – when helping others, we also help ourselves, get to know the shadow side of the society, raise our self-contentment and also set a good example to our children. As a rule, Estonians are good-natured people. They are ready to share with others, if they have something to share. Few people dedicate their lives to helping others like Mother Teresa. There are more of those who help and give, because they have enough. General growth of wealth is a secure guarantee that organized donating will become a part of life for more and more

people. Already today, it is noticeable that people donate more willingly than a couple of years ago. The awareness of donors has also risen – a growing number of people donate, not because they were asked and found it awkward to refuse, but because they have a sense of mission and a clear vision, which fields and how they want to support. Local attitudes are slowly changing, and a willingness to donate at the national and community level is rising. The key challenge is to create trust and demonstrate the sustainability of the community foundations, which are “newcomers” in a field that includes numerous well established foundations that are already in the market raising funds for sports, medicine, culture, etc. Some years ago, the main obstacles for developing charity in Estonia were overall poverty and lack of a tradition of donating. Today, the problems are the peoples' low awareness of organized philanthropy, its principles and procedures as well as the low fundraising capacity of community philanthropy organizations.

The growth of donations from private persons is surely held back by the low limit of total tax deductions. As many individuals use other deductions such as mortgages, training etc., no room is left for tax benefits from donations.

Legal and tax environment

It is advantageous for the donor to donate to community foundations and other NGOs and funds registered in a list of the Government of the Estonian Republic of organizations eligible for income tax incentives.

If the donor is a legal person (i.e. a business or a fund), it is possible to deduct donations to these registered organizations on amounts either up to 3% of their personal expenses, or 10% of the profits of the preceding financial year. If the donor is a private person, presents and donations to such organizations can be deducted up to a maximum of 5% of their taxable income or up to 50 000 kroons (about € 3 200).

The receiver of a donation, no matter if a private or legal person, doesn't normally have to pay income tax on the donation. NGOs and funds operating in the public interest can apply to be registered in the list of organizations eligible for income tax incentives. One-time registering is sufficient. The registering makes it possible for the donor to use tax deductions. Donations, made to organizations that

are not registered in the list of tax incentives, cannot be deducted.

Support organizations

Currently, there are two organizations in Estonia supporting the activities of community foundations: the Baltic-American Partnership Program Estonia (BAPP), offering information and financial support, and the Peipsi Center for Transboundary Cooperation (Peipsi CTC) providing information, consultation and training.

Peipsi CTC is an international non-governmental non-profit institute, which carries out projects to promote the development in the Lake Peipsi area. Lake Peipsi is the fourth biggest in Europe lying on the Estonian-Russian border. The Center was established in 1993 as an organization whose primary focus was research in environmental issues affecting this border. Through studies of the environmental situation, it became evident that social, political and environmental changes had affected the people of the region to a large degree. A picture emerged of a complex multicultural and multilingual situation. The population was struggling to find ways to meet the challenges of the new social, economic and political environment. As a result, the original focus of the Peipsi Center was expanded to include social action projects aimed at assisting local people in developing civic participation skills to help them address local issues as a part of the democratic process. Eventually, Peipsi Center developed into a broadly focused NGO with different programs.

In 2001, it began a Community Philanthropy development project with BAPP's support to introduce the concept of community philanthropy and

community foundations. The Peipsi Center has acted as a national support organization for the community foundations from 2001 up to now.

The Peipsi Center has fifteen paid staff members and some volunteers. Funding for the community development program comes mainly from BAPP. In addition, Phare Cross-Border Cooperation (CBC) Program and the Royal Embassy of the Netherlands have also provided project grants.

The goals of the national support organization for the next years are: help new community foundations to get started in interested regions; support cooperation and networking among community foundations nationally and internationally; carry out a donor awareness campaign.

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LATVIAN Community Foundations

History

In 1908 about 55 charity foundations were registered in Latvia. During the First World War, foundations and associations provided moral and financial support from society to victims. The first Latvian presidents Janis Cakste and Alberts Kviesis were active in the Latvian Red Cross and Refugees Committees. In 1930, about 4000 NGOs were registered and it was one of the highest indicators in Europe at that time.

In 2001, the Baltic-American Partnership Program initiated a program to promote the concept of community philanthropy and the formation of community foundations in Latvia. This was in response to the fact that foreign donors were leaving the country and there were no sustainable sources of indigenous funding in Latvia.

Overview of the community foundations – current situation

The first community foundations, in Talsi and Lielvārde, were established in February and December 2003. Together both community foundations serve about 2.5% of the total population of Latvia. The three sites with emerging community foundations, (Valmiera, Alūksne, Madona), serve about 7% of the population. As information about the concept and the success stories of the Talsi and Lielvārde community foundations spread around the country, the number of communities interested in this concept is increasing. The main method of grant-making, by the community foundations, is through grant competitions, some of which are open to proposals about any community needs, while others address specific issues (the needs of youth, older people or disabled people). The community foundations also manage some donor-advised funds. Talsi Community Foundation also provides scholarships in cooperation with Vitolu Foundation.

The model of community philanthropy and the examples of Talsi and Lielvārde have inspired other communities around the country. In 2004, BAPP provided capacity building opportunities and consul-

tancy, using local and international experts (Charities Aid Foundation – Russia), for three other towns – Valmiera, Alūksne and Madona.

Even though the two established foundations are at an early stage of development, the results thus far are positive. The keys to success are the commitment and ownership of the concept by local communities and targeted consulting and coaching using local and international expertise. Continued support is needed to strengthen their capacity, and the limited wealth of these communities is a challenge for fundraising.

In addition, we can identify NGOs in Latvia, which have features of community philanthropy organizations. Those are some of the regional NGO support centers and community development organizations. They serve a defined territory city, town, or region with the purpose of engaging civil society in local decision-making, to promote cross-sector partnerships and to develop the capacity to raise local funds to address local needs. Although these organizations mostly manage their own projects (instead of providing grants for other NGOs) basically by support of international donors and local governments, they are building partnerships with other NGOs and sectors within communities. These organizations have also attracted a significant amount of voluntary work in kind contributions.

