**The Foundation Review**

Volume 9
Issue 3 *Global Community Philanthropy*

Article 5

9-2017

# Thinking Big: Community Philanthropy and Management of Large-Scale Assets

Mary Fifield
*Kaleidoscope Consulting*



## Recommended Citation

Fifield, Mary (2017) "Thinking Big: Community Philanthropy and Management of Large-Scale Assets," *The Foundation Review*: Vol. 9: Iss. 3, Article 5.
DOI: https://doi.org/10.9707/1944-5660.1372
Available at: https://scholarworks.gvsu.edu/tfr/vol9/iss3/5

doi: 10.9707/1944-5660.1372

DOI: 10.9707/1944-5660.1372

Results

# Thinking Big: Community Philanthropy and Management of Large-Scale Assets

*Mary Fifield, M.F.A., Kaleidoscope Consulting*

*Keywords: Community philanthropy, community foundation, Global South, extractive industries, natural-resource management, community self-determination, sustainable development, grantmaking*

## Introduction

After many years under the radar in the Global South, community philanthropy is gaining traction among mainstream development actors. Taking many institutional forms — community foundations, grassroots environmental funds, and local giving circles, among others — community philanthropy institutions often operate on shoestring budgets and outside the expansive networks that benefit other types of aid organizations. Even at this small scale, however, community philanthropy has demonstrated the power to promote community self-determination, democratic decision-making, and more sustainable results from development projects.

Yet at a time when thoughtful, democratic stewardship of natural resources has never been more critical, many rural and indigenous communities face challenges from government and business interests engaged in large-scale natural-resource extraction on or near their territories. Can community philanthropy scale up to meet these challenges? Are there opportunities to create more equitable and effective arrangements that support community well-being, safeguard the environment, and satisfy government and business objectives? What are the implications for community management of assets in other sectors, such as ecotourism, forestry management, and renewable energy?

Research into emerging models suggests that community philanthropy can be a viable mechanism for communities to manage their own large-scale assets — if all stakeholders commit to transparent communication and trust-building and demonstrate the willingness to experiment with new ideas that test

### Key Points

- This article presents three case studies — from Ghana, the U.S., and Canada — to examine how community philanthropy might scale up to support community asset management and increase the power of communities to determine their own development with much greater and more complex financial investments.
- Community philanthropy institutions have become increasingly popular — especially in the Global South, where they serve to harness local assets, cultivate local capacities, and build trust among diverse stakeholders. Although bilateral donors and other international development funders are beginning to recognize the power of these local organizations, they are usually considered small-scale actors.
- As resource extraction continues to reach into remote areas and other large-scale industries (e.g. solar energy, agroforestry) grow, pressure on resources and the rights of communities will intensify. This article illustrates the agility, responsiveness, and effectiveness of the Newmont-Ahafo Development Foundation, the Cherokee Preservation Foundation, and the Clayoquot Biosphere Trust, and presents a case that, despite organizational challenges, community philanthropy has demonstrated the power to promote community self-determination, democratic decision-making, and more sustainable results from development projects.

*Research into emerging models suggests that community philanthropy can be a viable mechanism for communities to manage their own large-scale assets — if all stakeholders commit to transparent communication and trust-building and demonstrate the willingness to experiment with new ideas that test the strength of that trust.*

the strength of that trust. This article discusses three community foundations — the Newmont-Ahafo Development Foundation in Ghana, the Cherokee Preservation Foundation in the U.S., and the Clayoquot Biosphere Trust in Canada — to explore how indigenous communities, governments, and corporations develop trust and an openness to experimentation through decision-making mechanisms, collective investment strategies, and sustainability planning. It also discusses the implications for applying these community philanthropy practices more broadly and areas for additional research.

## The Growth of Community Philanthropy in the Global South

In the late 1990s, community foundations (also known as "community development foundations") emerged as a strategy for addressing the persistence of poverty in the developing world despite decades of governmental and bilateral investments to reduce it. As donor agencies recognized that complex, systems-level problems were too multifaceted to be solved with a top-down, one-size-fits-all approach, they began to acknowledge the important role of civil society and partnerships with local groups. Yet developing these partnerships proved difficult with the type of civil society organizations that existed at the time (Malombe, 2000).

Community foundations, which originally replicated the North American and Western European approach of building endowments as well as relationships among many local actors, represented a new mechanism through which donors and local stakeholders could partner in development outcomes over the long term. They promoted a higher degree of local ownership and played a "pioneering role [in] organizing and creating financial and human resource capacity at the local level" (Malombe, p. 3).

Since then, the field has grown and matured. In 2000 the World Bank counted 905 community foundations, ranging from well-established institutions in North America to new ones in the Global South. As of 2012 there were almost 2,000 community foundations, an increase of 120 percent (Worldwide Initiatives for Grantmaker Support, 2010).

