Community Foundations As A Vehicle for Institutionalizing Corporate Philanthropy In Egypt’s New Cities: A Case Study of 10th of Ramadan City

Mahi Khallaf

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Mahi Khallaf is a Freelance Development Practitioner and Consultant based in Cairo, Egypt.
Preface

This paper was originally conceptualized in 2008 as part of the requirements of the Center for Philanthropy and Civil Society City University Emerging Leaders in Philanthropy fellowship. The field work and stakeholder interviews were carried out in 2009; the paper has been a work in progress since. This is the first time that the results of this field work will be shared in a conference setting and the author looks forward to participants’ feedback.

It is important to point out that this paper does not take into account the historic revolution that took place in Egypt in January 2011. The resulting removal of President Mohamed Hosni Mubarak and the dismissal of the National Democratic Party government which ruled Egypt for the last 30 years has dramatically changed Egypt's government and society. Although the paper does not take into account these historic events it is important to point out that, in light of these changes and Egypt’s foreseeable transition to democracy, the community foundation model put forward in this paper is even more pertinent.

This paper puts forward a model for a grant making community foundation which is predominantly financed by the corporate sector to serve specific communities clearly defined by a specific geographical area. With the fall of Mubarak's regime and many highly influential business tycoons, there is a general mistrust among the population as to the intentions of businesses and their genuine interest in giving back to society. However, the establishment of independent community foundations which are financed by businesses and serve the needs of specific communities can change this image: they will help reestablish lost trust and will allow the corporate sector to channel their giving through such foundations rather than setting up their own NGOs.

Civic engagement and volunteering increased in magnitude during the revolution, a trend which continues today. It is imperative that this spirit is harnessed and channeled at both the community and national level. The proposed community foundation will serve as a coordinating body for NGO activities in a given community and will serve as an information hub for volunteers as well as individuals interested in civic engagement within their community.

Introduction

Philanthropy is the act of giving ones private wealth (be it money, in-kind contributions or time) for the public good. The word philanthropy originates from the Greek language and translates literally to the ‘love of humanity’. The word ‘philanthropy’ does not translate well into the Arabic language and more than one term has been introduced to capture its meaning in Arabic e.g. ata’ al igtima’i (social giving), takafol al igtima’i (social solidarity), takafol insaniye (humanitarian solidarity). Despite the challenge of finding accurate terminology to capture the concept of philanthropy, the actual practice of philanthropy is alive and well in the Arab region as a result of Islamic and Christian teachings which clearly outline the importance of giving and social solidarity.

Charitable giving is the predominant type of philanthropy practiced in the Arab region. It caters to immediate social needs rather than strategically dealing with causes of these needs. John D. Rockefeller Sr. explained that the “best philanthropy is constantly in search of the finalities—a search for cause, an attempt to cure evils at their source.” However, only recently has the thinking
about Arab philanthropy shifted towards a model more in line with Rockefeller’s definition of philanthropy. Multi-lateral institutions such as the UNDP, as well as bi-lateral donors (USAID, CIDA) are actively engaging with would-be and existing philanthropists to build their awareness about strategic philanthropy. As philanthropy is potentially a powerful tool for bringing about development and positive change, it is no surprise that awareness building activities are currently underway to propagate it. According to Abigail Disney, founder of the Daphne foundation, “good philanthropy” has four specific characteristics:

1. Connected
2. More than just writing a check
3. Thoughtful and reflective
4. Effective and lasting

These characteristics are largely absent from Egyptian philanthropy at this stage. However, there is an increasing awareness about the importance of moving from ‘charity’ to ‘strategic philanthropy’.

In the past few years the Egyptian economy has moved towards a capitalist market economy which created a small group of high net-worth individuals who, with their increasing wealth, are increasingly relied upon to contribute to the country’s development. The Egyptian government-sponsored welfare state is rapidly disintegrating. Now more than ever, mushrooming citizen needs are creating a demand for a multi-stakeholder partnership between government, corporate and civil society sectors to bring about development and prosperity.

Within this multi-stakeholders partnership, strategic philanthropy will play a very critical role. If harnessed properly, strategic philanthropy will contribute greatly to bringing about positive change in Egypt; change that is owned by the Egyptian people and therefore much more firmly grounded in the reality of Egyptian society. It is change for the people by the people.

This paper explores the possibility of harnessing what Abigail Disney refers to as ‘good philanthropy’ at the community level to bring about much needed sustainable development.

The paper examines the community foundation (CF) concept which originated in the USA in 1914. This approach to development has since successfully expanded all over the world, including Africa, Asia and Central and Eastern Europe. However, there is no one definition of what a community foundation is. Suzanne L. Feurt provides an accurate description which will be used for the purpose of this paper:

A community foundation is an independent philanthropic organization working in a specific geographic area which, over time, builds up a permanent collection of endowed funds contributed from many donors, provides services to those donors, and makes grants and undertakes community leadership activities to address a wide variety of current and long-term needs in its service area. The foundation is governed by a board of citizens broadly reflective of the community it serves. (1)

This paper will focus on exploring the possibility of launching a community foundation that is largely, but not solely, funded by the corporate sector in the geographic area of 10th of Ramadan City. The 10th of Ramadan City is an ideal geographic area to conceptualize a ‘grant-making’
community foundation in Egypt. This is due to the fact that the city has an estimated quarter of a million inhabitants and an additional quarter of a million workers who commute to the city daily. Additionally, the 10th of Ramadan City is one of the first of such government-initiated ‘New’ cities making it the oldest and the most established. The 10th of Ramadan Industrial City also boasts long-standing civil society organizations that, if properly utilized, may greatly contribute to fulfilling the city’s needs. Also, the city has a large pool of high net worth investors who can provide the means to meet development needs, thereby ensuring that the city will continue to flourish. Last but not least, in the event that the community foundation concept is actually implemented successfully in 10th of Ramadan City, there is a good chance for replication in other new cities around the country.

Research Questions

This paper attempts to answer the following questions:

1. What are the types of corporate philanthropy initiatives currently being carried out in 10th of Ramadan city? How institutionalized are these efforts?

2. How relevant is the community foundation concept as understood/practiced in the United States as well as developing and transitioning countries (e.g. Russia, Brazil, Kuwait and South Africa) to the Egyptian context?

3. How aware are corporate stakeholders of the community foundation concept? What are their reactions to the community foundation model?

4. What would be the main features of the envisioned community foundation model in the 10th of Ramadan Industrial city context? Here the research will introduce an institutionalized community foundation model based on the reality of the Egyptian context.

5. In the Egyptian context, what are some of the anticipated challenges that may hinder the success of the community foundation model for corporate philanthropy? How can these challenges be mitigated?

