

OVERVIEW OF THE RUSSIAN COMMUNITY FOUNDATIONS IN 2002

Nearly five years have passed since the first community foundation (CF) was established in Togliatti, Russia. Thus far, it is possible to say that the model has been tested and implemented in Russia, various results achieved and challenging lessons learned. So far, community foundations have been established in 15 communities in Russia, with more in the pipeline.

Most of the foundations in Russia are still in the early stage of development and none of them has a sustainable endowment yet. However, according to observations, a breakthrough was made in 2001 due to the general improvement of Russian economy. Companies, having gone through the period of the initial capital accumulation, started to see themselves as part of their communities, and to realise the value of having a positive image and perception within their hometowns, as well as the need to carry out philanthropic activities in an effective and civilised way. Now, community foundations are starting to become in high demand as the providers of professional services for the local community's stakeholders.

For instance, the first Russian community foundation in Togliatti tripled the value of its endowment and increased its operations twofold in the last year. This growth was ensured primarily by local funding. More local donors were involved in the CF activities including the major enterprise in the city. Community foundations cooperate closely with local businesses and support their willingness to invest in the community.

Another example is the community foundation established in 2001 in Pervouralsk, a small city in the Urals with the population of 170,000 people. During the course of one year it raised locally even more funds than the Togliatti foundation. This happened because the local Council of the City's Directors found the community foundation concept to be the most effective mechanism for their social investments. The city directors adopted the idea very quickly and became the trustees of the newly founded community foundation. This was the first precedent in Russia, when the initiative for establishing a community foundation came from the business and government and not from a non governmental organisation (NGO).

During the last year the Charities Aid Foundation –Russia (CAF Russia) has been closely following the development of Russian community foundations providing them with training, informational and technical assistance. In March – June 2002 CAF Russia assessed the current situation of Russian community foundations by collecting questionnaires and undertaking site visits to nine cities. The result of the findings were presented at the Third Russian Community Foundations Conference that took place in July 18th-20th 2002 in Moscow.

EXISTING RUSSIAN COMMUNITY FOUNDATIONS

At the present time there are established community foundations in the following 15 Russian cities: *Togliatti, Tyumen, Samara, Obninsk, Moscow, Tobolsk, Pervouralsk, Kaluga, Zhigulevsk, Rostov-on-Don, Saratov, Nerekhta, Penza, Blagoveschensk and Rubtsovsk.*

Based on information and guidance by CAF Russia, CPI has made the following brief outline of Russian community foundations:

Togliatti

The first community foundation in Russia is the Togliatti community foundation, which has proved the sustainability of the community foundation concept in Russia. The Togliatti foundation plays a significant role in its hometown and cooperates with all the major companies in the city and the local authorities. During last year it raised locally more than \$100,000 for its endowment, held five grants contests and distributed \$60,000 supporting 34 projects.

The Togliatti foundation has also proved that besides its activities for helping local community it can act as a trainer and facilitator for the newly established community foundations, enhancing its reputation as a leader by all the Russian community foundations.

Pervouralsk

The Pervouralsk foundation was founded by the local enterprises and authorities, and to date it is seen as one of the most dynamic community foundations in Russia. For the last year and a half it raised \$50,000 for the endowment and more than \$100,000 for grants distribution that went to the support of 92 projects. Recently, Pervouralsk foundation received a grant from the Open Society Institute for local training activities.

Moscow

Moscow is the biggest and the most important city in Russia, having for that reason the largest concentration of power and capital. It is important to point out that these conditions create unfavourable circumstances for the development of a community foundation, because, as in any city with a multi-million population, the Moscow community is very diverse. In fact, Moscow can be compared to a large region comprising industrial and residential districts, and commercial and government centres. In this city one can find a large number of business companies varying from transnational corporations to small sellers and having different interests and priorities. In addition, the cost of services in Moscow is much higher than in any other Russian city and that is why the development of the local community foundation has faced certain obstacles.