There are three formally established community foundations in Latvia: Talsi Regional Community Foundation, Lielvārde Community Development Foundation and Alūksne Regional Community Foundation. Additional community foundations, at an early stage of development, are Valmiera Regional Community Foundation (in a formal registration process) and Madona (community foundation establishment group).

In the early stage of community foundations development the main obstacles were lack of public awareness, soviet experience, insufficient NGO transparency. Currently, the trend is that foundations could fundraise for project support, but critical is administrative support and endowment building. Endowment building has been a challenging component of community foundation development, due to the lack of investment experience in the NGO sector and the country's fiscal environment.

Talsi Regional Community Foundation (Talsu novada fonds) has been the first and is currently the most active and successful foundation in Latvia. Talsi now serves as a source of inspiration for other communities that are interested in the community philanthropy concept. The Talsi Regional Community Foundation serves the town of Talsi which has 13 000 inhabitants (this is an average size town in Latvia) and its region with 37 000 inhabitants, thus the total number of population, which the foundation serves, is 50 000 inhabitants.

Talsi has been one of BAPP pilot sites to implement Participatory Planning and Community Philanthropy pilot project since 2001. Formally, the Talsi Regional Community Foundation was established in February 2003 as a result of a lengthy discussion and learning process. It was started in spring 2002 when a group of local activists, with the support of the Baltic-American Partnership Program, held a citizens forum. The purpose of this forum was to discuss the issues of local significance and to identify solutions for local needs. During the forum, 8 working groups were formed agreeing to implement a number of identified project ideas on a voluntary basis. The initial process was challenging, as the people involved had no relevant experience in activating the community and fundraising. Nevertheless, the people felt that they would like to be engaged in helping their community in a more structured and organized way. There were a number of meetings and discussions by local activists in the course of 2002 to identify the model most appropriate for their community. A source of additional inspiration and knowledge were capacity-building activities (networking, study tours, local and international consultants) financed by BAPP. As a result, Talsi Regional Community Foundation was established, according to the legislation that existed at the time, as a members association. There were about 50 founders that became the members of the foundation.

The purpose of Talsi Regional Community Foundation is to promote the tradition of local philanthropy and to foster local development in Talsi and its surroundings, supporting projects that relate to community benefit and positive social changes in local society.

The highest decision-making institution of the foundation is the general meeting of members. At the beginning of year 2005 there were 64 members of the foundation. Composition of the supervisory board has been made based on the 1/3 principle – 1/3 municipality representatives, 1/3 business representatives, and 1/3 NGO or community groups' representatives. Rotation of the board is defined as follows – 3 members per year, one from each group represented on the board.

Board members gathered in 13 meetings (total length of meetings 27 hours and 40 minutes) in 2004.

A director, director's assistant and accountant carry out the daily work of the foundation. All the employees work part time in the foundations.

Members contribute annual membership fees and have the right to vote on project proposals funded from unrestricted donations. A corresponding voting system was set up that defines the rights of various players involved in selecting and approving the project proposals. This is an interesting model to involve a wider community in the foundation's decision-making process. Each member pays at least 20 Latvian Lats (28.5 euros) per year. From this amount 25 % is devoted for endowment building and 75 % for grant competitions.

In the first two years of activity the Talsi Regional Community Foundation has supported 37 projects with about 14 000 lats (20 000 euros). The total amount of the endowment obtained during the first two years of the foundation is 2 082 lats (2 962 euros).

There are two ways how Talsi Community Foundation fundraises for endowment building. First is the action "100 friends of Talsi community". Mrs. Vaira Viķe-Freiberga (president of Republic of Latvia) was the instigator of this action when she donated an amount of money at the end of year 2003. The purpose of actions is to collect donations for Talsi community to support projects that might help inhabitants and local society. All – present and past inhabitants of Talsi, simply friends or patriots who are willing to provide Talsi community with lasting investment and support positive changes there might do this with the help of this action. All donations collected by this action go to the deposit investment but interest percentage finances the projects of Talsi community. Everyone donating more than 20 lats (28.5 euros) for this action becomes a friend of Talsi community. Private persons can become

friends of Talsi community as well as legal – enterprises, NGOs from Latvia and abroad. Information about action is possible to find in the internet. Several friends have joined this action via the charity portal www.ziedot.lv. The other way to raise endowment is to designate 25% of the annual membership fees and other donations to the endowment.

The foundation has been registered as an association according to legislation, which regulated NGOs in 2003. Since 2005, there is new legislation in force, which defines associations and foundations. Talsi regional community foundation has decided to re-register as a foundation. This fact determines changes in structure and administration. The foundation will have the foundation council, which replaces the functions of the general meeting of members, the previous board will be a supervisory committee and the new board is supposed to be an executive institution.

The members of the Talsi Regional Community Foundation provide that the keys to their success have been: organization of regular grant competitions (2-3 per year), endowment building campaign, which involves also people outside the community, good image at the local and national level, responsible and enthusiastic board, activity and support from members and good cooperation with donors. Consultants from the Charities Aid Foundation Russia and NGO Center (Riga) have provided significant support and financial and administrative support by the Baltic-American Partnership Program has made the developments possible.

The efforts of the Talsi fund are aimed to achieve significant amounts of endowment, develop donor advised funds, create other types of donor services and fundraise for administrative support locally.

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The Lielvārde Development Foundation (Lielvārdes attīstības fonds LAF)

was founded on 2nd December 2003 by 14 local businesses and one individual. Lielvārde community is comparatively small – about 7 500 inhabitants (average small town in Latvia).

The mission of LAF is to promote the development of Lielvārde and the surrounding area identifying local needs that serve the betterment of the public at large by involving the local community and local resources in the process.

LAF activity is overseen by a board of nine members with representation from all segments of society: four from the business community, four from the NGOs and one person from the local municipality. The board members are elected for a three year term, with a built-in annual rotation. After the first year, three members are replaced, one from each sector. After the second year, three more members are replaced and so on. This rotation system assures the influx of new members as well as a rotation of board responsibilities among all members.

Day to day foundation activities are the responsibility of the executive director.

Additional support for administration includes rent free facilities at the community center, a computer donated by the LAF bookkeeper for foundation use, printing services by the LAF chairman.