In order to answer these questions the author carried out a review of existing data about community foundations worldwide. Key informant interviews were also carried out in Egypt with investors and members of the 10th of Ramadan Investors Association to get their feedback about the CF concept and its applicability in 10th of Ramadan City. An additional set of key informant interviews were also carried out with community foundation leaders and experts from the USA, Russia, Mexico, Kuwait and Brazil. (See Annex 2 for list of key informants).

This paper is the first step towards creating a road map for the establishment of a grant-making endowed community foundation in the 10th of Ramadan City. In many ways it reads as a preliminary feasibility study that requires validation by key stakeholders. The ideas presented should be considered as a starting point, on the understanding that they will continue to grow and change as they become better grounded in the present realities through consultation with key stakeholders.
The Egyptian Reality: An Overview

In the past few years Egypt has undergone rapid political and economic changes aimed at democratic and economic liberalization. These changes were championed by the Egyptian government in an attempt to transition the country to a new development stage similar to post-communist European countries. The result of Egypt’s recent economic liberalization process has moved the country up the rankings of the International Financial Corporation’s Doing Business Report. According to this report, in 2006-2007 Egypt was the top reformer world-wide. Thanks to these highly publicized and applauded reforms, doing business in Egypt is becoming easier. This improvement in the economic environment in Egypt has produced many new Egyptian businesses as well as an increasing number of high net-worth individuals.

However, this economic growth is yet to trickle down to the average citizen. In fact, the World Bank 2005 data shows that poverty is on the rise in Egypt: 43.9% of Egyptians live on less than $2 a day. The same report revealed that the Gini Coefficient index is 0.34, indicating a fairly high level of socio-economic inequity. The poorest 20% of the population share only 8.6% of the country’s income or consumption levels, while the wealthiest 20% of the population share 34.6% of the country’s income or consumption levels.

In recent months, Egypt has witnessed a rapid increase in inflation and a shortage of government subsidized bread. (ii) This resulted in widespread discontent and a call for a nationwide strike on April 6, 2008. In light of these socio-economic conditions, the Egyptian government is faced with continuing economic reforms, while simultaneously responding to the dire needs of the Egyptian people. In order to do this the government must: halt inflation, make subsidized goods readily available, provide employment opportunities and adjust minimum wage. Besides the Egyptian government, other sectors of society—namely the business and civil society sectors—have a major role to play in bringing about sustainable development and strategically fulfilling the needs of the Egyptian society.

Egyptian Business Sector and Philanthropy

The growth in Egypt’s economic sector has been accompanied by an increase in corporate philanthropy. As a result, a few national level grant making private foundations have emerged. These foundations are affiliated with, and funded largely by, corporations, high net-worth businessmen and prominent Egyptian families such as: Sawiras Foundation for Social Development (http://www.sawirisfoundation.org/), EFG Hermes Foundation (http://www.efghermesfoundation.org/), M.F. Khamis Foundation (http://www.mfk-foundation.com/), Vodafone Foundation and Abou-El Anin Foundation. The increase in corporate philanthropy initiatives is not surprising given the fact that the culture of giving is engrained in Egyptian society through Islamic and Coptic Christian religions teachings. However, what is surprising is the institutionalization of corporate philanthropy through private foundations, which is a relatively new phenomenon. This institutionalization is similar to western models such as the Bill and Melinda Gates Foundation, William and Flora Hewlett Foundation, etc.
On a less institutionalized level, corporate social responsibility initiatives have mushroomed within the business sector. Multi-national corporations were the first to set an example through their CSR activities, but lately Egyptian corporations have also become active in undertaking innovative CSR practices. These practices are encouraged by a plethora of bi-lateral and multilateral donors such as the United Nations, USAID, CIDA, etc. In recent years, CSR committees have been created within different chambers of commerce came to exist which serve as platforms for increasingly institutionalized CSR practices.

Despite the increase in the number of corporate philanthropy initiatives, these initiatives remain isolated from one another and are largely ad-hoc in nature. Very few such initiatives have sustainable development as an end goal. In many cases, corporate philanthropy is carried out as part of the company’s public relations activities. For smaller companies, philanthropy is a way for the business owner to disburse his/her religiously obligated philanthropic giving for charitable purposes.

With the increase in Corporate Philanthropy initiatives in Egypt, the time and environment is optimal to explore ways to institutionalize and link these initiatives to development ideals to ensure a lasting impact on society. As a first step it is important to engage the business sector in an awareness-building process about the importance of institutionalized philanthropy for development, rather than purely charitable, purposes. The premise of this argument can be made in explicit business terms because stagnant development will curtail the growth of the Egyptian society and ultimately the corporate sector’s profits. Laila Iskander, author of the Business Solutions for Human Development report, states: “Businesses in emerging economies realize that there are structural problems which inhibit their growth and profits. The most strikingly apparent is the lack of skilled labor to meet their needs at all levels of the business. This derives from a number of factors, including an educational system which has not responded to market needs and which requires major systemic changes in order to move the country and business sector forward.” It is in the best interest of the corporate sector to expand corporate philanthropic practices towards institutionalized means of giving. Only then will the Egyptian corporate sector become a full partner in the country’s development.

Since the late 1990s, corporate involvement at the community level has gained international importance and more companies have come together to establish measurements to effectively assess their community involvement. The London Benchmarking Group Model is an interesting tool for Egyptian corporations to assess their involvement in communities: it measures 5 important variables for corporate investment in the community; these variables constitute a company’s voluntary contributions to community development (see figure 4).
Egyptian Civil Society and Philanthropy

Egypt's organized civil society sector is one of the oldest and largest in the region. It is estimated that 20,000 civil society organizations (CSOs) are registered with the Ministry of Social Solidarity (MSS) in Egypt. CSOs are governed under law 84 for 2002.
According to the Egypt Human Development Report (2008), the total revenue of 15,150 associations in 2006 was LE 1.928 billion. The expenditure of these associations totaled nearly LE 1.471 billion. As for employment levels within the sampled associations, they amount to an estimated 100,761 employees, which indicates limited employment in the civil society sector.

Egyptian civil society was assessed through a national, multi-stakeholder participatory process utilizing the CIVICUS Civil Society Index (CSI) assessment tool. The CSI in Egypt was carried out by the Center for Development Services (CDS) and revealed a relatively underdeveloped civil society sector. The CSI diamond for Egypt (see figure 1) shows:

- Shows a civil society with a relatively weak structure characterized by limited citizen participation and limited resources. Its environment is assessed as quite disabling, particularly with regard to the restrictive political context. Civil society exhibits rather insignificant impact on government and society, and it is limited in its efforts to promote positive values among the public, despite a more favorable internal practice of these values within civil society.

