



## Philanthropic infrastructure in Central and Eastern Europe - A true champion for the field

As ardent supporters of philanthropic infrastructure in various regions around the world and in conversations about its importance and productivity we at the Charles Stewart Mott Foundation often find ourselves on the defensive. There is persistent scepticism about introducing intermediaries of all kinds between the will of the giver and the need of the receiver and this attitude is not helped by the term “infrastructure” which seems to imply something static, rigid and external to the field of philanthropy. However, our experience in Central and Eastern Europe<sup>1</sup> (CEE) shows that far from being an indifferent and dispensable add-on, philanthropic infrastructure has been a true champion for the philanthropic field. And as it is always more difficult to explain what philanthropic infrastructure is than to show how it works, I will start with an example.

The “5 for film” youth group in Sibiu, Romania, is exactly what it says on the tin - five friends from a local high school who are passionate about film. They found a way to channel their passion by organising a contest among young people in Sibiu for short documentary films created within 48 hours under the theme “what would you do if this was the last day of your life?” Sounds like a hefty subject but as far as I remember, that was the age we were asking ourselves these kinds of questions. The ten short films produced for the contest used very different images and techniques but had a similar message - you don’t have to do anything special to make every day count; just care about the people who care about you. Four films have been awarded prizes and were shown at the Sibiu international documentary film festival as part of a fringe event dedicated to young filmmakers.

But this great story, the organisers admit, would have only remained in their imagination if they hadn’t been awarded a small grant from the local YouthBank, a youth-led fundraising and grantmaking initiative. It was not only the money that made the difference. Even more important was the surge of energy, creativity and confidence the organisers got from the fact that somebody trusted their ideas and abilities and wanted to invest in them. Strengthened by this experience, the organisers are now ready to scale up their work and are confident that now they can do fundraising on their own by approaching the local businesses and authorities.

The YouthBank was initiated by the Sibiu Community Foundation (SCF), which has been providing training, advice and administrative support to the YouthBank activists and also matched the funds they

raised locally. SCF is a young foundation, only registered a year ago as part of a national program for community foundation development managed by the Association for Community Relations (ARC), a national support organisation. As the SCF grants manager puts it “without ARC we wouldn’t have been here; we are doing something completely new in our community and we have so many questions and problems. ARC has a lot of experience and even when we think there is no solution, they come up with a solution. They always lift our spirits.”

ARC’s leadership and resourcefulness stem from more than ten years of pioneering work in philanthropy development in Romania as well as from active and fruitful interaction with regional and international networks and initiatives in the field of philanthropy. One example of mutually enriching international exchange was the study visit ARC hosted together with the Romanian Federation of Community Foundations for a group of over 30 community foundation experts and practitioners from 15 countries - an informal learning and networking community, which has been convened on an annual basis by the Mott Foundation in the past four years to visit community foundations in various CEE countries, interact directly with local colleagues and engage in discussions about the development of the local community foundation field starting from shared observations and experiences. The group visited several Romanian community foundations, including Sibiu, where the young filmmakers made a lasting impression on the visitors and captivated new fans from Russia to the US and Poland to South Africa. This was just as well because “5 for film” already had plans to go international in the near future.



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For the trained eye of the reader, the web of philanthropic infrastructure underpinning the above story must have already emerged. From the local to the national to the global relationships, resources, ideas and actions circulate and create unique value on every level. At its best, philanthropic infrastructure in CEE:

- Provides leadership for the field in a development context where philanthropic culture had to be revived and reinvented; pioneers concepts and demonstrates models that work.
- Ensures high-speed connectivity among actors in the philanthropic field as well as with other fields within the civil society sector and with the public institutions and the business community.
- Establishes a powerful collective voice for the philanthropic field; advocates for a better environment for philanthropy and clear recognition of its contribution to social development.
- Introduces structure in the institutional relationships in the field of philanthropy; creates reliable and flexible platforms for exchanging ideas and planning joint action for a mix of infrastructure organisations, including donor associations, capacity building organisations and research institutions; ensures continuity and rhythm in the development of the field.

Scarcity of resources has always been an issue for the CEE non-profit sector and philanthropic infrastructure should probably not be singled out as chronically underfunded. At the same time, in the early stages of philanthropy development, it is vital that sufficient resources are provided over a meaningful period of time to organisations like ARC, which are capable and motivated to champion this development. It is important, however, to keep the foreign funding and direct involvement in field building to levels that are sensible and allow growth to be sustained over time. For example, in the 1990s, Mott, together with other US and Western European private and public funders, was instrumental in establishing national donor associations in CEE as platforms for exchange, learning, coordination, and joint action. Gradually, the foreign donors withdrew and the local foundations and corporate funders took over. The process has been uneven throughout CEE

and the infrastructure organisations had to adjust to the realities of the local philanthropic field with its actual demand for services from infrastructure and its readiness to pay for it. Without foreign support, some did better than others. One example of successful transition is the Czech Donors Forum - nowadays it maintains a strong and growing membership base and a healthy income structure of 40% income from services, 20% from membership fees and the rest from foundation grants and public sources.

Despite the generally positive outlook of the philanthropic infrastructure in CEE, it still faces considerable challenges, most of which are present also in Western Europe. In the context of increased competition for funding among non-profits, infrastructure organisations have to become better at demonstrating to the wider world what role they play and what improvements have resulted from their work. There are two major difficulties for infrastructure organisations to demonstrate their value - firstly, it is hard to separate the specific achievements of infrastructure organisations from what their members or clients do, and, secondly, infrastructure organisations tend to pursue systemic changes that take a long time to materialise. In addition, infrastructure organisations rarely enjoy extra funding dedicated to monitoring and impact assessment. Addressing these needs is a meaningful agenda for donors who don't simply fund philanthropic infrastructure but are sincerely and mindfully part of it.

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<sup>1</sup> The Mott Foundation supports civil society development in 12 countries in the region - Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Montenegro, Romania, Russia, Serbia, Turkey, and Ukraine. Until 2010, Mott also had country-level programming in the Czech Republic, Hungary, Poland, and Slovakia and continues to provide support to key fields in these countries, including philanthropy development and civic participation, through a number of regional programs.