Every founder of the LAF paid a fee of 140 euros for a total of 2142 euros; 50 % was designated for grant competitions, 50% for endowment. The LAF has a rule that 10 % from each donation will be devoted to endowment, 5% for administrative costs and the other 85% for grants or special projects. Administrative support has also been provided from the BAPP.

LAF announced its first grant competition in April 2004; the theme of the competition was “Our Lielvārde Summer”. The projects were realized during the summer of 2004 with final project reports due at the end of September 2004.

LAF received six proposals and was able to fund, in full or in part, all six projects with a total amount of 2 857 euros. The projects were: a one-week summer camp for children and youths with

special needs, Lielvārde Pensioners' Club summer activities, senior choir "Kamene" summer activities, Lielvārde Pumpurs Museum informative booklet on the designs in the Lielvārde sash, an art and music festival for children and teens at the Community Center, assistance for the children's summer camp "Avotiņš".

LAF supported the Youth Association in organizing their first Youth Forum and their second annual R2 extreme sporting event and concert.

In late October, LAF held a "Thank You Event" for its members and residents involved in the various summer projects. The guests of honor were the fifteen founders of the LAF and summer project coordinators. The founders each invited 2-3 of their friends, or associates, to better acquaint them with LAF and its activities and invite them to join.

A children's drawing competition, "My ideal playground", was held in order to find the model for the next playground to be offered to the community. LAF will provide partial funding to the neighborhood that is successful in raising the necessary co-financing in the form of funds, materials, services or labor.

The LAF Regional Scholarship was established with the Vitolu Foundation acting as fiscal agent.

Efforts to secure additional funding include a targeted letter writing campaign by the LAF executive director inviting individuals to join LAF and active membership recruitment by all present LAF board members.

Financial overview about LAF activities in 2004

Expenditure	Amount in EUR
Endowment	1 071
Grant completion	3 071
Special projects (skate park, youth forum etc.)	2 671
Administrative expenses and capacity building	3 648
Unspent / left over in 2004	9 448
Total budget in 2004	19 910

Sources of income:

- 20 % Municipality
- 65% Other foundations (BAPP, SIF)
- 15 % Local donors (individuals and enterprises)

In 2005, at least one grant competition will be announced. The goal is threefold: the positive development of the social environment in Lielvārde, the development of the youth sector, and education. 2 000 lats are projected for grants (50% from the municipality, 50% present and new members).

10% of any and all new membership fees will be designated for deposit.

5% of any and all new membership fees will be designated for administrative costs.

The members of the LAF are satisfied that residents are showing an increased interest in submitting project proposals to LAF while actively seeking co-financing on their part.

News of LAF activities is spreading. There has been an idea exchange visit with representatives from the Jēkabpils NGO center and municipality regarding organizing a Community Forum and subsequently, a community foundation. The LAF board is more actively taking advantage of various seminars on aspects of community philanthropy.

All LAF founders and board members spend considerable time explaining and/or reminding residents of the basic community philanthropy philosophy of the LAF.

Attracting new members and additional financial support is a constant challenge.

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Alūksne Regional Community Foundation (Alūksnes novada fonds) is the third registered community foundation in Latvia. Alūksne Regional Community Foundation serves a community of 25 500 inhabitants 9 500 in Alūksne and 16 000 in the region.

Alūksne regional NGO support centre has implemented a range of activities like interviews, discussions and different informational activities in order to promote the community foundation concept and identify potential groups of people, which could be interested in a community foundation establishment in Alūksne. As a result more than 80 people were involved in this process and 21 agreed to become founders of Alūksne Regional Community Foundation. The Foundation was registered in April 2005. In August, the first grant competition has been announced in order to support local community needs.

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Latvian community foundations' income in 2004

Talsi Regional Community Foundation has received a total of 16 477 lats in 2004, Lielvārde Development received 13 938 lats.

The breakdown of donors

Donor	Talsi	Lielvārde
Individuals	10%	3%
Business	25%	12%
Local municipality	0%	20%
Government	0%	0%
International donors	58%	60%
European Union	7%	5%

Talsi Regional Community Foundation spent a total of 23 865 lats in 2004, Lielvārde Development spent 13 938 lats.

The breakdown of spending

	Talsi	Lielvārde
Grants	40%	6%
Funds for specific projects	13%	16%
Administrative budget	20%	10%
Capacity building	7%	16%
Endowment	9%	5%
Unspent / left over in 2004	11%	47%
Total	100%	100%

Community foundations under development

Valmiera

NGO support centre "Strategija", based in Valmiera, implemented a general research into community responsibility and attitudes towards giving. As a result, 800 surveys (3.7 % of inhabitants) were received. The survey indicated attitudes towards giving, voluntary work and provided information where support is needed. As a result it was decided to add the promotion of the community foundation concept and the establishment of a working group. The work group, which consists of community representatives, has been established and after half a year work has agreed on the establishment of the foundation. On 30th June 2005, the Valmiera Regional Community Foundation (Valmieras novada fonds) has been established

by 13 community members – NGOs, municipality, private sector representatives. The Foundation is in a process of formal registration, the main priority is to start the work of the foundation – develop strategy, donor services and mechanism as to how to support local community needs. The Valmiera Regional Community Foundation will serve a community of 60 000 inhabitants – 27 000 in Valmiera and 33 000 in the region. This area is the largest region where the community foundation works.

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Madona

Madona NGO support centre organized a Madona Community Forum (February 2005). One of the projects identified during the forum has been the establishment of a community foundation in Madona. Madona community foundation establishment group plans to establish the foundation by the end of 2005. Madona Community Foundation plans to serve a community of 45 000 inhabitants – 9 500 in Madona and 35 000 in the region.

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The environment for charitable giving

The concept of community philanthropy and community foundations is not widely known in Latvia. Nevertheless, there are positive examples of informal and spontaneous giving. Once people learn about community foundations and community philanthropy, their attitude is positive. There is comparatively limited knowledge about giving – to which organizations and by what method. People lack trust that funds will be distributed in a transparent manner to those in need. NGOs need more experience in and resources for efficient and professional fundraising. The country is still at an early stage of economic development, which is an obstacle for local giving.