Knowledge of how these institutions form, the role they play, and the shape they take has also evolved. Building permanent endowments was an early focus of community foundations such as the Kenya Community Development Foundation. But other priorities have emerged and in some cases eclipsed that goal, in part because such institutions in the Global South and Eastern Europe are formed by local people contributing and/or developing local assets.

In many cases money is part of this asset pool, but knowledge, networks, technical skills, and other intangible assets are also critical parts of the mix. While local financial assets are often small compared with those of institutions in the North, "soft" assets, which can be difficult to measure in economic terms, have a significant impact on community foundations' development results. Social capital, in other words, constitutes a large part of the "balance sheet" of these institutions, and they differ from most of their North American and Western European counterparts in that they are "driven by ordinary people working from the bottom up of our societies, rather than by wealthy people working from the top down" (Hodgson, Knight & Mathie, 2012, p. 12). While endowments can be important and advantageous, they are not necessarily a defining characteristic.

Recently, the term "community philanthropy" has gained popularity as a way to describe a family of institutions, including a new generation of community foundations that arise from particular local contexts and are shaped by the priorities, vision, and assets of local people (Aga Khan Foundation USA, Charles Stewart Mott Foundation, Global Fund for Community Foundations, & Rockefeller Brothers Fund, 2013). Women's funds, environmental funds, and even some kinds of social enterprise and giving circles fall under this umbrella. While their structure, size, and goals may vary, they all

> play important interstitial roles in society, harness the power of small grants and investments, help communities build on the assets they can mobilize themselves, build constituencies among people who are oppressed and excluded, and negotiate the territory between such marginalized groups and governments. (Hodgson et al., p. 4)

Unlike other types of civil society organizations that operate through short-term projects and project-based funding, community philanthropy institutions are designed for long-term sustainability and results. A recent publication on global developments in community philanthropy makes the case that "community philanthropy organizations develop long-term capacity in the form of the relationships, knowledge, infrastructure, and leaders essential to civil society — capacity that shorter-term approaches can't duplicate" (Aga Khan Foundation USA et al., p. 4). This is not to suggest, however, that they cannot react quickly to urgent situations or make a significant short-term impact.

Various examples illustrate the agility and effectiveness of these institutions. In response to community demand during the 2011 Egyptian revolution, the Community Foundation for South Sinai — the local name for which is *mo'assessa* — organized workshops to help Bedu people participate in elections, resulting in record Bedu turnout and the election of the first Bedu woman to the Egyptian parliament. Because of the foundation's track record and relationships, the community trusted the *mo'assessa* team for support during a very risky but monumentally important period (Gilbert & Khedr al Jebaali, 2012). After the major earthquake in Nepal in 2015, the women's fund Tewa drew upon relationships established through more than 20 years of local grantmaking to provide disaster relief to people who were least served by government aid. As the immediate crisis subsided, the organization's deep knowledge of the cultural, political, and economic landscape gained through long-standing local relationships enabled it to provide crucial recommendations for rehabilitation and systems change (Shrestha, 2015).

***Recently, the term "community philanthropy" has gained popularity as a way to describe a family of institutions, including a new generation of community foundations that arise from particular local contexts and are shaped by the priorities, vision, and assets of local people.***

Community philanthropy practice, with its emphasis on local, transparent funding and governance, builds social capital and "sparks engagement, … (enabling) community philanthropy organizations to effectively convene, inform, and mobilize residents in ways other organizations often cannot" (Aga Khan Foundation USA et al., p. 4). For funders interested in strengthening democratic processes and community resilience as well as in long-term results, community philanthropy organizations are increasingly attractive. The British charity agency

*For all its strengths and increased exposure in the international development sector, community philanthropy is still often considered a "boutique" or small-scale approach.*

Comic Relief, for example, invests in community self-governance and sees exciting potential in the community philanthropy model (Richmond, 2016). Even the U.S. Agency for International Development (USAID), which generally directs funds to large-scale projects, has begun exploring mechanisms to support community philanthropy through its "local systems framework," which is now part of USAID's principles of project design (Jacobstein, 2016).

## Scaling the Community Philanthropy Model

For all its strengths and increased exposure in the international development sector, community philanthropy is still often considered a "boutique" or small-scale approach. Even enthusiastic funders express valid reservations: "We need to tread carefully and not rush to invest too fast or too much, as the wrong balance between external investment and community resources … could upset the fragile symmetry of community philanthropy" (Richmond, p. 60). It can be a challenge to imagine how a model that is based on building local relationships and assets can be scaled up in terms of number of relationships, number or value of assets, or both.

Yet competing demands for global resources, the magnitude of environmental crises, and the urgent need for community self-determination require that we examine the potential to apply this model in new ways with a nuanced understanding of how to mitigate risks. For projects such as mineral or fossil fuel extraction, where the financial value of assets is vastly greater than what many communities have managed previously and where social capital is critical for successful outcomes, the model offers practices that could transform unequal, transactional exchanges into productive conversations and joint decisions among people with shared power and a stake in mutually beneficial results. The same holds true for other types of production, such as agriculture or renewable energy, especially as the latter industry grows and displaces fossil fuels.

