



Community Foundations N° 2 –

Engagement by the Citizens for the Citizens
Fundació Tot Raval case study

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Background

In 1996, Germany's Bertelsmann Foundation, Bertelsmann Stiftung, gave birth to the community foundation movement in Germany. Through their continued support and promotion, more than one hundred community foundations have now been established in cities and towns throughout the country. Bertelsmann Stiftung has also been a leading promoter of community foundations throughout Europe through the establishment of the Transatlantic Community Foundation Network in 1999. In 2006, the Foundation's Spanish counterpart, Fundació Bertelsmann, decided also to take on the challenge of promoting community foundation development in the country it serves. In November 2005 it hosted a reception for leading members of Spanish business, academia, media, and government, featuring its President

Liz Mohn, about the X Anniversary of Fundació Bertelsmann. The following February, it hosted a conference on the topic of Civic Engagement.

Still, community foundation development is challenging in a country in which there are no existing models. Or are there? Although the first "official" community foundation came into being in Cleveland Ohio, USA, in 1914, institutions bearing all the marks and characteristics of community foundations have sprung up spontaneously and without reference to the US community foundation model in a number of parts of the globe, including Belgium and Mumbai.

In Spring of 2007, in their ongoing work to promote community philanthropy, the staff of Fundació Bertelsmann met Nuria Paricio,

the Executive Director of Fundació Tot Raval ("Foundation for All Raval"), a Foundation serving the Raval neighborhood of Barcelona. They quickly realized that Tot Raval had many of the characteristics of a classic community foundation, although Ms. Paricio was unaware of the American model or even the term. Before proclaiming Tot Raval as "Spain's first community foundation," however, they engaged Second Star Philanthropic Services, a U.S.-based organization providing professional assistance to philanthropic organizations and individuals worldwide, to conduct a case study. This paper is the result and report of that work.

Methodology



For decades, and particularly in the 20 years since the community foundation movement has expanded from its original base in the US and Canada to 43 countries worldwide, heated debate has reigned over the topic of what constitutes a community foundation. Definitions and standards promulgated in the 1990's tended toward a rigid set of characteristics based on the classic model. As the community foundation concept has taken hold across Latin America, Europe, Africa, and Asia and the Asia Pacific, however, the standard-bearers have increasingly recognized the appropriateness of a more flexible, inclusive definition. In a coincidence of extreme good fortune for this case study, in 2006

a new global institution bearing a new global definition of community foundations –the Global Fund for Community Foundations– appeared. As one of its first acts, the Global Fund, propelled by its own need to define eligibility for its grant set about to develop the first truly international definition of the characteristics of a community foundation. It is this definition, and these characteristics, that were used in examining Tot Raval –and in declaring it unquestionably to be Spain's first Community Foundation.

Definition of Community Foundations

According to the Global Fund for Community Foundations:

"Community Foundations are grantmaking foundations that:

- 1. Seek to improve the quality of life for all people in a defined geographic area;*
- 2. Are independent from control or influence by other organizations, governments, or donors;*
- 3. Are governed by a board reflecting the communities they serve;*
- 4. Make grants to other non-profit groups to address a wide variety of (and changing) needs and opportunities in the community;*
- 5. Continuously mobilize local contributions from a broad spectrum of predominantly*

local donors (individuals, businesses, local government, diasporas, etc.);

- 6. Seek to build or ensure a permanent resource for and from the community, e.g. endowed funds from a wide range of donors or from other services and activities;*
- 7. Provide services to local donors to help them achieve their philanthropic goals;*
- 8. Engage in a broad range of community leadership and partnership activities, serving as catalysts, convenors, collaborators and facilitators to solve problems and develop solutions to community issues;*

9. Have open and transparent policies and practices concerning all aspects of their operations;

10. Are accountable to the community by informing the general public about their purposes, activities, and financial status on a regular basis."



The Raval Community



Raval is one of 22 districts, or neighborhoods, within the city of Barcelona, and lies within the Old City, with a population of 47,064. It has historically been the neighborhood in Barcelona that received new immigrants. In the Middle Ages, in fact, it fell outside the city walls, deriving its name which means “outside the city.” In addition to immigrants, the sick, including lepers, were often left in this area, which motivated the construction of the first hospital in the City (Hospital de la Santa Creu – Hospital of the Holy Cross) giving name to what remains one of the main arteries through the neighborhood, Carrer de l’Hospital.

