

SOUTH AFRICA

Community foundations

Current situation: Facts and figures from the 2010 CF-GSR survey

Number of community foundations formally established in total.	6
Number of community foundations established in 2009.	3 but 2 are no longer operational
Total sum of assets, including endowments, at the end of 2009.	US\$3 million
Total sum of grants made by community foundations in 2009.	US\$1.5 million
Total sum of the income/donations in 2009.	US\$1.4 million
Percentage of population that has access to a community foundation.	2%
Community foundation with the largest assets, including endowments, at the end of 2009, and the size of its assets.	Uthungulu Community Foundation; US\$3 million & Greater Rustenburg Community Foundation

Complete list of community foundations (with primary contact name and email address)

1. UTHUNGULU COMMUNITY FOUNDATION (UCF)
Contact: Chris Mkhize, CEO
Email: chris.mkhize@ucf.org.za
2. GREATER RUSTENBURG COMMUNITY FOUNDATION (GRCF)
Contact: George Mathuse, CEO
Email: george@grcf.co.za
3. eTHEKWINI COMMUNITY FOUNDATION
Contact: Mrs. Margaret Winter, CEO
Email: info@gdcf.org.za
4. WEST COAST COMMUNITY FOUNDATION (WCCF)
Contact: Mrs. Johanna Hendricks, CEO
Email: ceo@wccf.org.za
5. COMMUNITY DEVELOPMENT FOUNDATION, WESTERN CAPE (CDF, WC)
Contact: Mrs. Beulah Fredericks, CEO
Email: beulah@cdfwcape.org.za
6. GREATER DUDUKUDUKU DEVELOPMENT COMMUNITY FOUNDATION
Contact person: Mr. Jeffrey Mcambi, CEO
Email: wjmcambi@sangenatours.co.za

7. EASTERN CAPE COMMUNITY PHILANTHROPY (ECCP)¹

Contact person: Ms Margaret Kusambiza, CEO

E-Mail: Margaret@ecngoc.co.za

Community foundation staffing

Community foundations in South Africa have paid staff. As a complex organization, it cannot be run professionally or properly with only part-time staff or volunteers. They need to have some full-time paid staff members.

Legal environment

The legal environment in South Africa is quite favourable to community foundations. Over the years, SACOFA has managed to convince the government that it is in the best interest of local communities and government to declare community foundations as public benefit organisations whose income should not be subjected to tax laws that normally apply to other organisations. There are tax incentives however. Donations to a community foundation are deductible when individuals and organizations are taxed on income by the South African Tax Revenue Office.

Key trends affecting community foundation development

Our association and individual community foundations do not have funds to market and advertise the community foundation movement. Marketing and advertising costs are expensive. Such state of affairs retards the growth of the community foundation movement.

Community foundation activity and impact

The following table shows how community foundations in South Africa are bringing changes to the community through their grantmaking and other programmes:

	Remarkably positive changes	Positive changes	Slightly positive changes	No changes	Some negative changes
Citizens more involved in people-led development		√			
Less poverty/ more equal society					√
Improvement in the position of marginalized groups	√				
More responsive authorities					

¹ Mobilized in October 2010, and is likely to formally take off in 2011.

Increased awareness of environmental issues	√				
Support to arts and culture activities			√		
More trust within the community	√				
Greater transparency/accountability	√				
Strong linkages across different parts of the community	√				
Increased charitable giving through the community foundation	√				

Comment: Community foundations are recognised as the best organisations to encourage and promote citizen participation in public affairs and public administration. At present there are positive movements from all sectors of society to search for sustainable and coordinated development models.

Examples:

In 2009, three community foundations were established. However, two of these foundations met some problems and are no longer functioning. They continue to make a fresh start. SACOFA will continue to assist them. Other similar initiatives are in the pipeline. Above all, community foundations in South Africa continue to be used by other organisations as good examples of non-profit and community-based organisations that operate on principles based on transparency, public accountability, sustainability and community participation. In October 2010, one community foundation was mobilised in the Eastern Cape, and is likely to formally take off in the year 2011.