The three foundations discussed here differ in geography, culture, relationships with national and local government entities, natural and financial assets, and history. But they share certain characteristics: all were founded with substantial involvement from First Nations or tribal/traditional leaders, all serve rural areas that have faced severe economic hardship or lack of opportunity, and all were established in response to a new large-scale project that would transform the region's economy. Each case explores decision-making, collective investment, and sustainability planning as lenses through which to view the potential for community philanthropy for large-scale asset management. These experiences shed light on some common challenges and the various ways stakeholders in each case addressed them.

Information for these cases comes primarily from interviews conducted with staff, board members, and other key stakeholders in 2015–2017, with additional data from internal reports, the organizations' websites, and external publications.

## Three Cases: Large-Scale Community Philanthropy

### *Newmont-Ahafo Development Foundation*

In 2006, the U.S.-based Newmont Mining Corp. opened its first gold mine operation in Ghana's Brong-Ahafo region. Brong-Ahafo is a major agricultural area, approximately 300 kilometers northwest of Accra, where two-thirds of the population has traditionally depended on subsistence farming (Opoku-Ware, 2014). Initially the project faced opposition from some Ghanaian and international NGOs that had concerns about access to farmland, resettlement, and such environmental impacts as cyanide and hazardous waste disposal, water quality for aquatic life, and availability of water for nonmine uses (Levit & Chambers, 2005). The company and the government took action to address resettlement, employment, and some of the other concerns (planningAlliance, 2005). Although not all parties were satisfied, most community members and traditional leaders believed the benefits outweighed the risks and were willing to negotiate an agreement.

In 2005–2006, traditional leaders, youth, local authorities, and Newmont executives began discussing compensation and community development investment — local funding beyond the taxes and royalties directed to national coffers, in particular — to offset the disruptive impacts of mining. Direct payment to individuals was discussed, but the newer concept of collective investment through a community-led foundation also surfaced. Newmont executives had been exploring this idea with the World Bank and International Finance Corp., which provided $125 million to develop the mine. After two years of dialogue and public meetings, traditional leaders, Newmont executives, representatives from 10 impacted communities, and local government representatives signed an agreement that established the Newmont-Ahafo Development Foundation (NADeF), the endowment of which is now $13 million. The goal was to create a permanent asset base to finance long-term and ongoing development driven by the communities. Stakeholders believed this would generate more shared, sustainable wealth than would result from individual payments.

### Clayoquot Biosphere Trust

People in the Clayoquot Sound region of Canada's Vancouver Island had experienced decades of conflict over diminishing natural resources, primarily fishing and timber, upon which First Nations and nonindigenous communities had relied for generations. In the 1990s a group of community leaders sought new approaches to heal painful divisions, rejuvenate the economy, and honor the ecological, cultural, and spiritual importance of the area. With the support of First Nations, local communities, and local and regional governments, Clayoquot Sound was designated a UNESCO Biosphere Reserve in 2000. The biosphere reserve is a model that utilizes sustainable development and conservation practices to protect key habitats and stimulate a healthy local economy while recognizing aboriginal title and rights. The Clayoquot Biosphere Reserve is one of 669 such protected areas in the world (UNESCO, n.d.).

That same year, the Canadian government established an endowment fund (then worth $12 million in Canadian dollars) for the Clayoquot Biosphere Reserve. Amid evolving treaty negotiations between the First Nations and the Canadian government, eight First Nations

*The three foundations discussed here differ in geography, culture, relationships with national and local government entities, natural and financial assets, and history. But they share certain characteristics: all were founded with substantial involvement from First Nations or tribal/traditional leaders, all serve rural areas that have faced severe economic hardship or lack of opportunity, and all were established in response to a new large-scale project that would transform the region's economy.*

*In all three of these cases, the boards are not merely symbolic bodies; they have primary responsibility for the strategic direction and fiduciary health of the organization. The composition reflects the premise that communities have genuine ownership in the foundation, but that external stakeholders also have a role to play. Community members hold the majority of seats, and all three have a minority of board members who represent outside entities (e.g., governments, corporations, NGOs). All set term limits for board members.*

and nonindigenous communities in the region formed the Clayoquot Biosphere Trust (CBT) to manage this endowment. The trust makes grants and provides technical support for community development, conservation research, and youth leadership development. The CBT is the only institution in Canada that combines a biosphere reserve with a community foundation model.