Despite the fact that Egyptian civil society is underdeveloped, it does have a lot of strengths that if built upon will lead to the further development of the sector. Among these strengths is the strong role that Egyptian civil society organizations (CSOs) play in the delivery of services and outreach to marginalized groups especially in rural areas and frontier governorates. Additionally, trust in civil society is high. According to the World Values Survey data (1999-2000), 86% of the population has trust in some groups or organizations in the civil society sector (political parties excluded). Overall, civil society comes was the second most trusted institution in Egyptian society at large, while police were considered the most trusted institution despite closeness to the government. However, at the time this survey was conducted, police were seen as the protector of the average citizen. The spirit of philanthropic giving by individual citizen is yet another strength that CSOs need to utilize. Currently the majority of citizens prefer to give directly rather than through CSOs (64% compared to 15%).

According to the CSI assessment and the UNDP Human Development Report (2008) the following are some of the main identified weaknesses of the Egyptian civil society sector:

1. Lack of adequate financial capabilities to fully carry out their mission
2. A weak advocacy and public policy influence
3. An inadequate ability to play a convening role for citizens
4. Lack of cross-sector cooperation and communication within the sector
5. Lack of collaboration with the private sector beyond sporadic fundraising attempts.

Addressing these weaknesses will help the Egyptian civil society sector become more effective and act as an active contributor to the country’s development. Dealing with these weaknesses requires not only the unilateral intervention of the civil society sector, but also increased collaboration with other sectors including government and private sectors.
Individuals and Philanthropy

Philanthropic giving is deeply rooted in the values of Egyptian society. These values are shaped by the religious traditions of Coptic Christianity and Islam, which are the predominant religions practiced in the country. The two religions clearly outline the contours of philanthropy and provide a detailed guide of how it should be practiced:

Coptic Christian Giving Practices:

• ushur (tithing) is the practice of giving a tenth of one’s wealth or income to those less fortunate in the community.

Islam Giving Practices:

• Zakat (alms giving) is an obligatory annual practice to be carried out by all Muslims. There are various forms of zakat (money, trade, merchandise etc…). For Zakat el mal (alms on money) a Muslim is responsible for paying the equivalent to 2.5 percent of net worth, after meeting their families’ needs. There are eight designated groups that are eligible to receive Zakat.
• Sadaqa (benevolence) is voluntary giving of all types including voluntary work, in-kind contributions and free services. Sadaqa can be given to anyone with no specific groups designated.
• Waqf (endowment) is an Arabic term meaning to stop, confine, isolate or preserve in perpetuity. Like Sadaqa Waqf, it is not obligatory but rather it is voluntary; an individual or group of beneficiaries is able to allocate profits made through a Waqf to a certain cause.
• A survey conducted by the Center for Development Services confirms the relevance of religious giving in Egyptian society as it revealed that the motive behind philanthropic giving for 45.8% of the respondents was to fulfill religious duties, while in a very close second place (45.5%) respondents’ motive was to get closer to God. The same survey revealed that 62% of respondents had made some sort of contribution to charity, while 38% had not made any contribution. The main form of charitable giving is cash donations, while volunteering comes as the smallest form of contribution (see figure 2). Volunteering may be underestimated as respondents may find it difficult to account for informal forms of volunteering such as taking care of an elderly family member or helping a neighbor.
Another relevant concept in assessing civic participation is collective community action: the practice of citizens coming together to deliberate and solve a community issue. The CSI assessment in Egypt has shown that collective community action is rather weak in Egypt; only 30% of respondents have taken part in a community meeting to discuss a community issue in the past year, while 35% have never participated in any such event. In light of the current socio-economic difficulties which Egyptian society is experiencing, collective community action is a notion that needs to be further developed in order for citizens to have a voice in overcoming the challenges they are facing. It is imperative that the strong charitable culture of Egyptians is utilized and further developed at the community level in addition to expanding the prevalence of collective community action. Together these two variables will help communities come up with collective community-based solutions to deal with their challenges. As such, the community foundation concept is a very valuable concept that builds on the strengths of Egyptian society and addresses its weaknesses.

Community Foundation Concept: From Conceptualization To Reality

Development of CF Concept

The birth place of the community foundation concept is the United States of America. Established in 1914 by a Cleveland banker named Frederick Goff, the Cleveland Foundation was the first community foundation. The Cleveland Foundation was established as a mechanism "to collect many charitable trusts under unified management and allow a select group of local leaders to ensure that the funds' charitable directives would be served over time and under changing local circumstances." Goff’s idea gained much appreciation and support: within a year 15 community foundations were established throughout the USA. In 2005, it was estimated that 700 community foundations were in operation throughout the US. As a result, it is fair to say that the community foundation concept originated to fulfill donors’ need for a mechanism to manage philanthropic funds. The concept was exported to Canada in the 1920s and has been successfully tailored and expanded throughout Canadian communities. Since the 1980s the concept has found its way
across the Atlantic Ocean and has experienced astounding successes in the United Kingdom. Since the 1990s, the concept of community foundation has been picked up in the global South and many innovative adaptations have emerged, especially in post-communist and African countries. A total of 1,680 community foundations have been identified worldwide. The following graph shows the geographic distribution of community foundations around the world (Figure 3).

![Figure 3: Number Of Community Foundations By Region](image)

**Box 1: Key Distinguishing Features of Community Foundations**

It is important to highlight that the ultimate goals of community foundations are to service the needs of a geographically defined community (city, town, cluster of regions etc.) and to positively contribute to the wellbeing of this community. This is done through the pooling of community resources (individual citizens, corporations, government and civil society) and reinvesting the dividends of these resources through funding community initiatives (e.g. CSOs, public works etc.). Although pooling, managing and dispersing funds to meet community needs are at the heart of the work of community foundations, CFs have assumed a convening, technical support and knowledge generation role within communities. Despite similar basic goals, no two community foundations are the same. There may be commonalities between different applications of the community
foundation concept, but given the flexibility and diversity of the concept it has metamorphosed into colorful variations around the world.

**International Applications of CF concept**

American-based private foundations spearheaded the transformation of the community foundation concept outside North America. The Charles Stewart Mott Foundation was especially supportive of the establishment of such foundations in the UK. The Mott Foundation began to support the propagation of the concept by "providing challenge grant funds for a community foundation endowment program, and by supporting the creation of a national member-based support organization for community foundations." (vii) In the wake of the collapse of communism in Europe, the concept was also seen as attractive and relevant to provide much needed support for young CSOs. The Slovak Republic was the first country to establish a community foundation in 1994 (The Healthy City Community Foundation). Mexico led the way in Latin America (1995), while more Western European countries started adopted the concept: Germany in 1996 and Italy in 1999. Africa also welcomed the CF concept in 1999 in South Africa, and has now expanded to Ghana, Kenya, Mozambique, Uganda, and Zimbabwe. In the Asia and Pacific region different countries of varying degrees of wealth also introduced community foundations starting in 1997, namely: Australia, New Zealand, Japan, Philippines, South Korea and Thailand. However, the Middle East is far behind in establishing CFs. Despite this, since 2005 there has been an increased interest and some activities have started to take shape in Turkey and Egypt.