The Moscow community foundation was founded in 2000. For three years the foundation held two grants competitions for a total of about \$60,000. The third competition is being held at the moment. This year the Moscow CF has changed its management and currently the foundation is reforming its activities, which will further be focused on stronger cooperation with the Moscow government on identifying the needs of the city, and segmentation of the business community for working out relevant approaches to each segment. The other trend will be to develop designated funds for the city districts in order to come closer to the community by customising grants programmes.

Tyumen, Tobolsk, Rostov-on-Don

The *Tyumen* foundation is a very active and respected foundation in the city. So far it has conducted four grants competitions for a total amount of \$20,000. At the same time the Tyumen foundation plays an important role in promoting the concept in the northern parts of the Tyumen region – where major Russian oil companies have their production facilities. Currently there are several initiative groups that stated the intention to establish community foundations in northern towns.

The *Tobolsk* foundation is doing its best but, unfortunately, due to the poor socio-economic situation in the city related mainly to instability of the local oil-processing plant, the foundation is going through difficult moments.

Rostov-on-Don is a very young CF and a very promising foundation, mainly due to its solid staff and the international support (USAID grants) it receives. They have separated the management of the resource centre and community foundation entities, which will facilitate the faster development of each of them.

Samara, Obninsk, Kaluga, Zhigulevsk, Blagoveschensk, Saratov, Penza

The above mentioned foundations have in common that they were established by local NGOs that found the community foundation concept very attractive.

Of these foundations, *Obninsk* has the best chance of getting real community support and trust. This organisation conducted three grants competitions for a total amount of \$6,000 and recently received two international grants for self-development, which will for sure help to intensify its operations and attract new donors.

Saratov and Penza are two foundations that were established in the end of 2001 both with young and dynamic teams. The former received a grant from Eurasia Foundation and the latter from Saratov-2001 Fairy of Social Projects for their development.

Kaluga CF works in a city with a population of 339,300 inhabitants, in an area which has a great potential for grass-roots community work and for involving local citizens. The foundation has supported a total of six projects and has held one competition grant, distributing a total amount of \$1,356.

Samara CF is a foundation in a city that is a centre of a key Russian region and at the same time is the area of interest for the YUKOS oil company's community development programme.

Zhigulevsk CF has among its aims assistance to youth and is therefore focusing its activities mainly on providing assistance to the local prison for teenage criminals. Nevertheless, at this time the *Zhigulevsk* community foundation is actively seeking local support and partners.

Blagoveschensk CF received a grant from Eurasia foundation for dissemination of the community foundation concept in the Russian Far East and is going to develop this activity through the next year.

Nerekhta

Nerekhta is a small town in the Kostroma region, with a population of about 30,000 people. The foundation "Preobrajenie" was founded there in 1998 by several Russian philanthropists, who chose this small Russian town in order to achieve quicker results. The ultimate goal the foundation's founders set for themselves was to nurture a new generation in one particular area on the basis of traditional values, social responsibility and Russian culture. During the three years of its existence "Preobrajenie" invested more than a million dollars in the community. The funds were spent for establishing three small factories to ensure extra work places, and for providing support to local initiatives in the form of grants.

So far, the foundation has been acting and taking decisions independently; however, with CAF's consultancy, they started undertaking actions involving local entrepreneurs and the general population in assisting their community and ensuring local public control and monitoring. In August the newly established association of local businessmen carried out the first joint project and currently is going to register a community foundation as a separate entity.

Rubtsovsk

Rubtsovsk CF, which almost ceased to exist a year ago, has recently changed its management and announced the renewal of its activities. This summer they conducted a small grants competition and held a Charity Ball and other public relations events.

Other regions

Vladimir foundation announced that from now on they will implement international projects rather than seek local resources. It will be interesting to follow up the development of this foundation and see how their activities grow.

The list of Russian CFs is not limited to the cities mentioned above. Other projects for implementing the CF model in Russia are being undertaken in *Barnaul, Nizhny Novgorod, Ulan-Ude, Arzamas*, and other cities.