Around 1800, the first companies and industries were established in Raval. During the 1800’s,

Raval, with its inexpensive and small houses, received the first wave of immigration from elsewhere in Catalonia. Then in the late 1800’s, coinciding with the World’s Fair, a second wave of immigration hit the neighborhood, which has always welcomed those who might be refused elsewhere. By the 1960’s, its one square kilometer, with a population of 105,000, was the most dense in Europe. Crowding, combined with poor social and economic conditions, prompted a massive out-migration, in which Raval lost more than 70,000 people and approximately half of its shops and small businesses.

Beginning in the mid-90’s, however, a new wave of entrepreneurial immigrants –primarily Pakistanis, Filipinos, Algerians and Tunisians–



drawn by the availability of space, began to set up shops in the district. Today more than one-half of the residents are immigrants. According to the Frommer's Guide to Barcelona, "El Raval has recently been cited as the neighborhood with the most multicultural mix in Europe and a quick stroll around its maze of streets, where Pakistani fabric merchants and South American spice sellers sit side by side along traditional establishments selling dried cod and local wine seems to confirm the fact. The Adhan (the Muslim call to prayer) wafts from mosques located in ground-floor locales located next to neo-hippie bars, yoga schools, and

contemporary art galleries." In national media, it is often portrayed as troubled, with an emphasis on social problems such as drug abuse and

prostitution. The Founders of Tot Raval, however, consider this an incomplete and one-sided view of their vibrant neighborhood.



Assessment of Fundació Tot Raval



The assessment examines every characteristic of the definition provided by the Global Fund Definition.

1. Seek to improve the quality of life for all people in a defined geographic area.

The mission statement of Tot Raval is “to improve the quality of life of people in Raval.”

2. Are independent from control or influence by other organizations, governments, or donors.

Although Tot Raval cooperates with other NGO’s, with government authorities, and with donors, it is independent of their control or influence. See below for governance structure.

A mirror of the neighborhood

3. Are governed by a board reflecting the communities they serve.

Tot Raval has established a unique and broadly reflective governance structure. In Spain, Foundations are typically governed by “patronates” designed by founders, who subsequently control the Foundation. Not Tot Raval. Said Ms. Paricio, “The Foundations are not totally democratic. The patronates are always the same people. We wanted our Board to be a mirror of the neighborhood.” In the case of Tot Raval, an initial patronate (here, group of Founders), primarily businesspeople from the neighborhood, associations and



cultural and social institutions in the area, gave the endowment. Then they made a radical departure from tradition. They establishing a “plenary,” an assembly made up currently of 56 members broadly reflective of the makeup of the multifaceted community and vested in it the governance authority normally reserved for the patronate. The plenary comprises both individuals and institutions, including the founding patronate. In fact, the governing documents technically name the plenary as the patronate. Some are contributors, more or less on an ability-to-pay basis, but monetary contribution is not a prerequisite for membership. But Tot Raval is constantly seeking new plenary members to broaden its reach in the community.





Finally, the Foundation has also established group of "Friends" of the Foundation, organizations and associations that simply commit to cooperation with Tot Raval. The goal, according to Ms. Paricio, "is to be all-inclusive, absolutely. Our intention is that every agent working in the area is able jointly to design the work" of the Foundation.

A Board of Trustees, elected by the plenary, constitutes an Executive Committee responsible for day-to-day oversight of the operations. The Board of Trustees serves a 4-year term.

4. Make grants to other non-profit groups to address a wide variety of (and changing) needs and opportunities in the community.

A person is sitting on a ledge in front of a large window, looking down at something in their hands. The scene is captured in a warm, sepia-toned photograph.

The grantmaking process of Tot Raval begins with three voluntary “Working Commissions” reflecting three priority areas of community life: Social, Economic, and Cultural.