The adaptation of the CF concept around the world has resulted in interesting variations that cater to the specific contexts in each country. It is possible to envision these variations on a continuum. On one end of the continuum, CFs play the classical role as 'bankers' of the philanthropic sector (i.e. collecting, investing and granting funds). The older CFs in the USA are examples of this classical role. On the other end of the continuum are CF-like organizations which play a convening, knowledge generation and capacity building role but do not collect and manage resources. An example of this is the Community Philanthropy Organizations (CPOs) in Brazil. The majority of the CFs around the world can be placed in the middle of the continuum as they perform grant management and dispersing functions, as well as knowledge generation, community leadership development and technical assistance. Thinking about CFs in terms of this continuum shows the potentially universal applicability of the concept, in light of its contextual flexibility. It is the responsibility of practitioners to learn from the experiences of CF applications around the world and to tailor the concept to the realities of their context.

**Factors Affecting the Formation of Community Foundations**

The growth of the community foundation concept around the world can be related to some core variables which facilitate their existence in any given country:

- Conducive legal system for the establishment of community foundations in particular or civil society organizations in general;
- Tax system that provides incentives
- Accumulation of wealth within a community
- Economic stability in the sense that people need to feel that income will continue to stay stable or grow in order to give
• Strong philanthropic values – such values are enforced through giving be it through monetary, in-kind or volunteering
• Support for the idea that an individual is an agent of change
• State is not the only provider of public services
• Visible examples of philanthropists as success stories
• Relatively institutionalized civil society sector
• Strong financial investment sector
• The presence of supporters and champions of community foundations within the community to act as ambassadors for the concept
• Culture where issues of wealth and inequality are spoken freely

Additional Thoughts on the CF Concept

As one engages with the community foundation literature from around the world, one is left with some lingering questions that warrant further exploration. In this section some of these questions and answers will be put forward.

What is the value added of a community foundation when donors can give their donations directly to charity?

1. Knowledge of the community’s needs through continued communication and interaction with community members and CSOs.
2. Ease in managing donors’ funds without burdening the donor with logistical issues.
3. Independence of CF from stakeholders’ Interests, making it credible in its grant making.
4. Guarantee that the donations will be granted to credible CSOs.
5. Linking donors to CSOs and playing an intermediary role.
6. Building capacity of CSOs.
7. Encouraging funding sustainability at the community level and empowering the community to deal with its own challenges in a creative manner rather than relying solely on state funding.
8. Engaging donors civically through funding CSOs and therefore increasing trust among community members, consequently contributing to the creation of social capital.
9. Utilizing endowed capital to invest in the economy of the community in addition to grant making.
10. Moving philanthropic funds from charitable contributions to long term strategic philanthropy in order to deal with the root causes of issues rather than their symptoms.

Where can we place CF concept, solely within the civil society sector or potentially on the intersection with the private sector?

Legally, community foundations are normally classified as part of the civil society sector, this is despite the fact that they operate very much as the bankers of the sector. Through community foundations donors deposit money that is either used to build the endowment or to operate the actual CF. This money is in turn invested and granted to CSOs. Community foundation funds which are part of an endowment are available in perpetuity, much like banks. However, it is important to point out that payout guidelines vary from on fund to another depending on the donors’ wishes. In
most cases, donor advised funds tend to have a set time before payout, while pass-through funds are usually for the long haul. On another level CFs must be closely connected to the communities they operate within; they position themselves as brokers and facilitators of development. In their operations, CFs must employ professional standards that will allow them to gain the trust of donors, CSOs and the community at large. As a result, CFs are institutions which operate at the intersection between the civil society and private sector. They contain qualities from both sectors. It is therefore appropriate to conceptualize CFs as non-profit corporations.

Relevance of Community Foundation Concept to Arab Countries

Islamic religious practices have clearly outlined different ways that Muslims may give to charity. Traditionally, a waqf endowment can take the form of money, real estate, land, buildings, cars, machinery, books etc... The purpose of the waqf is set by the endower and should only be changed in accordance with his/her will. If a waqf is endowed on behalf of a dead person, the funder chooses the purpose of the waqf. The most common manifestations of this case are public water fountains or mosques built in the name of a dead person.

According to Atia: "Historically, awqaf were an important source for funding and played a critical role in the provision of public services, including support for the building of mosques, schools, libraries, hospitals, water supply, cemeteries, gardens, windmills, public transport facilities, parks, roads, and the provisions of healthcare services for the needy and disabled." It is important to clarify that waqf is not the same as Zakat for Muslims; it is not compulsory. Additionally, it is not directly mentioned in the Quran, but relies on the sayings (ahadith) of the Prophet and on stories dating back to the Prophet’s time. A sustainable sadaqa for example, is among three things that sustain one’s life after death. The hadith indicates that, “when the son of Adam dies, his job ceases except for three things: a sustainable giving (sadaqa jariya, or waqf), a useful education that benefits people, and a faithful offspring who prays for him.”

The current state of awaqf in Arab countries varies considerably, from thriving and innovative models to completely stagnant applications. The Gulf countries such as Kuwait, Qatar and United Arab Emirates boast a thriving waqf system, where legal regulations are conducive to establishing waqf. Egypt, on the other hand, has witnessed a decline in the waqf system since the nationalization of awaqf after the 1952 revolution; numerous laws were passed to bring pre-1952 awqf (plural for waqf) under the supervision of the national or local governments. The Egyptian awqaf have been poorly managed and there has been a decline in the number of new awaqf as well as in the revenues of old awaqf. In recent years there has been a call for the revival of Egypt’s waqf system similar to initiatives which took place in Turkey, Iran and Arab Gulf countries. Waqfiyat Al-Maadi, is a new community foundation-like organization that was established in 2007 with the aim to revive the waqf tradition as well as to provide sustainable funding opportunities for development efforts at the community level. The Community Foundation of the South of Sinai (CFSS) is yet another CF that is attempting to start its activity to serve the South of Sinai area. The CFSS has been registered since 2005 and has a functioning steering group. In 2009 a total of US$9,820.00 in grants was distributed to the Bedouin community that the foundation serves.
The presence of the Islamic tradition of waqf as well as the growing success stories of utilizing awaqf for development purposes around the region provide a great opportunity for the launching of a grant making CF concept in Egypt. The following section will put forward a framework for establishing a grant making community foundation within the industrial city of 10th of Ramadan.

**Envisioned Community Foundation – 10Th Of Ramadan City**

*Background to New Cities*

Before delving into the details of the 10th of Ramadan city, it is appropriate to provide background to Egypt's new cities. These cities are managed by the New Urban Communities Authority (NUCA), which was established according to law 59 for the year 1979. NUCA is affiliated with the Ministry of Housing, Utility, and Urban Development, which is currently headed by Engineer Mohamed Al Maghraby. The following are the objectives of NUCA:

- Creation of new civilized centers for achieving community stability and economic prosperity;
- Redistribution of inhabitants far from the narrow strip of the Nile valley;
- Development of new attraction areas beyond the existing cities and villages and extension of urban areas to the desert and remote areas;
- Curbing the urban infringement upon agricultural areas.