### *Cherokee Preservation Foundation*

In 1997, the Harrah's Cherokee Valley River Casino & Hotel opened in Qualla Boundary, on the territory of the Eastern Band of Cherokee Indians (EBCI) in western North Carolina. Tribal leaders and North Carolina's governor at the time, James Hunt, recognized that the casino could generate significant revenue for the tribe but could also have a negative impact on traditional Cherokee culture and community cohesion. They decided that a community foundation model that required gambling revenue to be invested through grants for community projects to community organizations and nonprofits would create the greatest long-term benefit for the tribe and those living in the seven-county area adjacent to Qualla Boundary, which includes tribal land. Subsequently the Cherokee Preservation Foundation (CPF), directed by the EBCI, was established through a tribal-state compact in 2000 with a multimillion-dollar budget from hotel and casino revenue.

## Leadership Structure and Decision-Making

The governance structure of any institution reveals a good deal about its purpose and culture. In all three of these cases, the boards are not merely symbolic bodies; they have primary responsibility for the strategic direction and fiduciary health of the organization. The composition reflects the premise that communities have genuine ownership in the foundation, but that external stakeholders also have a role to play. Community members hold the majority of seats, and all three have a minority of board members who represent outside entities (e.g., governments, corporations, NGOs). All set term limits for board members.

The CPF and the CBT are governed by standard representational boards. The 12-member board of the CPF is appointed by North Carolina's governor. Seven representatives are enrolled members of the EBCI, two seats are filled by the tribal chief and another tribal government representative, and the remaining seats are filled by representatives from local government or other nontribal institutions. For the CBT, one board member and an alternate are appointed by each of the eight communities (five Nuu-chah-nulth First Nations communities and three nonindigenous communities) in the biosphere region. Two others are at-large positions, and four nonvoting advisers represent federal and provincial governments. The board has two co-chairs, one appointed by a First Nation and one appointed by a nonindigenous community.

The NADeF's governance structure is multilayered. The board has nine members — six locally elected community members, two Newmont representatives, and a board chair recommended by Newmont but approved by the foundation's Social Responsibility Forum, a body of more than 40 elected and appointed volunteers representing a wide variety of stakeholders: government entities, tribal groups, farmers, youth, women, Newmont, and NGOs. The forum manages the Ahafo Social Responsibility Agreement, a governing document that comprises individual agreements between Newmont and the communities for employment; conflict resolution and communications; and the NADeF. The more complex structure of the NADeF reflects the high level of transparency and community input necessary to manage relationships between the company and community members.

The type of leadership required for community foundations represented a new opportunity and some challenges for everyone involved in creating the organizations. In the case of the NADeF and the CPF, few community members had previous experience serving on boards, much less boards of organizations with such a unique structure. Both organizations identified individuals with expertise and credibility who could help the boards establish healthy working relationships and decision-making processes, and they invested in ongoing training for board members. The CPF hired an experienced executive director who is an enrolled member of the Choctaw Nation to help the board establish norms, procedures, investment policies, and expectations for program oversight. Serving as executive director for the foundation's first 10 years, she supported the board's evolution through changes in its membership and the organization's growth. Through the guidance of its co-moderators — a former minister of state from Brong-Ahafo and a vice chancellor of one of Ghana's leading universities — the Social Responsibility Forum has gradually become a deliberative body that discusses and votes on key issues strategically instead of relying on individual personalities to influence decisions.

*In all three cases, stakeholders were reluctant at first to practice collective investment, even though they agreed in principle with the approach — that funds would be pooled and used for maximum benefit of the whole rather than simply divided up among individuals.*

This culture also influences the NADeF board, though because all the board seats turn over at the same time, new board members do not benefit from their peers' institutional knowledge. The forum is considering staggered terms and mentoring to address this deficit.

Most communities of the CBT make appointments or call for volunteers to find board representatives, and this open process generally enables a wide variety of people to take a leadership role. Sometimes appointed members serve more out of obligation than interest, which poses a governance challenge, so the trust encourages communities to consider candidates' enthusiasm when making their selection. Another issue is maintaining the trust's visibility and credibility. Board members are the face of the organization in communities, yet many people move frequently for employment, cultural, or other reasons. So, while it is preferred that board members live in the community they represent, it is understood that this is not always possible.

## Collective Investment

In all three cases, stakeholders were reluctant at first to practice collective investment, even though they agreed in principle with the approach — that funds would be pooled and used for maximum benefit of the whole rather than simply divided up among individuals. The board structure of the NADeF and the CBT, while ensuring broad participation, had the inadvertent effect of promoting factionalism. As community representatives, board members believed that they were first and foremost advocates for their individual communities rather than a group making decisions for the collective benefit of all people and organizations with a stake in the organization. Community members themselves often expected the foundation (and, by extension, board members) to serve their individual needs.