The Working Commissions, “provide space to analyse the needs and interests of the neighborhood and where projects are proposed and evaluated, to a greater or lesser extent, to present to the Board to be promoted.¹” They are composed not only of the institutional and

individual members of the plenary, but welcome interested non-members who are able to participate and become involved. The Foundation gives priority to projects that:

- “Provide more knowledge about the neighbourhood.
- Involve the maximum number of collectives, organizations and entities in the neighbourhood, to include the existing diversity of people and groups.
- Achieve the commitment to coordinate and to share responsibility for the projects, principally, the member entities; but also the commitment of other non-member organizations.

1. From the English version of the website of Fundacio Tot Raval.





- Stress the principal needs of the neighbourhood.
- Move forward the social, economic and cultural critique, and propose new guidelines to act in order to add value to the neighbourhood.
- Move forward in finding spaces for dialogue and interaction between the various cultural values in the neighborhood.
- Move forward non-conventional formats, new ways, to reach people.”²

2. Ibid.

Tot Raval helps to develop projects through something similar to traditional monetary grants, but also through a number of broader non-traditional means through a leadership role that might best be described as community “broker.” For example, for some projects Tot Raval’s support is in the form of approaching the local public authorities to pay for a staff person for the proposing association or NGO. (Tot Raval has thus far succeeded in convincing the local authorities to provide this support in every case –13 so far– that it has brought to them. The value of these salaries was over 116,000 Euro in 2006.



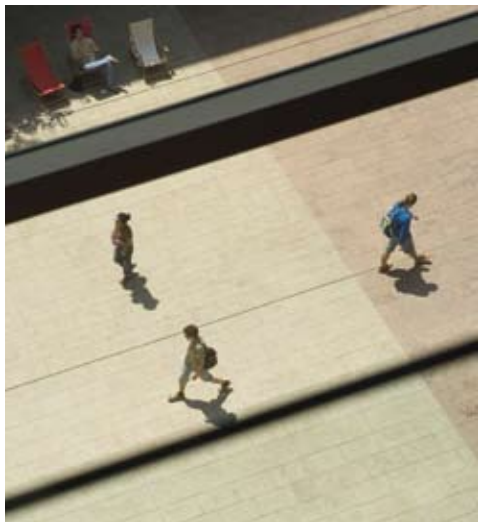
Grantmaking

In 2006, Tot Raval awarded 316,294 Euro in monetary and in-kind grants. Of this amount, 37% was monetary and 63% was in-kind, including the salary support described above. As indicated in the criteria, a substantial number of

the grants, approximately 75%, are initiated by Tot Raval through its members and Commissions. These Foundation-initiated projects accounted for 236,573 Euro in monetary and in-kind grants. The remainder are “external,” projects that are proposed by outside groups, to whom

79,720 Euro were awarded in 2006. In the current year, the Commissions accepted 11 of 13 externally-proposed projects for some level of support. Projects are generally turned down only “if they do not have social aims or are not





a nonprofit.”³ Moreover, the Commissions will generally recommend a project to the Board if Tot Raval “can economically assume it or if it will be easy to find resources.”⁴ Finally, of the total monetary and non-monetary grants 24% were provided for social projects, 23% for general community benefit, “Raval comunitari”, 21% for cultural projects 16% for communication, 14% for economic projects and 2% for occupational programs.

5. Continuously mobilize local contributions from a broad spectrum of predominantly local donors (individuals, businesses, local government, diasporas, etc.)

3. Ms. Paricio.

4. Ibid.

Tot Raval’s fundraising is diverse and extensive. A total of 519,383 Euro was raised in 2007, including 198,095 in in-kind donations from public and private sources. Of the monetary contributions, contributions from members (not in the form of dues) accounted for 8%, 16 different public departments accounted for 54%, and private contributions accounted for 32%. (An unusual VAT refund accounted for the remainder.).