Since the establishment of NUCA in 1979 a total of 22 new cities have been developed throughout the country. This number will reach 60 by 2017 (See Map below for list of current and future new cities).
The NUCA utilizes the latest techniques in urban planning and ensures that low income housing is established at affordable prices. Additionally, the lands in these new cities are provided to investors at cost to facilitate investment by businesses.

A total of 172,000 acres have been developed in all 22 new cities. A majority of the developed lands in these cities is dedicated to housing, while the remaining lands are developed for commercial-service- tourism and Industrial uses respectively (see graph for distribution).

Additionally, the NUCA has invested in Social services infrastructure to accommodate the inhabitants of these new cities including: schools, hospital, religious houses and youth clubs, which are in addition to significant social services provided by NGOs. During the past 25 years, the new cities accommodated 4,178 producing factories with total investments of LE 51.7 billion Egyptian Pounds which created 368.7 thousand new job opportunities. An additional 2,615 factories are currently under construction with an additional investment of L.E 11.8 billion Egyptian pounds and an estimated opportunity of creating 102.6 thousand new job opportunities. It is estimated that once the 22 new cities are fully developed they will be able to house 9.8 million inhabitants.

### Background to 10th of Ramadan City

The City of the 10th of Ramadan is the first New City to be established by the Egyptian government during Saddat’s reign under decree 249 for the year 1977. It is officially referred to by NUCA as a first generation new city. Located in the Sharqiyyah Province, it lies between the following cities: Cairo, Ismailia, Belbais and Zagazig. Its total area is 95,000 acres of which 50,000 acres are developed and include the necessary infrastructure. It is estimated that the city can accommodate half a million inhabitants, however currently it accommodates only 250,000.

A total of 6,000 acres is dedicated to housing projects, including low-income, medium and luxury housing; 450 million Egyptian pounds have been spent on these housing projects. NUCA has also invested a total of 117.8 million Egyptian pounds on providing services to the city including educational, health, recreational, commercial, cultural and religious services. In the coming 5 years it is expected that branches of the Azhar University (the leading Islamic university) and the Zagazig University will open in the city. Utilities such as water, electricity and sanitary drainage...
system have also been made available to the city at a total investment of 257.7 million Egyptian pounds. Limited Agricultural activities are also taking place in the city with a total investment of 33.4 Million Egyptian Pounds.

Industrial activities are by far one of the major areas of activities of the city, with the total area of 9.5 thousand acres used for this purpose. The following table summarizes the magnitude of industrial activities in the 10th of Ramadan City:

<table>
<thead>
<tr>
<th>Factories</th>
<th>No.</th>
<th>Investment</th>
<th>Labors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>1224</td>
<td>LE 16300 M</td>
<td>141900</td>
</tr>
<tr>
<td>Under Construction</td>
<td>282</td>
<td>LE 1300 M</td>
<td>14400</td>
</tr>
</tbody>
</table>

The industrial activities carried out by these businesses include: heavy industries (metals, timber, plastics, furniture etc…), consumer goods (food, weaving, clothing etc…) and chemical & pharmaceutical products.

**Governance Structures**

The governance structure utilized in the 10th of Ramadan City is unique compared to the regular governance structure employed in older Egyptian cities. Traditionally, the governance structure features government-employed local councils made up of government bureaucracy and headed at a higher level by a governor. In the case of the new cities, NUCA has adopted a different and arguably a much more pragmatic and empowering governance model. In the 10th of Ramadan City, the Local Council is replaced by a Trustees Council. The Trustees Council is formed by the Minister of Housing Utilities and Urban Planning. Its membership is split between representatives from the different ministries (50%) and the investors in the city (50%). A total of 50 investors and government members sit on the Trustees Council; the Council is headed by an investor while the vice chair position is filled by the head of the city council (i.e. government representative). The council meets once a month for the purpose of responding to the needs of the city’s residents and investors. The Trustees Council is funded through a tax which is incurred on every cubic meter owned and operated by investors, this is a nominal fees of 25 piasters (1 US = 5.40 LE), however the levied taxes are all deposited in the treasury of the Trustees Councils to maintain its activities. There are different committees within the Trustees council which deal with issues such as social needs, investors’ needs, and NGOs activities.

According to two investors and trustees council members who were interviewed, the trustee’s council is an innovative governance structure that facilitates proactive decision making and quick responses to the challenges facing the city. One interviewee put it this way: “…the trustee’s council combines the government and private sector modes of operation, which is finally in the best interest of the community”
The interviewee gave an example of the challenge faced by residents who complained about the lack of transportation to help them take their kids to schools. The issue was brought up in the council of trustees and the government representatives acknowledged it as a challenge and offered to take it back to the ministry. Fearing the delay in responding, a few investors donated buses to be used to transport students to schools for free. In this case, the Ministry of Transportation only had to allocate drivers. This example shows a responsive governance structure that is rarely available in Egypt. It shows that the government realizes the importance of facilitating decision-making processes in the city to ensure that investors are able to work productively and effectively.

**Tenth of Ramadan Investors Association**

TRIA is very closely related to the Trustees council. TRIA is one of the oldest and most highly institutionalized CSOs in the city. (x) TRIA’s main objective is to serve the needs of the investors, making it a business association. It is important to point out that many of the members of the board of directors of TRIA also sit on the Trustees Council, thereby giving the organization a great deal of power within the official governance structures of the city. Despite a relatively well-developed website, TRIA’s financial information is very hard to obtain.

A member of the board of directors explained that the organization is heavily supported by investors through in-kind contributions such as the association’s building, which was provided by Mohamed Farid Khamis, one of the major investors and the first Chairman of the Board of Directors. Others have contributed furniture and construction materials to make the building fully operational. Additionally, TRIA has been awarded funding by foreign donors such as the Industrial Modernization Center (EU-funded project) and NGO Service Center (USAID-funded project). The organization employees a total of 25 staff members, which is very large by Egyptian CSO standards.

Despite the fact that TRIA has a strong outreach and representation within the investor community, there are still many investors who choose not to engage with the organization. One such investor was interviewed for the paper and was of the opinion that he does not need to engage with TRIA to get his work done. Rather, he “focuses on his business needs without engaging with the association.”
Other CSOs are operational in 10th of Ramadan city, mainly to provide services to disadvantaged groups such as the handicapped or orphaned children, as well as community development services such as day care and religious education programs. It is estimated that a total of 50 CSOs are registered in 10th of Ramadan city. These CSOs are supported by funds from the Ministry of Social Solidarity, Ministry of Awkaf, the Trustees Council and fundraising campaigns targeting individual donors and religious giving specifically.