Legal and tax environment

Until 2004, Latvian law did not foresee the legal structure of foundations — organizations, which accumulate resources (e.g. money, real estate, etc.) for a particular purpose. Foundations could be established as associations under the Law of Public Organizations and Their Associations (1992) or as a non-profit company with limited liability under the Law on Non-Profit Organizations (1991). If a foundation is registered as a public organization (association), it is exempt from income tax.

In 2004, a NGO legal reform was finalized and new pieces of NGO legislation went into effect on associations and foundations (including separate legislation to make this law operational), and on public benefit organizations. Until 2004, a foundation could also claim tax deductions for its donors at the Ministry of Finance on a yearly basis. Since 2005, there is a new order – foundations can apply for public benefit status and benefit by this during all the time of foundation activity. If some disruption has been discovered in the organization's yearly reports, their status will be removed.

Tax breaks have been created for public benefit organizations and these also apply to community foundations. Income from a foundation's investments is not taxable. Organizations can claim exemption from real estate tax from local government and some organizations are entitled to real estate tax exemptions by regulations of the Cabinet of Ministers. There are no special incentives for community foundations and no special support for community foundations from the government. However, there are no limits and obstacles to formation and functioning of community foundations. The new legislation, mentioned above, represents reform of a positive nature.

85% of the contribution can be deducted from gross income for tax purposes, but only up to 20% of the wholly assessed tax liability. Individuals can deduct their donations, to an NGO from their taxable income, by up to 25 %.

Support organizations

The NGO Center was established in 1996 by the Danish Government, UNDP and the Soros Foundation – Latvia. The Center for Non-Governmental Organizations (NGO Center) has been an NGO that supported and protected the interests of the NGO sector.

The NGO center, as a national support organization for community philanthropy development, has been identified in 2001 by BAPP tender. The NGO center provided consultant advice in the community foundation establishment process. It also carried out, in parallel, building its own capacity by study visits and participation in international conferences and workshops (EFC CPI annual networking meetings and AGA & Conference), by consultations and workshops provided by pilot-project international consultants – Antioche New England Institute (US) and Charities Aid Foundation Russia.

In addition, the NGO center takes an active role in promoting the community foundation concept in the country. On 25th February 2004, the first conference on community philanthropy development in Baltic countries “New Opportunities for Community Development in the Baltics - Community Foundations” took place in Talsi (Latvia) in cooperation with Talsi Regional Community Foundation. The goal of the conference was to share best practices about recent achievements in the field of community philanthropy, introduce representatives from local municipalities, NGOs, regional NGO support centers, business sector about community philanthropy initiatives and to foster development of other foundations in the Baltics. More than 250 participants attended the conference: newly established community foundations and national support organizations from Lithuania and Estonia, consultants from Charities Aid Foundation Russia and Ekopolis Foundation, Slovakia; Baltic-American Partnership Fund (USA) representatives, which supports community philanthropy development in the Baltics.

The support organization considers it very important to spread the concept further, the challenge is to assess the capability of interested communities to establish community foundations and to target support to those that have a potential. At the same time, efforts need to be made that communities, not matching the criteria, would not get discouraged but

consider other forms of community organizing. It is also important to build in-country expertise in issues related to community philanthropy and community foundations and facilitate the spread of the concept that can be best applied according to local needs and resources; as well as to facilitate networking among local community foundations, national experts and external consultants and share experiences throughout the Baltics.

In the course of 2004, the NGO Centre was reorganized to reflect the needs and the new conditions of the NGO sector after Latvia’s accession to the European Union. The two main working areas of the NGO Center, advocacy on behalf of the NGO sector and development of indigenous philanthropy will be legally separated. A new organization, the Civic Alliance Latvia has been established as an association of NGOs to advocate the common interests of NGOs at various levels of decision-making at national and the EU level and it takes over the advocacy programs of the NGO center (for further reference please contact Ms Rasma Pipike, Director of the Civic Alliance – Latvia at rasma@mail.sfl.lv). A new organization to promote development of philanthropy will be set up in the near future. During the transition time, the community philanthropy program of the NGO center will be continued under the auspices of its main donor – the Baltic-American Partnership Program – Latvia.

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LITHUANIAN Community Foundations

History

In the beginning, regarding the history of philanthropy in Lithuania it is important to describe how philanthropy is understood. In the strictest understanding of philanthropy, it is to help those who lack something. In Lithuanian history it was a most widely spread practice to help the poor. For Lithuanian dukes and barons in the XII-XV centuries, to give pittance or charity was an everyday activity. It was always accompanied with crowds of poor people and beggars. To give something for beggars was part of any bigger event or festive occasion. Individual charity was not only prompted by priests and the church but also involved aristocratic giving. Support for cultural life was dominated by kings and noblemen. Associations, sodalities, lodges, clubs and other formal and non-formal social networks started springing up at the end of the XVIII century in the Lithuanian Great Kingdom. Charity for poor people was chosen as one of the first objectives of organized social activities. Charity and philanthropy seems to be a strong factor for modern society development. A Charity Association was founded by famous aristocrats at the beginning of the XIX century. This association organized concerts, auctions and lotteries in order to promote philanthropy and collect funds. Corporate philanthropy was developing in a parallel with book publishing brethren, association of medicine and later commission of archeology, which failed to become the Vilnius science association. Workers self-charity funds were organized especially democratically at the end of XIX century, despite the fact that Lithuania was under the regime of Russia. Among the noblemen and other traditional charity men, Petras Vileišis was one of a few businessmen, who worked a lot, earned a lot of money, therefore was able to support public needs. The period before the beginning of the First World War was the era of active self-organization and maturity in society. The priority was to support national matters but not the weakest members of society. Bureaucracy was quick to take control of public needs, however, a very large part of social life was taken on by the self-organized union's life, which had a strong influence on society development even though it was functioning in the conditions of an authoritarian regime. Even though the care of the poor and culture transferred

into the level of the taxpayer's, however the traditions of public assistance, charity and support remained very strong. The loss of Lithuania's independence and sovietization was a fatal break in the history of philanthropy in Lithuania. The absolute decline of philanthropy and individual moral commitment was caused by the soviet regime. Bureaucracy of a foreign country occupied everything that belonged to the individual sphere. The consciousness of taxpayers disappeared. The feeling of inborn guilt for the person, having only dire straits, became a conviction of the majority that others are in debt and this was the mental hindrance. This feeling of indebtedness and guilt was given to the state. This inheritance from the soviet regime is still alive. According to research, carried out in Lithuania in December of 2003, more than a half of respondents claimed that the state was responsible for the misfortunes of individual lives. This shows that a weak feeling of indebtedness for our society causes low philanthropy in the country.