Community involvement

The table below shows how community foundations in South Africa involve the community in their work:

	Yes	Somewhat	No
Are community activists involved on boards/ committees?	√		
Do community foundations promote the use of volunteers from the community?		√	
Do community foundations participate in community issues and discussions led by others?	√		
Do community foundations promote information about the community (e.g. through Vital Signs or similar research and sharing of information)?	√		
Do community foundations convene or lead discussions on issues of community importance?	√		
Are community foundation Boards or governance structures reflective of the diversity of the community?	√		

Comment: Community foundation Boards reflect diverse governance structures that represent the entire community.

Giving voice to local people

Community foundations in South Africa have voiced and taken a common stand on xenophobia and identified human rights abuses in Zimbabwe. They are also on record as having called on the government to relax tax laws for non-profit and community-based organisations. Quite often SACOFA mediates from a neutral ground on conflicts involving sectors of society.

Community foundations doing more than making grants

SACOFA continuously mediates in political conflicts in our respective areas. It works in harmony with other organisations that share its views and objectives on community issues. It continues to seek improved and better ways of developing and promoting the community foundation movement in South Africa.

The importance of small grants

- Small grants create required employment for unemployed young people;
- Small grants also provide involved parties with a start in their plans to stand on their own in the long run; and
- Small grants also contribute immensely to the country's socio-economic development.

Community foundation income

Types of funds most frequently supported by donors

Unrestricted funds

Types of donors who give to community foundations

Companies/ Corporations

Strategies for engaging and servicing donors

Community foundations provide regular reports to donors and comply with all their guidelines. Above all, community foundations invite donors to their public functions.

Trends in donor engagement

On a regular basis, donors are requested to also suggest how community foundations could be promoted and developed in South Africa.

Assessing and communicating impact

SACOFA does research on a regular basis on community needs. It also relies on publications by social strategic partners and institutions of higher education. Above all, the association visits and talks to community leaders that share information on community issues.

Networks

Community foundations in South Africa benefit quite a bit from national and international networks, and have very good relations amongst themselves.

Examples of successful national and international collaborations:

Worldwide Initiatives for Grantmaker Support; European Foundation Centre; Council on Foundations (USA); Community Foundations of Canada; Community Foundations - Northern Ireland; C. S. Mott Foundation; Industrial Development Corporation (South Africa); BHP Billiton (South Africa); some government departments (South Africa).

Sources of support for community foundations

Support organizations, infrastructure bodies, etc.

Most South African community foundations derive financial support mainly from private and public sector organisations. International organisations also provide a lot of financial support to South African community foundations.

Availability of other types of support

1. Technical assistance – quite available
2. Skills training – quite available

Advocacy in public policy

SACOFA provides media with publications about community foundations, particularly how community foundations differ from other non-profit organisations. This is done to encourage government to forge mutually beneficial partnerships with established South African community foundations, without interfering in each other's focus and mandate.

History of community foundations in South Africa²

Community foundations in South Africa were established partly to promote and develop democracy and address years of racial segregation, resolve political conflict, and above all, to improve the quality of life in local communities. Local communities also realized that securing funds in perpetuity would allow communities to determine and take charge of their own local needs and in so doing determining and plotting their own social destiny in future (breaking the dependency syndrome). Civil society organizations were also weak and had almost collapsed post 1994 – civil society needed strong and vibrant organizations which could provide leadership and financial security in order to address emerging community and social development needs.

² 2008 Community Foundation Global Status Report. Researched and written by Eleanor W. Sacks. Worldwide Initiatives for Grantmaker Support.

The first community foundation in South Africa was established in Richards Bay, the Uthungulu Community Foundation, in October 1999. Founder members: Mr. John Mabuyakhulu and Louis van Zyl. Original funding: Charles Stewart Mott Foundation and Ford Foundation.

The second community foundation in South Africa was the Greater Rustenburg Community Foundation formed in January 2000. Founder member: Christine Delpert. Original funding: Impala Platinum Mine, Charles Stewart Mott Foundation (for operational funding) and Ford Foundation (seed funding for endowed fund – grantmaking).