In 2005 the CBT attempted to overcome this misperception by creating advisory committees that oversee grantmaking in particular topic areas, which not only takes pressure off board members to have to defend their community's "slice of the pie," but also helps the trust make grants to a wider range of organizations and projects. Interestingly, this approach (along with other changes in board processes and membership) revealed more fundamental divisions between board members who believed the trust should serve short-term local needs and those who wanted the trust to invest in longer-term, more comprehensive initiatives. In the early years, board members had lengthy and sometimes heated discussions about procedures or other operational issues, reflecting both the complexity of the endeavor and the uncertainty of an untested model. However, through grants that served multiple groups and purposes and investments in local festivals and public outreach, the public started to see tangible results and the trust gained wider community acceptance (Francis, Mendis-Millard, Reed, & George, 2010). This, along with ongoing conversations about the trust's purpose and mission, have helped the board resolve differences and build an effective decision-making team.

The CBT has a track record of successful partnership and relevant, diverse programming in Clayoquot Sound; now, staff are exploring new territory through the first "proactive" grant in education: In a departure from the standard approach of soliciting applications and approving funding, staff are collaborating in a more hands-on fashion with community partners to improve student performance and self-confidence through human-animal wildlife interaction and monitoring that entails classroom and field work and a student symposium. Staff and the grantee organization are navigating new expectations and roles and, as a microcosm of the relationship-building that transpired at the board level, some of the same questions and challenges around trust are arising in this context. The CBT staff see this as an important step in the evolution of its partnership model and a vehicle for increasing the impact of its investments in conservation, sustainable development, and community well-being.

Although part of the NADeF's mission is to make grants in the Ghanaian communities it serves, to date the foundation has focused more on scholarships and infrastructure development, in part because of genuine need and in part because of a belief that infrastructure investment is "real" development. But a pitfall for infrastructure projects is that while they generate some temporary economic activity and tangible evidence of investment, the results are usually less than the sum of their parts. The reasons for this are numerous: elites often use high-visibility infrastructure projects, such as roads, to gain public favor in the short term while avoiding longer-term investments such as health care or education; cost overruns are common and create significant budget shortfalls in other areas; and infrastructure that is not evenly delivered exacerbates inequality (Bhattasali & Thomas, 2016). Likewise, scholarships — while often effective for individual students — do not in themselves create more systemic change. Compounding the problem, the foundation agreement divides the budget among the 10 communities and each can submit proposals for several activities, among which infrastructure and scholarships make up the lion's share. Although in theory communities could submit grant proposals, they usually request direct project delivery and only a small amount of the budget is allocated to grantmaking.

The NADeF has recently begun supporting multicommunity projects, such as a bamboo bicycle factory, which do promote more collaboration and awareness of collective benefit. The factory project was not a grant per se, but the NADeF paid local community members to build it rather than hiring a general contractor. That arrangement afforded more direct contact with constituents, though budget and project management were much more difficult and it did not necessarily increase community self-organizing capacity.

The most promising development in this area are two pilot grants to community-based organizations for girls' education and an entrepreneurship program. The projects serve all 10 communities and four satellite towns bordering the mine catchment area. Encouraged by their success, NADeF board members approved a more ambitious multicommunity grant to improve education for primary school students. Several NADeF staff and some on the board believe these efforts have the potential to prove the case for collective investment. The more evidence that accumulates, the easier it will be for board members to work as a team for the benefit of the whole and for communities to trust that they will not be left out.

The CPF began making grants almost immediately to prove to the Qualla Boundary community that it was an active and trustworthy steward of funds. Initially the CPF team used a traditional "transactional" approach: soliciting proposals and giving financial assistance. However, the team quickly realized that a shortage of established nonprofits that could legally receive grants, the lack of a philanthropic culture, and the community's belief that individuals were entitled to foundation funds put the strategy at risk.

The CPF team realized it would need to help people understand the value of strategic investments to revitalize Cherokee culture and ensure the well-being of the entire community. To do this, it would also need to help build leaders and an ecosystem of community organizations to help bring about significant, systems-level change and create long-term benefit.

The team developed a "transformational" grantmaking approach characterized by three components: new skills and tools for grantees that apply to the individual, organizational, and community levels; convenings that bring people together and create a culture where continuous learning is desired and expected; and solid partnerships among groups in Qualla Boundary, in the region, and at the national level so groups can share a wide variety of resources and ideas. More than 10 years later, people embrace the approach because they see proof in numerous successful projects, such as a youth leadership training program called Du-yu dv-I, or The Right Path, and broadband internet access for 60 schools in seven rural counties (Fifield, 2017).

*Fostering a sense of community ownership and commitment to collective investment helps mitigate factionalism and spur better project outcomes, as the three cases show. This is crucial, especially in situations where the assets are large, valuable, and pivotal to improving the economic outlook for communities. However, the social capital that is built in the process has another important function: increasing communities' capacity to plan for the use of natural and other resources and measure the long-term impact of those decisions.*

## Sustainability Planning

Fostering a sense of community ownership and commitment to collective investment helps mitigate factionalism and spur better project outcomes, as the three cases show. This is crucial, especially in situations where the assets are large, valuable, and pivotal to improving the economic outlook for communities. However, the social capital that is built in the process has another important function: increasing communities' capacity to plan for the use of natural and other resources and measure the long-term impact of those decisions.