Overview of the community foundations — current situation

The model of community foundations would have probably arrived in Lithuania sooner or later. It was, however, the American experience that first stimulated Lithuanian NGOs' interest in community foundations. Later, the relevant opportunities provided by the Baltic-American Partnership Program-Lithuania (BAPP) led to the launch of several pilot foundations. The first, a very small community philanthropy organization, Papilė Neighborhood Support Foundation, was established in 1998 with advice and assistance from Lithuanian Americans. An organized community philanthropy movement began at the end of 2000 in response to the philanthropy program launched by the BAPP. The second and third community foundations (Samogitia Community Foundation in the west of Lithuania, and Utena Regional Community Foundation in the northeast Lithuania) were established at the beginning of 2002. They were established following a traditional model of community foundations in the US and Europe. Local business representatives, NGOs or individuals have been the founding members of the community foundations. Initial funding members were Lithuanian Americans (for the very first community foundation), and the BAPP (for the other two). The community foundations that developed after the first three had more favorable conditions due to the

existing know-how in the country and the growing traditions of philanthropy in Lithuania. There are presently six community foundations in Lithuania, with a seventh one in the stage of formation.

Community foundations cover one-ninth of the country's territory and a quarter of the population. They have grown steadily in the last four or five years due to the BAPP's support for the concept, funding and direct and indirect technical assistance. Their grant-making to date is not very large but they are having an impact on their own communities and society at large. Four community foundations were established in Lithuania in 2002, initiated and launched primarily by NGO leaders in cooperation with local business representatives. The majority of the founders of all community foundations were people rather than institutions.

Two of the community foundations (Samogitia and Utena) cover several regions (local administrative regions), one covers just one region (Alytus), and the fourth covers just one town (Visaginas). The fifth community foundation, J.L. Wiener Charity and Support Foundation, was originally established in 2004 in Klaipeda, one of the largest cities in the country, but is planning in the future to cover all of West Lithuania. All the community foundations have boards representing a mixture of the sectors. Three foundations began their activities by organizing community forums.

Four of the six community foundations currently operating are each run by one paid staff member but the others rely on volunteers. All paid staff are NGO professionals who have recently acquired relevant know-how about community foundation management. Only two of the community foundation administrative heads are employed full-time. Four, for a limited or unlimited period of time, hire professional accountants, with money coming from donors (usually foreign ones).

All five community foundations have already been raising funds, have established their grant-making processes and have been distributing funds either through grants to NGOs, or by providing financial support to individuals.

When the Lithuanian community foundations were just established they were facing different challenges: there was a need to build a climate of trust in their mission and operations; they had limited professional staff and/or lack of manpower dedicated to their work; there was the need to educate local businesses and the need to experiment with new fund-generating activities. The Lithuanian community foundations have overcome these difficulties, mainly thanks

to the fact that they work well together, share skills and experience.



Samogitian Community Foundation (Zemaicių Bendruomenės Fondas)

was founded in February 2002. There are 13 founders of the foundation. Funds in the foundation are based on contributions of the founders. The main external support the foundation got from the Baltic-American Partnership Program.

The Foundation operates in four counties: Telsiai, Mazeikiai, Rietavas and Plunge. There are 200 000 inhabitants in the operational area of the foundation.

The Foundation is aiming to collect resources for community needs, make an analysis of these needs and initiate closer cross-sector cooperation. The Samogitian community foundation is known as the organizer of community buildup charity events, forums and galas. Because of the transparency and reliability of the first years of the foundation more and more donors select this foundation as a tool for charity.

Total sum of contributions donated to foundation has been 244 082 Lithuanian litas (70 691 euros) since commencement.

The donors of the Samogitian Community Foundation

Donor	Amount in LTL
Public activities	15 000
Two percent of income tax	5 175
Local business	25 720
Municipalities	13 480
BAPP	172 725
Other	11 982
Total	244 082

The Foundation has given grants each year since foundation:

- year 2002 – 16 254 litas
- year 2003 – 14 515 litas
- year 2004 – 22 582 litas
- in total – 53 351 litas (15 452 euros).

Samogitian community foundation is the first community foundation in Lithuania, which set up

an endowment in the local credit union “Germanto lobis”. The amount of endowment is 25 000 litas (7 240 euros).

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Samogitian Community Foundation
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Utena Regional Community Foundation
(Utenos regiono bendruomenės fondas)

was founded in July 2002. There are 10 initiators of the foundation. Funds in the foundation are based on contributions of founders. The foundation operates in four counties: Utena, Ignalina, Molėtai, Anyksciai and Zarasai. There are 200 000 inhabitants in the operational area of the foundation. The main external support, which the foundation received, was from the Baltic-American Partnership Program. Foundation is initiating several activities in the region. Best-known action – “Rabbits Fairing” is held before Easter to buy basic products for lonely old people in villages or farms. For this and other actions the foundation collected group of volunteers, which evolved to center of volunteers.

One of the outstanding activities of the Utena Regional Community foundation took place recently. Several years ago, both town residents and local government representatives voiced a need for cleaning and reclaiming the central square of the town. Yet nothing happened until the autumn of 2004 when the largest business in the region asked the Utena Regional Community Foundation to launch an activity targeted at the square. The business promised financial support for administrative costs and a prize for the winner of a competition for a new sculpture

for the square. The foundation organized discussions and the competition. The square was cleaned and a project assessment committee consisting of the most prominent artists, architects and residents of the town selected the winning sculpture, “Rainbow”, out of 27 competition entries. To build the sculpture the architect needed a huge amount of colorful stone and searching for and supplying stone pieces involved the entire community of the town and villages around it. People who contributed most to the completion of the task were honored and awarded various prizes produced by local artists. The success of the activity lies in the close cooperation and partnership among the community foundation (NGO), a local business, and the entire community.