Today there are 5 more community foundations in South Africa for a total of 7. The Greater Durban Community Foundation (GDCF) was established to facilitate partnerships between business, local government, civil society and communities. Established 2001, initial funding was obtained from local government and 1 big business. Founder members: Durban Mayor, Mondi, Member of Parliament and the Chamber of Business. The West Coast Community Foundation (WCCF) was established through a mandate of 54 local community organizations to mobilise resources for community development. Founding members: the late John Fortuin and others. Original funders: Goedgedacht Trust, Good Hope Development Fund, Cordaid and Irish Aid.

Little is known about the Community Development Foundation, Western Cape (CDF,WC), Greater Entambini /Ladysmith Community Foundation (GELCF) and Atok Community Foundation.

Support organization: SOUTH AFRICA COMMUNITY FOUNDATION ASSOCIATION (SACOFA)

History and purpose³

Brief History

Over the past five years, a number of community foundations have been established in South Africa. The concept is, however, a relatively new one and hence emerging local community foundations have jointly identified a shared need to support one another, as well as to develop the capacity of their operations. In addition, local community foundations need to create awareness of the movement locally and also require to link with the community foundation network globally.

In order to address these needs, the South Africa Community Foundation Association (SACOFA) was established during 2005, and the Association has been formally registered as a non-profit organization (046-762-NPO) in South Africa.

The SACOFA Vision

The long-term vision of SACOFA is to make a meaningful contribution to establishing and maintaining vibrant, well-resourced and fully empowered communities that operate independently in South Africa through supporting, promoting and advancing the philanthropic mechanism of community foundations.

Organizational Mission and Objectives of the Association

The mission of SACOFA is to be a highly effective and interactive support network, established for the benefit of sustaining community foundations by rendering services to its membership base in line with their specific needs.

The Association's objectives are to:

- share experiences, develop expertise and gain knowledge amongst community foundations;
- develop a set of governance guidelines for local community foundations and encourage mutual support;
- build and support an indigenous South African community foundation movement;
- conduct relevant research and disseminate information;
- identify best practices and participate in peer review sessions;
- share tools, policies and resources;
- strengthen organizational and governing structures;
- provide assistance, advice, guidance, capacity building services and technical support;
- promote a culture of local giving;
- formally link with role-players on the African continent and the global community foundation movement;
- increase an awareness of the community foundation network;
- promote and support emerging community foundation initiatives;
- mobilize resources for the Association and create links for its members.

³ Ibid.

Other organizations that support and promote the development of community foundations

There are none.

Structure and organization

SACOFA is a membership organization, and it makes provision for other community grantmaking organization to affiliate as well. It has no full-time paid staff yet. The Greater Rustenburg Community Foundation has been elected to serve as the Secretariat of SACOFA

Beginning in 2008 other community grantmaking organizations will also be invited to attend the SACOFA network meetings and training workshops. SACOFA has received funding from the Carl & Emily Fuchs Foundation in order to fund our quarterly meetings. SACOFA members also make contributions towards their travel and accommodations. In 2008 SACOFA members will start paying membership fees of R5,000.00 (approximately US \$620) per year for each foundation.

All the SACOFA members currently form the governing body.

Recent accomplishments

- All the SACOFA members are also members of the Synergos Community Grantmaking leadership cooperative.
- During 2007 SACOFA supported the Greater Durban Community Foundation (GDCF), and this resulted in GDCF's Board of Trustees deciding that GDCF should re-focus, start building an endowed fund and engage in grantmaking. This was probably one of SACOFA'S biggest achievements
- SACOFA has conducted 11 training workshops since 2005.
- Various SACOFA members were also involved in rendering technical support towards the emerging community foundations elsewhere in Africa, such as the Tanzania community foundations. The GRCF and UCF have also supported the Tanzania community foundations with examples of supporting documents, such as founding documents, policies and strategies.
- SACOFA, through one of its members, will also chair a session during a consultative conference in South Africa, facilitated by IDHASA on "Effective AIDS Distribution for Civil Society Organizations".

Current challenges/future developments

The biggest challenge for SACOFA will be to raise sufficient funds in order to:

- a) expand the learning and sharing initiatives;
- b) raise local awareness for both SACOFA and its members;
- c) create marketing materials;
- d) attend international conferences;
- e) Find sustainable and mutually beneficial ways of partnering with private and public sector organisations

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