Unlike the other cases, the CBT was created explicitly to promote the long-term management and restoration of natural resources, honoring the cultural and spiritual importance of the Clayoquot Sound for First Nations and other communities. Therefore, planning to conserve natural resources for sustainable human use and to protect ecosystems is integral to the trust's mission, programs, and investment strategies.

The CBT aids the planning efforts of First Nations councils and local government agencies through a robust research and education program that draws upon scientific field data and other sources of data, including the health authority, school district, and provincial and federal governments, to better understand communities and ecosystems in the Sound. The trust integrates environmental data with sociological, cultural, and economic research to paint a multidimensional picture of the health of the region in its biennial report, Vital Signs. The report serves both to measure change and to inform conversations about policy and long-term planning among residents, local government officials, tribal leaders, and the general public.

The trust also brings people together for a variety of purposes, one of which is to define the organization's priorities in support of regional development goals. These gatherings help shape programs, investment priorities, and other operational objectives for the trust, and they maximize opportunities to build bridges across cultures, communities, and institutions (CBT, 2017).

In terms of financial sustainability, special endowment funds and donor-advised funds are key tools, though the fund also promotes individual donations to create a greater sense of ownership. The trust is embarking on a capital campaign to build a biosphere center where residents, researchers, and visitors feel welcomed, and users of the center can explore and exchange stories, knowledge, and innovations. It will also generate some rent revenue to offset expenses.

As with many major extractive projects, environmental sustainability is a complex and controversial issue for the NADeF. During the mine's planning phase, Newmont and international NGOs tried to establish a participatory environmental monitoring program with community members in the region, but it did not take hold. Company executives said it was difficult to interest people because community members believe that environmental monitoring is the responsibility of the Ghanaian government, and as long as local soil and water are not polluted, they are not concerned. While there are probably several reasons why the program was not successful, NADeF staff and other stakeholders expressed a similar view, that environmental protection and remediation related to mining activities are Newmont's responsibility. The company now executes its environmental monitoring program and reclamation plan and coordinates with relevant government agencies; the NADeF does not play a role in that area.

However, the NADeF has the potential to help facilitate conversations about long-term planning and environmental sustainability, given the many leadership roles that community members occupy and the fact that the NADeF serves all 10 communities in the catchment area (and provides some support for adjacent communities). Although the foundation has the connections to bring people together to discuss big-picture issues, to date the relationships are more transactional than collaborative, and many people still struggle to understand how they are contributing to and benefitting from a collective planning body.

The NADeF's governing documents reinforce some of these perceptions through a narrow definition of "natural resources" and budget allocations that compartmentalize projects by type (e.g. social amenities, cultural heritage) rather than goals (e.g. increased youth leadership, healthier ecosystems). As a result, there is a disconnect between development priorities and use of natural resources that limits the potential for positive, long-term impact. The mine has dramatically altered the landscape, ecosystems, social fabric, and economy of the Brong-Ahafo region, but as yet there have been no discussions about how to address these areas in an integrated fashion to promote long-term well-being, economic opportunity, and environmental health.

These challenges, along with its close association with Newmont, also affect the NADeF's ability to build additional financial assets, either through support from other funders, donor-advised funds, or special endowments. A number of leaders recognize the need to diversify funding, and some are exploring practical ways to increase the commitment to collective investment (and, by extension, planning), such as through donations pooled from scholarship recipients and a fund for remittances from Ghanaians abroad.

Of the three cases, the CPF is the only one with revenue that comes from a source that is not connected to management of natural resources. However, the foundation invests about 20 percent of its grantmaking budget in environmental conservation, and since Cherokee values such as spirituality, group harmony, and sense of place inform all programming, many projects include conservation activities.

In broader terms, the CPF occupies a key role in regional sustainability planning because it has developed trust, connections, and proof of its relevance to the community. It facilitates planning initiatives that help stakeholders consider the relationships among economic, environmental, cultural, and social issues and set priorities that integrate goals in all these areas. As a regional catalyst, it also supports a number of cross-sector initiatives that improve quality of life for EBCI members in Qualla Boundary and adjacent non-Native communities.

Leveraging every dollar it invests with $1.45 from in-kind donations, matching grants, or other sources, the CPF has contributed $187.6 million to the region as of 2015 (CPF, 2016). This strategy increases grantees', community members', and partners' stake in the outcomes, as well as the total investment. A major emphasis in the next several years will be to reduce the dependence on gambling revenue and stimulate more local entrepreneurship while staying true to Cherokee values.