Total sum of contributions donated to the foundation has been 222 648 litas (64 483 euros) since founding.

The donors of the Utena Regional Community Foundation

Donor	Amount in LTL
Public activities	12 869
Two percent of income tax	12 460
Local business	48 300
Municipalities	19 200
BAPP	127 778
Other	2 041
Total	222 648

The foundation gave grants each year since foundation:

year 2003 – 21 120 litas
year 2004 – 17 333 litas
in total – 38 453 litas (11 137 euros).

Contact:

Utena Regional Community Foundation
(Utenos regiono bendruomenės fondas)
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Visaginas Community Foundation (Visagino bendruomenės fondas) was founded in December 2002. There are 6 initiators of the foundation. Funds in the foundation are based on contributions of the founders. There are 8 local business companies supporting the foundation.

The foundation operates in Visaginas municipality. There are 31 000 inhabitants in the operational area of the foundation. The city of Visaginas is a unique town in Lithuania because it was built together with an atomic plant and inhabitants are from 35 different nationalities and not one of them has lived longer than 30 years in Visaginas.

The Foundation takes the role of integrating different communities into a common town community.

During the year 2004, two fundraising charity campaigns were organized and carried out: a charity evening and a Christmas charity ball. The first fundraising campaign was carried out with support from a local enterprise “Hondlitas”. During the campaign the enterprise representatives publicly announced that they were launching operations in the city, and about ten newly established employment positions in the city.

The Christmas charity ball was organized together with the Visaginas branch of the Third Age University. During the campaign Visaginas Volunteers of 2004 were awarded – nominees and supporter of the Foundation of the year 2004. Winners were presented with diplomas, flowers and remembrances. A charity lottery and auctions were carried out during the event.

Visaginas city inhabitants participated in fundraising for support and development of charity activities. More than 200 Visaginas inhabitants supported activities of the Foundation by contributing 2 % of their income tax. Among the contributors are the employees of the following city private companies: “Plasteka”, DKD, “Vilstata” and “Gandras”.

Total sum of contributions donated to the foundation has been 150 389 litas (43 556 euros) since founding.

The donors of the Visaginas Community Foundation

Donor	Amount in LTL
Public activities	17 740
Two percent of income tax	21 791
Local business	12 480
Municipalities	13 540
BAPP	78 146
Other	6 692
Total	150 389

The Foundation gave grants each year since its foundation:

year 2003 – 8 875 litas

year 2004 – 14 440 litas

in total – 23 315 litas (6 752 euros).

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**Visaginas Community Foundation
(Visagino bendruomenės fondas)**

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Director

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Alytus Community Foundation (Alytaus bendruomenės fondas) was founded in December 2002. There are 13 natural bodies as founders of the foundation. The establishment of the foundation was supported by the Baltic-American Partnership Program and the municipality of Alytus.

The foundation operates in Alytus municipality. There are 71 000 inhabitants in the operational area of the foundation.

Total sum of contributions donated to foundation has been 44 484 litas (12 883 euros) since its creation.

The donors of the Alytus Community Foundation

Donor	Amount in LTL
Public activities	5 981
Two percent of income tax	2 994
Local business	6 333
Municipalities	9 301
BAPP	9 275
Other	10 600
Total	44 484

There were no grants given by the foundation, but it organizes community building activities, forums and seminars. There are different innovative projects initiated by the foundation for the town community. The Alytus community foundation is co-organizing a town festival, called "Alytiškių forumas" and distributing certificates of "Alytus friend" to any person who contributes a donation to the Alytus community foundation.

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J. L. Wiener Charity and Support Foundation (J. L. Vynerio labdaros ir paramos fondas) was founded in April 2004. There are 3 natural bodies as initiators of the foundation. The office is in Klaipėda municipality but the foundation involves seven more municipalities: region of Klaipėda, Skuodas, Kretinga, Palanga, Neringa, Šilutė and Tauragė. There are 700 000 inhabitants in the operational area of the foundation.

Activities of the fund:

- Event organization: J. L. Wiener Awards, auctions and charity events, during which various persons and organizations are honored and evaluated for their work in society. Fundraising for future fund activities.

- Giving support: the fund financially supports community members or their initiatives. The fund is giving financial support also to NGOs according to certain regulations and support criteria. The fund provides scholarships for promising and talented students and gifted young scientists or artists.

- Help (technical, consultations etc.): help for community funds in Lithuania, seeking to develop activities in certain regions and in the wider society. Consultations to business sector representatives, local community members and NGOs on philanthropy, charity-support giving and receiving, developing initiatives and others.

- Monitoring: to evaluate an effect of support for community initiatives, also to see a philanthropic environment and citizen and business attitudes towards philanthropy ideas.

Total sum of contributions donated to the foundation has been 97 113 litas (28 126 euros) since founding and even before its foundation.

The donors of the J. L. Wiener Charity and Support Foundation

Donor	Amount in LTL
Public activities	19 354
Two percent of income tax	1 769
Local business	34 610
Municipalities	15 000
BAPP	24 380
Other	2 000
Total	97 113

The Foundation gave grants even before its official foundation. It used two for the background of the NGO support center in Klaipėda and gave grants:

year 2002 – 4 214 litas (1 220 euros)
 year 2003 – 10 635 litas (3 080 euros)
 in total – 14 849 litas (4 301 euros)

Contact:

J. L. Wiener Charity and Support Foundation

(J. L. Vynerio labdaros ir paramos fondas)

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North Lithuanian Foundation (Šiaurės Lietuvos fondas)

was founded in February 2005. There are five initiators of the foundation: four business clubs and the confederation of NGOs. The Foundation is going to operate in Northern Lithuania and support most urgent community needs.

Contact:

North Lithuanian Foundation

(Šiaurės Lietuvos fondas)

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Papilė Community Foundation (Papilės bendruomenės fondas)

was founded in year 1998 in a small town with about 8 000 citizens. The Foundation operates in the area around Papilė town. All active citizens, businessmen, teachers, representatives from all institutions are involved in activities

for common needs. There are seven natural bodies as initiators of the foundation.