**Philanthropic Trends in 10th of Ramadan City**

Philanthropy in the 10th of Ramadan City is generally geared towards charity rather than strategic development. It is in many ways ad-hoc and contingent to the personal interests of donors rather than the actual needs of the community.

**Corporate Giving**

The investors’ community is very active in responding to emerging needs of the community by providing financial and infrastructural support through the Trustees Council or through corporate foundations established by the businessmen. One of the interviewed investors explains that: “the giving by investors is slowly becoming more institutionalized and organized to deal with social development issues which the government is unable to handle despite its strong efforts in this regard.”

The same interviewee explained further that, in many cases, business owners who want to donate to charity are unaware of how to disperse their funds. As a result, they rely on NGOs, or they choose to spend the money on popular charitable causes such as orphanages. Only a few business owners in 10th of Ramadan have actually established their own foundations e.g. Mohamed Farid Khamis Foundation.

The following section discusses the community foundation that is proposed for development in the 10th of Ramadan City. It utilizes the existing philanthropic trends and tries to move philanthropy to the strategic development level.

**Proposed Grant making community foundation for 10th of Ramadan**

The proposed grant-making community foundation model for 10th of Ramadan builds on existing competencies and strengths of the government, corporate and civil society sectors in the 10th of Ramadan City.

To ensure the success of the 10th of Ramadan Community Foundation launch and institutionalization, it is important to carry out the following steps:

**At the National Level**

Engage different actors - It is important to ensure that government representatives, namely those in the Ministry of Social Solidarity, are aware of the CF model and that they are brought on board early to ensure that they will not complicate the legal establishment process.
Equally important is engaging with the Industrial Modernization Center, which is an EU funded project that works closely with Investors in the New Cities on issues around corporate social responsibility.

Additionally, it is important to engage with the National Federation of Investors because it has committees which specialize in national-level advocacy. There is also a representative from 10th of Ramadan City who is a board member of TRIA.

At the Community Level

Step One: Awareness Raising

- Raising awareness about the community foundation concept among donors and likening it to existing practices in Egypt and similar countries around the world. This step should utilize existing structures such as TRIA and Trustees Council meetings.
- Open dialogue with CSOs in 10th of Ramadan City to familiarize them with CF concept and how it will impact their work to ensure their buy in.
- Present the community foundation as an unbiased and autonomous entity that may be created in a manner that earns it the respect and trust of the community.

Step Two: Create Critical Mass of Supporters

- Request technical assistance and organize study trips for champions from within the community to other countries where established CFs are operational. This can be organized through international organizations such as the WINGS Global Fund for CFs.
- Create a critical mass of champions for the proposed community foundation within 10th of Ramadan City, preferably including high net worth individuals who may be willing to provide initial seed funding for the organization or the endowment.
- Explore the possibility of housing the new foundation within the 10th of Ramadan Investors association for infrastructural purposes, while making it clear that this is an incubation phase and does not mean that the CF is in any way part of the 10th Ramadan Investors Association so the CF doesn’t lose its autonomy and creditability within the community.

Step Three: Building the Endowment (Concurrent with Knowledge Generation Phase)

- Engage community in fundraising campaigns tailored towards:
  1. Residents of 10th of Ramadan City - The city includes residents from all economic levels. Therefore, the fundraising campaigns should be tailored to the different donors.
  2. Investors of 10th of Ramadan City - Utilizing the existing affluent TRIA membership base, reach out to investors and offer them different options to contribute to the endowment based on their interest. Additionally, utilizing existing databases of all investors in the city, make sure to engage those who are not civically engaging by conducting site visits and offering them tailored giving packages that may suit their needs.
• Engage in a process of knowledge generation about the community and NGO needs

Carry out a needs assessment of the 10th of Ramadan City – potentially utilizing funds from TRIA or the Trustees council or even national institutions such as the Industrial Modernization Center (EU funded project). This needs assessment should also be complimented by a participatory Stakeholder analysis of the power dynamics in the city, a social forces analysis method may be utilized for this purpose.

Conduct an organizational assessment of CSOs operating in 10th of Ramadan city to assess their levels of competencies and needs.

**Proposed Model for CF**

The foundation proposed for 10th of Ramadan is a hybrid in the sense that it holds on to the classical characteristics of a community foundation as an endowed grant making entity similar to the American CFs. But, the proposed 10th of Ramadan CF will deviate slightly as it will rely mainly on corporate giving to establish its endowment as is the case in Russia Togliatti CF (see box for more details about Togliatti Community Foundation ). On the other hand, the 10th of Ramadan Community Foundation will also play a strong role in knowledge generation and technical assistance for donors as well as NGOs, similar to the role played by CPOs in Brazil.

**Geographic area**

The 10th of Ramadan City is the core of the geographic area to be serviced by the foundation. However, it is important to expand the foundation’s reach beyond the new city and to neighboring areas including: Belbeis, Mataria, El Ebour city and Zagazig. This is necessary as these areas include poverty pockets that require active involvement by the CF to provide funding for local CSOs’ efforts to address community needs. These neighboring areas also include small affluent groups that may be potential donors. The outreach to additional donors may be carried out after the full institutionalization of the CF operations in 10th of Ramadan city.

**10th of Ramadan CF Staff**

The foundation’s staff needs to have a general understanding of and investment in the community. As such, ideal staff members will be drawn directly from the community. They need to combine skills such as fundraising, marketing and understanding the business environment, while at the same time having a thorough understanding of civil society. The foundation’s human resources needs may be filled at the beginning by a core set of staff members to work on the initial stages of launching the organization, while additional program officers may come on board once the granting phase starts.
Governance of 10th of Ramadan CF

The board of the CF will be comprised of representatives of all major sectors within the community. It will be comprised of members from TRIA, Trustees council (including both local government and investors), Academia and other high net worth individuals who are not necessarily active in the existing governance structures in the community, as well as longtime residents of the community. This will ensure that the group is not a replica of TRIA and the Trustees Council. The CF’s board will have between thirteen and fifteen members. It is important to point out that “Community foundations that have representatives of different sectors on their boards have an advantage when building collaboration and partnerships between sectors. Thus they can draw on a wide spectrum of networks to open up opportunities and build trust and confidence.”

On average, board members will meet every other month and sub-committees can be formed within the board to capitalize on board members’ expertise in different areas.

Staff members will work closely with board members to ensure their full involvement and support for the CF’s activities.
Start up Activities

In order to ensure that the CF builds a strong reputation and track record within the community, a few major activities may be launched including:

- Study financial models and forge a relationship with a financial investment company to manage the endowment and other funds (preferably on a pro-bono basis)
- Strategic philanthropy awareness-building campaigns among high net worth individuals
- Community needs assessment
- CSOs organizational assessment
- Basic corporate philanthropy training offered at subsidized prices to businesses
- Basic trainings are offered to CSOs at subsidized rates based on organizational assessment results (these trainings may include proposal writing, financial management, monitoring and evaluation etc.)