*Differing greatly in region, ethnicity, culture, source of endowment, and government contexts, all three foundations face similar challenges, which are also some of the same challenges for smaller community philanthropy institutions. This suggests that certain core issues will arise regardless of the type of industry presenting the investment or the size of institution.*

## Reflections and Areas for Further Study

Though a small sample, these three cases reveal some important questions and patterns about how community philanthropy works, or can work, as a large-scale asset-management approach. Differing greatly in region, ethnicity, culture, source of endowment, and government contexts, all three foundations face similar challenges, which are also some of the same challenges for smaller community philanthropy institutions. This suggests that certain core issues will arise regardless of the type of industry presenting the investment or the size of institution.

Five key practices have shaped the outcomes for these cases, and they merit further study to determine how they might apply more broadly:

1. Community members must play a significant decision-making role from the beginning. This is a basic tenet of community philanthropy, but with a larger asset pool, especially from an outside corporate source, there is even more risk if community ownership is not the basis of the organization. Of course, numerous stakeholders' needs can result in overly complex governance structures. The simplest possible governance structure (where "simple" is defined by the context) is usually the most effective, and it must balance broad and meaningful stakeholder involvement with organizational agility, responsiveness, and sound decision-making.

2. Building a leadership pipeline is especially important for large-scale asset management to ensure continuity in administration and vision. Well-defined roles and transparent communication about expectations can help avoid or mitigate power struggles, prevent burnout, and cultivate a diverse, unified group of leaders. The greater variety of roles that community members can fill beyond governance boards (e.g., on advisory committees, ad hoc committees, ambassador clubs, or fundraising teams), the more people will become knowledgeable about the work and invested in the institution, not just the funds. This strategy provides added benefit by building capacity not only inside the organization, but in the community at large.

3. The learning and acceptance curve for collective investment can be steep, and for organizations of all sizes this is an area for growth and improvement. Proving the concept as early as possible helps community members see tangible improvements in their daily lives, and it motivates them to get involved. Grants that range in size, purpose, and constituents and that connect groups of people and initiatives that might otherwise be siloed serve several purposes. They build trust and relationships among community members, foster a sense of unity between community members and the foundation, and give grant recipients an opportunity to enhance leadership skills and establish new networks.

4. Institutions with major endowments from one source need to encourage individual investments to maintain a shared stake in the organization. Revenue from a single or majority source can tip the balance of power that is otherwise equalized when most investors are contributing relatively similar amounts, as is the case with smaller community foundations. But when a corporation or other donor establishes a large endowment, even small contributions from individuals may create a sense of ownership, especially if they are bundled in a special donor-advised fund or other targeted investment that produces tangible results.

5. Development priorities and natural resource use should be closely linked, whether or not the source of revenue comes directly from natural resources. Community philanthropy institutions that have large-scale assets will also have a large-scale impact, for better or worse. With a clear understanding of how development relates to natural resources and all other components that contribute to quality of life, these institutions can occupy a pivotal role in supporting sustainable regional planning and mitigating poor investments. An integrated approach to planning also makes it possible to measure change more holistically, not simply through standard Western socio-economic indicators but others such as spiritual significance, beauty and reverence, and reciprocity that are reflected in indigenous worldviews.

Despite international laws (such as the U.N. Declaration on the Rights of Indigenous Peoples) and national regulations, often communities are not able to exercise their power to choose whether to accept a large-scale project and, if they do so, they are not usually afforded the opportunity to negotiate fair terms. In some cases, corporations or government agencies simply ignore the laws; in others there is no existing context or structure to help communities research, discuss, and reach a decision collectively, so conversations and agreements occur in isolation or without full consensus. In both of these scenarios, the existence of a community philanthropy institution, established before the proposition of a large-scale project, would be an enormous advantage. Drawing on the social capital and decision-making processes that community philanthropy institutions foster, communities would have a mechanism through which to consider how a new project would alter the community and environment, what would be required to maximize benefit and minimize risks, and whether the investment is worth it for them and under what terms. Even in situations where the community's rights are being willfully violated, the self-organizing that comes through community philanthropy institutions can give communities power to raise the visibility of the situation on the ground and seek outside support.

*Drawing on the social capital and decision-making processes that community philanthropy institutions foster, communities would have a mechanism through which to consider how a new project would alter the community and environment, what would be required to maximize benefit and minimize risks, and whether the investment is worth it for them and under what terms.*

Therefore, understanding how to support the growth of community philanthropy institutions before a large-scale project is proposed, either by outside entities or by the community itself, is another important piece of the puzzle. Research on areas of new or intensifying resource extraction (e.g., Cambodia, Madagascar) and communities that are experimenting with new endogenous revenue projects (e.g., cacao production in Ecuador and the Dominican Republic) could shed light on the conditions necessary to build strong local institutions in anticipation of outside forces that can permanently change the culture, environment, and economy of a place and a people. From this data, valuable tools could emerge to help community philanthropy become a primary strategy in equalizing the benefits of the global economy for communities and the sustainable use of the planet's finite resources.