The Community Foundation was initiated by one former citizen of Papilė, actually living in the USA, who remains the main donor for the foundation.

The Foundation in its activities responds to all community needs, therefore they are working with the local municipality and other local institutions.

Since foundation, about 27 000 litas (7 820 euros) was collected for common needs.

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Papilė Community Foundation

(Papilės bendruomenės fondas)

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Lithuanian community foundations' income in 2004

The breakdown of donors in

Donor	
Local business	32%
Government grants	16%
International foundations	36%
Individual contributions	16%

The breakdown of spending

Operating costs (mainly from international donors)	30%
Re-granting/unrestricted grants	20%
Specific programs	50%

The environment for charitable giving

The explicit term “community philanthropy” is a new one but local fundraising has been quite an accepted form of fundraising, especially in the regions and smaller localities. Fundraising in larger cities is more difficult. With the growing success of community foundations, the attitudes towards giving may

become more positive. Although research, surveys and public opinion polls on philanthropy and giving in Lithuania are scarce, some general tendencies can be identified. The majority of residents of Lithuania have positive attitudes towards philanthropy. According to surveys carried out a few years ago, 88% of the population would give to charity if they were richer. About 60% of them said they had never given, because “nobody asked them to give”. That percentage has not changed for about seven years despite the growing economy and improvements in legislation. There is still much emotion and subjectivity about philanthropy. Surveys by the Lithuanian Free Market Institute in 1997 proved this with, for example, many business representatives regarding unfavorable legislation as the major obstacle to giving. On the other hand, then as now, nearly one third of charity and giving remains informal despite attractive tax deductions. At BAPP’s initiative research was launched and recently published on the philanthropic tendencies of businesses in Lithuania. The survey shows that nearly 50% of Lithuanian companies have at least once provided support or made donations. The major reasons for giving are: willingness to help, building the image of a company, and pursuing the current tradition of giving. The largest groups of the beneficiaries are socially disadvantaged – children, the elderly, disabled and the poor, followed by sports activities and education. The survey also found that two thirds of businesses gave money, followed by in-kind support (donation of company products and services). Giving is expected to grow in the next years, not necessarily in terms of number of donors but in terms of amounts.

Promotion of best practices and of successful projects supported by community foundations could encourage local giving among people who at the moment either do not give at all, or give less than they could. Community foundations, as well as NGOs in general, need to further develop their fundraising strategies, improve their relevant skills, and expand their fundraising campaigns outside the main community where they are located. In the period 2005–2007, BAPP and its partner organizations and NGOs will work more strategically to promote corporate giving and continue negotiating with the government and legislators in order to restore tax incentives for individuals.

Legal and tax environment

Legal provisions for philanthropy are favorable. Lithuanian companies can receive tax deductions for giving up to 40% of their taxable profits. In 2003, Lithuania passed the 2% law according to which every taxpayer can determine to which non-profit organization of public interest 2% of his income tax will be transferred; in 2004, one sixth of working citizens assigned 2% of taxes to go to a charitable organization of his /her choice. The 2% law is not regarded as a philanthropic mechanism but rather as a transitional form of philanthropy that should lead to increased philanthropic giving in Lithuania. In return, however, other tax breaks for individual private donors were abolished. Despite this there is evidence that individuals are giving to community foundations, in particular, due to the local character of the organizations. There are no special tax or legal provisions for community foundations. The major obstacles to more giving to NGOs generally seem to lie in the lack of relevant skills in asking for money or a tradition of fundraising from individuals.

Support organizations

Kaunas NGO support centre was registered in 8th July, 1998, though the activities were started already at the end of the year 1997. Founders of the Centre are two umbrella organizations working in Kaunas: Kaunas Union of Social NGOs and Kaunas Union of Youth NGOs “Round Table”.

Since 2001, BAPP has been supporting the Kaunas NGO Support Center, which acts as a national support organization for community foundations and future philanthropic organizations in the country. The center was established in 1997 as a resource center for Kaunas Region NGOs. In 2000, promotion of philanthropy became one of its major programs.

The center has been BAPP’s partner organization within the pan-Baltic program on participatory planning and community philanthropy. It provides technical assistance on a wide range of issues to the established community foundations, and also consults other organizations and individuals regarding development, fundraising, etc. The center has been financially supported by the BAPP on an annual basis for the administrative costs of services provided for community foundations and for study visits, community foundation meetings and seminars, etc.

The Kaunas NGO Support Center organized two interesting and valuable seminars for community foundations in 2004: one of them was about endowment investment possibilities in Lithuania, and the other on public relations. The Center also arranged a few community foundation meetings aimed at development of strategic planning, and evaluating recent accomplishments and future needs.

The main current goals for the Center and BAPP are the promotion of indigenous philanthropy and the building of relevant infrastructure, which would serve both NGOs (including community foundations) and the donor community. BAPP and Kaunas NGO Support Center have supported grassroots community foundations' initiatives in larger cities or smaller towns or regions and are in touch with several NGOs working towards promotion of the community foundation concept in new respective geographic areas.

Several portals or websites have been created for NGOs and potential donors, whether they are individuals or businesses, e.g. www.aciujums.lt and www.labdara-parama.lt. An NGO database has been under development to help potential donors as well. The center has been reconsidering its own strategy and may experience some institutional reform in the future.

During the period of 2005-2007, BAPP, the support center and other partners plan to strategically develop corporate donations and to continue negotiations with the government and parliament to restore the tax incentives for private person donors.