Endowment Building

Endowment building is a long process that requires patience and active cultivation of potential donors. It also requires a thorough understanding of the needs of the donors and services tailored specifically to those needs. The 10th of Ramadan CF will ensure that donor services are diverse, catering to both high net worth business owners as well as citizens of 10th of Ramadan city from all different levels of wealth. Outreach activities may be launched to raise funds from donors wishing to invest in CF from outside the community.

Additionally, the endowment building may include in-kind contributions, such as business products, properties and expertise from the private sector.

Grant Making

Grant making needs to be developed in phases in order to enable the CF to develop strategies and expertise in effective grant making. This will allow the CF to train CBOs on responding to RFPs and properly planning out their project activities to ensure sustainable development.

Grant Making schemes may be specialized to cater to some of the emerging trends in development such as social entrepreneurship and CSR capacity building for small and medium sized enterprises.

Ongoing Monitoring and Evaluation

It is essential to incorporate a solid but uncomplicated monitoring and evaluation (M&E) system that donors as well as grantees are aware of and can appreciate. The results of the M&E efforts should be made publicly available to both donors and grantees to foster legitimacy and transparency in both the non-profit and private sector. This legitimacy will also transfer over to the public sector over time.
This section attempted to sketch the road map for establishing a CF in 10th of Ramadan City. This is a model of best practices based on research and understanding of the international implementation of CFs around the world as well as field work and interviews conducted in 10th of Ramadan city.

In order to be realistic in putting forward this proposal, it is important to engage in a SWOC analysis (Strengthens, Weaknesses, Opportunities and Challenges). The following analysis for the proposed 10th of Ramadan CF, assumes such an organization is already in place. This exercise should ideally have been conducted through a collective deliberation process with stakeholders. However the author has engaged key informants and exercised her own analytical thinking to conduct the exercise, which may be carried out again in the future by practitioners and advocates of the CF model in 10th of Ramadan City. The SWOC analysis is an important planning tool that helps build a solid foundation for the 10th of Ramadan CF.

**SWOC for Proposed 10th of Ramadan CF**

**Strengths**

The following are some of the anticipated strengths of the CF’s internal organizational workings as per the proposed CF design:

- **Presence of high net worth business women and men as champions of, and donors to, the CF** – There is an underlying assumption that the initial preparatory work at the community level will yield supporters of the CF model who will contribute financial and moral support, prompting others to do the same.

- **Close collaboration and coordination of work with existing governance structures** - The Trustees council is the city’s main governance structure that is fully operational and innovative in terms of its setup. It is therefore necessary to ensure close collaboration and coordination of activities with the trustee’s council.

- **Reaching out to community members and existing NGOs** – One of the most important preparatory activities of the CF is to reach out to community residents and existing NGOs such as TRIA and other CBAs. This is necessary to ensure the support of the community and NGOs for the CF.

- **Unbiased position within community** – Any community has different power dynamics which at times may conflict, be it across sectors or within a single sector. It is imperative that the CF portray itself as unbiased and as a facilitator of community issues from the start or it will lose its credibility and will be potentially associated with one group or the other.

- **Competent and diverse staff from within the community** - It is imperative that staff members are from the community or are aware of the community issues which arise. This will facilitate the work of the CF and will earn the organization more respect and credibility within the community.
Support from, and forging linkages with, national structures - National governmental and non-governmental structures must be involved in the preparatory phase of establishing the CF in order to ensure support and facilitation of the registration process. Such organizations include, but are not limited to: the Ministry of Social Solidarity, National Federation of Investors, International Modernization Center, Egyptian Federation of Industries, and UNDP.

Weaknesses

The following are some of the anticipated weaknesses of the CF’s internal organizational workings as per the proposed CF design:

- Being incubated through TRIA – One method that has been utilized international by the World Bank and other institutions is to encourage the incubation of CFs within existing NGOs. This model may be utilized in 10th of Ramadan City, where TRIA can contribute to the incubation of the CF by offering physical space and infrastructure. Although this is a common practice internationally, it is a potential weakness to the internal operations of the CF as it could be associated with TRIA by other stakeholders, jeopardizing its credibility within the community.

- Staff may be unfamiliar with CF concept – community foundations are completely new to Egypt. It will be very difficult to recruit staff members who have a working knowledge of this type of institution. It is therefore important to recruit staff members with strong project development and management skills and to provide them with intensive training upon joining the CF.

- Lack of financial and moral support to CF model start-up phase - It might be more difficult than anticipated to convince financial supporters and knowledgeable leaders to participate in the project. This will delay the successful launch of the CF. Therefore, this step is of the utmost importance and requires careful attention and planning.

- A small staff may have difficulty reaching out to the whole community – The preparatory steps in setting up the CF require significant time and human resources. It is important to explore the potential of utilizing volunteers and allowing sufficient time for the preparatory phase of the work so as not to overburden the small number of staff members.

Opportunities

The following are some of the expected opportunities present in the community and country as a whole (i.e. factors external to the organization) that will be of benefit to the proposed CF model:

- Ideal geographic area - The 10th of Ramadan City is an ideal geographic area with concentrated wealth as well as development needs and surrounding poverty pockets which require support.
• Governance structures - The existing Trustees Council governance structure is unique and already inclusive of civil society as well as corporate and government representatives.

• High interest by international donors in growing corporate giving and strategic philanthropy - International donors such as EU, UNDP, CIDA and USAID are interested and active in promoting corporate social responsibility as well as engaging the corporate sector in strategic philanthropy initiatives and capacity building.

• Giving Culture - Giving is already entrenched in the religious practices of Egyptians. Therefore, the focus will be on refocusing this giving culture into strategic philanthropy rather than short-term charity.

• Waqf as a basis for explaining CF concept – The endowment concept is not completely foreign to Egyptians as it is similar to Islamic practice of Waqf. However, research has shown that citizens are not fully aware of what it entails (CDS philanthropy Study).

• Interest in professionalizing CSOs is paramount – the Ministry of Social Solidarity is keen on the professionalization of CSOs and the corporate sector because they are seen as ideal partners in this process. Therefore, the CF concept may be presented to the MSS as the solution to professionalizing CSOs through corporate input.

• Growing number of Foundations – The growing prevalence of corporate and family foundations has made Egyptians more familiar with foundations as a concept; they might be more inclined to grasp the notion of CFs at this time.

• Indigenous funding to foster trust in CSOs - CSOs have always been criticized for receiving foreign funding and have been accused of servicing the interests of these external donors. The proposed CF concept provides an opportunity for devising sustainable and indigenous funding mechanisms for CSOs which will increase public trust in CSOs.

• Existence of Community CSOs active in 10th of Ramadan - The presence of active CSOs in the 10th of Ramadan City offers an opportunity in that many of them are in need of additional support to sustain and expand their activities. The proposed CF would provide funding to strengthen CSO work in the community.