## References


Aga Khan Foundation U.S.A., Charles Stewart Mott Foundation, Global Fund for Community Foundations, & Rockefeller Brothers Fund. (2013). *The case for community philanthropy: How the practice builds local assets, capacity, and trust — and why it matters.* Available online at http://www.globalfundcommunityfoundations.org/latest-news/2013/8/6/new-report-makes-the-case-for-community-philanthropy.html

Bhattasali, D., & Thomas, V. (2016, April 5) Is infrastructure investment the answer to sluggish economic growth? [Web log post.] Retrieved from https://www.brookings.edu/blog/future-development/2016/04/05/is-infrastructure-investment-the-answer-to-sluggish-economic-growth

Cherokee Preservation Foundation. (2016). *Ga-du-gi: Nurturing our cultural roots.* Retrieved from: http://cherokeepreservation.org/wp-content/uploads/2014/03/Ga-du-gi-2016FINAL-FOR-WEB.pdf

Clayoquot Biosphere Trust. (2017). *Clayoquot Biosphere Trust: Business plan & budget, 2017–2019.* Retrieved from http://clayoquotbiosphere.org/wp-content/uploads/2011/02/CBT_Business_Plan_2017-2019-final-1.pdf

Fifield, M. (2017). *Case study: Cherokee Preservation Foundation.* Johannesburg, South Africa: Global Fund for Community Foundations. Retrieved from http://www.globalfundcommunityfoundations.org/information/case-study-cherokee-preservation-foundation.html

Francis, G., Mendis-Millard, S., Reed, M., & George, C. (2010). *Clayoquot Sound Biosphere Reserve periodic review.* Retrieved from http://clayoquotbiosphere.org/wp-content/uploads/2011/05/CSBR-Periodic-Review-2010.pdf

Glibert, H., & Khedr al Jebaali, M. (2012, October). Not philanthropists but revolutionaries: Promoting Bedouin participation in the new Egypt. In *Voices on Arab Philanthropy and Civic Engagement* [working paper series]. Cairo, Egypt: John D. Gerhart Center for Philanthropy and Civic Engagement, American University in Cairo. Retrieved from http://schools.aucegypt.edu/research/gerhart/rprogram/Documents/Voices-Latest.pdf

Hodgson, J., Knight, B., & Mathie, A. (2012, March). *The new generation of community foundations.* Johannesburg, South Africa: Global Fund for Community Foundations. Available online at http://www.globalfundcommunityfoundations.org/information/the-new-generation-of-community-foundations.html

Jacobstein, D. (2016, December). USAID embraces community philanthropy. *Alliance, 21*(4), 59. Available online at http://www.alliancemagazine.org/feature/usaid-embraces-community-philanthropy/

Levit, S., & Chambers, D. (2005, December 9). *Environmental and social impact assessment: Ahafo South project.* Bozeman, MT: Center for Science in Public Participation. Retrieved from http://www.csp2.org/files/reports/CSP2_Comments_Ahafo_South_12_05.pdf

Malombe, J. (2000). *Community development foundations: Emerging partnerships.* Johannesburg, South Africa: Global Fund for Community Foundations. Available online at http://www.globalfundcommunityfoundations.org/information/community-development-foundations-emerging-partnerships.html

Opoku-Ware, J. (2014). Social impact analysis of mining operations in Kenyasi and surrounding communities of Ghana: The case of Newmont Gold Mining Company in Ghana. *Developing Country Studies 4*(18), 51–56. Retrieved from http://www.iiste.org/Journals/index.php/DCS/article/download/15984/16157

planningAlliance. (2005, August 29). *Resettlement action plan (rev. 1): Ahafo South project.* Toronto, Ontario, Canada: Author. Retrieved from http://s1.q4cdn.com/259923520/files/doc_downloads/africa/ahafo/resettlement/Ahafo_Project_RAP_Rev_1_Summary_0.pdf

Richmond, J. (2016, December). Putting our money where our mouth is. *Alliance, 21*(4), 60. Available online at http://www.alliancemagazine.org/feature/putting-money-mouth/

Shrestha S. (2015, July 6). Relief, rehabilitation, and recovery: Responding to the earthquakes in Nepal. *Human Rights Funding News.* Retrieved from https://www.hrfn.org/community-voices/in-focus-relief-rehabilitation-and-recovery-responding-to-the-earthquakes-in-nepal/

UNESCO. (n.d.). *Biosphere reserves — Learning sites for sustainable development.* Retrieved from http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/

Worldwide Initiatives for Grantmaker Support. (2010). *Global status report on community foundations.* Retrieved from http://wings-community-foundation-report.com/gsr_2010/gsr_about/2010_summary.cfm


***Mary Fifield, M.F.A.,*** *is principal at Kaleidoscope Consulting. Correspondence concerning this article should be addressed to Mary Fifield, Kaleidoscope Consulting, 1927 SE 35th Place, Portland, OR 97214 (email: mary@meetkaleidoscope.com, website: www.meetkaleidoscope.com)*