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* * *

Community Foundations in the Baltic States (currency euro)

Name of the foundation	Year of establishment	Endowment	Grands provided	Population of the served area	Paid staff	Voluntary staff
Estonia						
Tartu Cultural Endowment	1991	224 000	1 100 000	100 000	2-3	0
Viljandi Community Foundation	2002	4 330	17 740	60 000	1	1-5
Järva County Community Foundation	2003	7 700	3 350	40 000	0	1
Peipsi Community Foundation	2004	0	2 240	30 000	0	5
Latvia						
Talsi Community Foundaton	2003	2 890	20 000	50 000	3	
Lielvārde Community Development Foundation	2004			7 500	2	
Alūksne Region Community Foundation	2005					
Lithuania						
Papilė Neighborhood Community Foundation	1998					
Samogitia Community Foundation	2002	7 240	21 250	200 000		
Utena Regional Community Foundation	2002		11 135	200 000		
Visaginas Community Foundation	2002	7 250	6 750	29 000	0	2
Alytus Community Foundation	2002					
J.L.Wiener Charity and Support Foundation	2004		4 300			

Community Philanthropy Networks and Support Structures

To promote cooperation and information exchange between community foundations and support structures different networks have been created on the level of countries, regions and globally. A brief overview of the networks where Baltic community foundations have been participating.

Worldwide Initiatives for Grantmaker Support-Community Foundations (WINGS-CF)

WINGS seeks to strengthen the institutional infrastructure of philanthropy worldwide by building a strong, interconnected and collaborative global network of grant-making associations and support organizations, which, in turn, help grant-making institutions that support civil society to build a more equitable and just global community.

WINGS's vision is a strong, global philanthropic community, sensitive to the needs of their societies and able to respond in effective and efficient ways.

WINGS evolved from a series of meetings beginning in the 1990s among associations of grant-makers, which had discovered they carried out several tasks in common on behalf of foundations and grant-making organizations. Their work included monitoring and promotion of enabling legal and regulatory frameworks for philanthropy and non-profit organizations; provision of services to strengthen foundations; promotion of philanthropy; and good practice and accountability for grant-makers.

These meetings culminated in the first International Meeting of Associations Serving Grant-makers (IMAG) held in Oaxaca, Mexico, in February 1998. Participants in IMAG recognized the importance of creating opportunities for all organizations supporting grant-makers to share expertise and experience learned from working in diverse socio-cultural, economic, political, and legal environments. Community foundation support organizations also met in 1998 in Miami, Florida, USA, to develop a plan of action for promoting community philanthropy and they subsequently created a network.

In 1999, the two initiatives, IMAG and the community foundation support network, joined together

as Worldwide Initiatives for Grant-maker Support. WINGS was formally established in January 2000. From 2000-2002, WINGS was hosted by the Council on Foundations, USA, and WINGS-CF, by Community Foundations of Canada. Since 2003, the two initiatives have been serviced by one Secretariat hosted by the European Foundation Center in Brussels, Belgium.

Today, WINGS is a global network of more than hundred membership associations serving grant-makers and support organizations serving philanthropy. WINGS endeavors to expand the knowledge and scope of global philanthropy, relying on the expertise of leaders in the field of philanthropy and the shared experience of participants around the globe.

Research on global community foundation formation first began in 1999, thanks to a joint initiative of the International Programs department of the Council on Foundations and WINGS-CF, and led to the first report published in 2000. The 2005 Community Foundation Global Status Report is the fourth in a series of what in future will be annual or biennial reports on the status of global community foundation developments.

The Global Status Report was one of the first projects it undertook as a newly-formed network devoted to providing support for organizations, associations and funders involved in community foundation development. At the time the first report was commissioned, it was becoming clear that the community foundation concept was spreading quickly beyond North America and the United Kingdom and was beginning to have worldwide impact.

Find more information at www.wingsweb.org

Community Philanthropy Initiative (CPI)

The European Foundations Center member-led Community Philanthropy Initiative (CPI) promotes and sustains the development of community philanthropy organizations (CPOs) in Europe and globally.

CPI has been holding Annual Networking Meetings since 1998. Meetings are aimed at all organizations with experience or an interest in community philanthropy issues. Although primarily aimed at European organizations, Annual Networking Meet-

ings also welcome representatives from beyond Europe.

CPI provides a wealth of information services to its network to keep participants informed of community philanthropy developments in Europe and across the globe. It conducts original research on the community philanthropy field in Europe and cooperates with other initiatives on research. CPI produces an overview of the community philanthropy scene in Europe as a whole, and by country based on the results of its Community Philanthropy Watch research. CPI also produces overviews of the community philanthropy scene in various global regions. It provides networking, technical assistance and training opportunities for community philanthropy organizations from Europe and beyond. CPI reaches out to corporate funders and companies, helping them link up with community philanthropy to help build stronger communities.

Partnership of the Community Foundations of Russia (ПАРТНЕРСТВО ФОНДОВ МЕСТНЫХ СООБЩЕСТВ РОССИИ)

Partnership of the community foundations of Russia was established in 2003 at the 4th conference of Russian community foundations. The goal of the partnership is to contribute to the development of civil society by promoting technologies of social stability and improving the quality of life in local communities.

The members of the partnership are 14 foundations representing the following Russian cities and regions: Togliatti, Tyumen, Pervouralsk, Obninsk, Zhigulyovsk, Pensa, Saratov, Oktyabrsk, Tshaykovski, Kaliningrad, Nizhny Novgorod, Rubtsovsk, Angrask and Ulan-Ude.

At the partnership conference “Community Foundations – Development Instrument of Regions

in Russia” on 27th-30th June in Pensa, Samogitian Community Foundation from Lithuania also joined the partnership as an associated member.

Network of the community foundations in the Baltic countries

The European Commission Phare 2002 committee approved Peipsi Center’s project application for fostering Baltic cooperation in the field of community philanthropy in 2005. The project provides good opportunities to improve relations between community foundations and the state, to strengthen cooperation and exchange experiences between Baltic community foundations and national support organizations, to work with community philanthropy experts (e.g. BAPP).

Within the scope of the project, a common strategy to work with municipalities and representatives from the state will be developed. Respective round tables have taken place in the three Baltic countries where the representatives of the third sector discussed cooperation.

In September 2005, the network of Baltic community foundations will organize a conference “Cooperation of Community Foundations and Public Sector” in Tartu. Based on the materials of the round tables and the conference, a publication will be issued, containing recommendations for local governments and ministries as to how to cooperate with community foundations as effectively as possible.

A website for Baltic community foundations, www.cfond.org/baltics, will be created within the framework of the project. Already functioning is the mailing list cfbaltics@ctc.ee, through which information about the developments in the Baltic States is shared. The mailing list also has members from outside the Baltic States.

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