Challenges

The following are some of the expected challenges that are present in the community and country at large (i.e. factors external to the organization) which may hamper the proper functioning of the proposed CF model:

• Outright shunning of CF model as yet another foreign concept exported from the west

  Proposed Solution: Root CF model in the traditional Islamic and Coptic philanthropic practices and showcase adaptations from similar countries such as African, Latin American and other transitioning countries, rather than focusing on the USA and Western Europe.
• CSOs in the community are threatened by the CF as an additional structure that competes for their funding.
  Proposed Solution: Raise awareness about the role of community foundations and explain that the money raised by the CF is for the community and not the CF as an organization. Also explain that the CF’s role is to raise money for CSOs thereby allowing them to focus on providing development services rather than having to constantly fundraise. Additionally, the CF staff should attempt to find an external source of funding for the running costs of the organizations (i.e. staff and infrastructure) so as not to use donor funds for the everyday administration of the organization.

• Community-based associations (CBAs) operating in 10th of Ramadan City lack competencies to apply for RFPs and design a sound project document.
  Proposed Solution: Provide initial trainings and technical assistance for CBAs to build their capacity before launching RFPs

• Lack of time for high net worth individuals to engage in awareness-building engagements organized by CF staff
  Proposed Solution: Use respected and trusted champions of the CF as entry points to busy, high net worth individuals

• Religious traditions that encourages secrecy in giving
  Proposed Solution: Seek fatwa (religious edict) from Religious authorities to clearly explain the virtues and draw backs of secrecy in giving in light of the current pragmatic concerns (i.e. transparency).

  Additionally, for investors, use a business reporting methods analogy to bring across the importance of declaring giving. However, it is important that giving be encouraged regardless, so the CF should still allow anonymous giving

• Respect religious instructions when it comes to Zakat and Eshor rules
  Proposed Solution: Engage with Muslim and Coptic Christian Religious leaders early on in the preparatory stage to get a clear understanding of religious obligations and to create programs in line with these religious guidelines.

• Dealing with the negative legacy and discrediting of the Egyptian Waqf systems caused by the nationalization of Egyptian Waqfs after the 1952 revolution
  Proposed Solution: Join forces with existing advocacy initiatives to influence the modernization of Waqf system vis-a-vis governmental ministries such as the Ministry of Social Solidarity and Ministry of Awkf.

**10Th Of Ramadan Community Foundation - Ways Forward**

For this proposal to become a reality the following activities would need to be carried out at the immediate, midterm and long-term levels.
Immediate Next Steps

To start, it is important to engage with a linguist to attempt to come up with a proper Arabic term for the concept of a community foundation. Some may argue that referring to a community foundation as a Waqf is the easiest route to take. However, this is a double-edged sword because of widespread disillusionment with the current Waqf system. Additionally, Waqf is traditionally an Islamic concept and as a result it may be exclusionary of Coptic Christians and other non-Muslim groups. It is therefore important to try and come up with a term that adequately describes CFs and avoids alienating anyone.

It is also essential that the findings of this research be shared widely with different stakeholders for their feedback. These stakeholders include:

1. The Trustees Council
2. TRIA board of directors and staff
3. Donors who are active in this area such as the American Chamber of Commerce, Industrial Modernization Center and UNDP.
4. The community at large (i.e. residents and local civil society groups)

The feedback collected from these stakeholders will be incorporated in the paper at a later stage in order to ensure that findings are grounded in the reality of the situation in Egypt.

Potential Mid-Term Next Steps

Assuming the feedback collected from stakeholders is positive and there is a genuine interest in the CF concept, initial start-up activities may be launched. For these initial start-up activities, international donors such as Synergos, Ashoka and WINGS may be approached to fund staff time, technical assistance and study visits abroad. However, international donors will not be approached to contribute to the actual CF funds as this will take away from the CF credibility and image as a locally funded initiative.

Potential Long Run Next Steps

In the long run (i.e. 2 years from the immediate next steps phase), the actual CF should be legally launched after securing initial funding and contributions to the endowment.

In order to ensure that these next steps are carried out, a dedicated and knowledgeable practitioner needs to be at the helm of the process to kick start the establishment of the 10th of Ramadan Community Foundation.

Conclusion

Community Foundations are not the answer for all the development woes in Egypt today. However, they have tremendous potential to be a powerful mechanism to towards sustainable community development in the long run. As explained by Jana Kunicka:

The role of community foundations is not to replace State intervention but in many ways
to complement it by developing a range of practices dedicated to increasing the strength and effectiveness of community life, improving local conditions, especially for people in disadvantaged situations, and enabling citizens to participate in public decision-making and debate. Community activity nurtures human bonds and forms of social capital (e.g. relations of trust between individuals) which neither the State nor the market alone can provide. (xi)

The proposed community foundation application in Egypt provides an opportunity for three sectors -- government, corporate and civil society -- to work together at the community level. This first attempt at close collaboration at the local level may serve as the seeds for stronger national level collaborations as trust and better understanding among the different sectors are grown from the bottom up.

Through its role as an agent for development, a community foundation brings people together:

[A CF] allows philanthropy to be as individual as it needs to be and, at the same time, bring all those different individuals together in a common cause. Whether one is rich or poor, is a corporation, foundation, or individual, whether one has lofty or modest goals, all can create a fund for charitable good. The community foundation empowers each equally, but multiplies everyone’s resources. (xii)

It is also important to remember that people “give through…not to” a community foundation: “[B] y giving through a community foundation, a community foundation can leverage people’s time, energy, thinking, and leadership, as well as money, to achieve something greater. It can help people take action.” (xiii) This conceptualization of a community foundation as a convener is much needed in Egypt where collective community action is weak. At a time when government can no longer fulfill the needs of the Egyptian people, it is time to develop citizen’s capacity to collectively take action. Through the 10th of Ramadan Community Foundation, citizens of the city will be empowered to voice their opinions and contribute the necessary resources to improve their reality. These resources may be monetary, but more importantly must include non-monetary resources such as time and effort to identify the needs of the city and collectively work to fulfill those needs.

The success of the 10th of Ramadan Community Foundation lies in contextualizing the CF concept to ensure that it fits the reality of the Egyptian situation. There is much to learn from the experiences of others around the world. However, we should not shy away from ultimately coming up with a newly envisioned community foundation that does not mirror existing CF models from around the world.
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End Notes


iii. For details of some of these initiatives please review the Business Solutions for Human Development 2007 UNDP publication (http://www.undp.org.eg/Portals/0/Business%20Solutions%20Report%20English.pdf)


v. Data from 2007 Survey Conducted by General Federation of Associations


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xi. (Jana Kunicka, EFC 2005, 6)

xii. (Elan Garonzik 1999, 17)

xiii. Ibid.