In its years of existence, Tot Raval has, through its work and relationships with over 100 organizations, established a reputation such that, “if someone wants to contribute, they approach



the Foundation.”⁵ This does not mean that the Foundation is passive in asset development. Quite the contrary

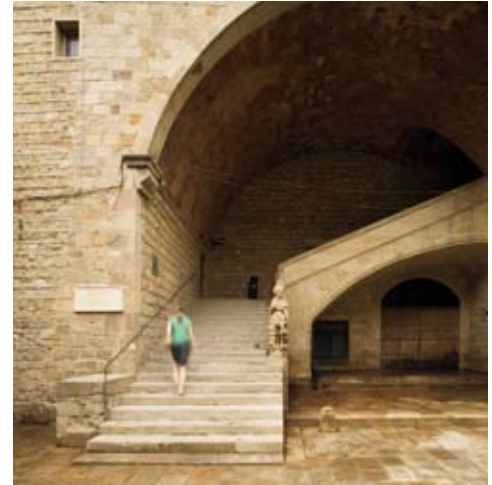
Future donors

Says Ms. Paricio, “We are targeting to get corporations know another possible way to work,” other than mounting projects themselves. She feels that they have nearly saturated the market of local small business owners, and their next plan is to approach large Barcelona-based companies and big international companies.

5. Ibid.

6. Seek to build or ensure a permanent resource for and from the community, e.g. endowed funds from a wide range of donors or from other services and activities.

Tot Raval has an endowment (“patrimony”) of 13,400 Euros given by the original founding patrons. They have no plans to add to it as they feel that they need funds that are currently usable. However, the breadth of their membership, a number of whom contribute annually, and the ongoing contributions from a wide variety of local authorities and private companies speak well of its permanence. In terms of operating sustainability, the Foundation has maintained a small staff (4 employees and 4 project managers)





and total operating expenses, including all the brokering activities, total 350,000 Euro which is supported by the members and the general fund.

7. Provide services to local donors to help them achieve their philanthropic goals;

Although Tot Raval did not have donor services as one of its original purposes, its reputation and activities have brought it in that direction. Today, donors, particularly corporate donors, are approaching the Foundation to implement projects in the neighborhood with their funding. These donors meet with the appropriate Commission, which suggest appropriate projects for their funding interests.

8. Engage in a broad range of community leadership and partnership activities, serving as catalysts, convenors, collaborators and facilitators to solve problems and develop solutions to community issues.

Community leadership, convening the neighborhood's diverse constituencies to jointly determine and address community needs and opportunities, is Tot Raval's essence.

Its specific programmatic intentions are:

- "To develop an innovative integrated working method with organizations and in businesses in the area.



- To promote reflection and discussion on life in the neighbourhood.
- To help citizens to be sensitive to the interests of the neighbourhood.
- To collaborate to improve the relationships within the neighbourhood and with citizens from outside the neighbourhood.
- To be an intermediary where public and private interests can converge, based on the initiative of associations.
- To create common points between public and private programs, not only in the commercial sector, but also the social and cultural.

- To establish cooperative agreements between the foundation or third parties with the authorities.”⁶

6. English version of Tot Raval website.

Brokering role

There is ample evidence that its intentions are being met. The meetings of the plenary itself, with its diverse constituencies, are true





community convenings. Many of their projects are accomplished through its brokering role, which Ms. Paricio describes as “approaching people to bring one to another, to create synergies.” As an example, she sites a project to incorporate women at risk of social exclusion into textile jobs. The idea came from the members of the staff team who then approached an association of women, who in turn took on the project. In another example, the General Manager of the Opera turned to the Foundation to publicize and arrange for free performance attendance for neighborhood residents, many of whom had never crossed its threshold in spite of its decades of operation in the neighborhood.



9. Have open and transparent policies and practices concerning all aspects of their operations;

10. Are accountable to the community by informing the general public about their purposes, activities, and financial status on a regular basis."

Tot Raval operates under the Spanish and Catalan regulations for Foundations. It maintains a website that details all aspects of its operations, history, and projects and lists Plenary Members, Board and Friends. It also explains its working methodology and priorities. Tot Raval maintains a news/communications department which publishes a monthly newsletter serving as

both an internal activities agenda for members and an external communication space for news about the foundation. Its purpose is to publicize the activities and services that members carry out. It publishes an annual report that details both financial accounting and project descriptions.





Transparency

It provided a complete and extensive rendering of its finances on request asked by the author of this study. This financial report detailed all revenues, both monetary and in-kind, and their sources; its grants; its office operations; and its personnel compensation. It also provided useful financial charts and graphs detailing the proportion of revenues from various sources, with comparisons to previous years, and expenditures for grants/projects, administration, and personnel. Tot Raval spent in 2007 40% of its revenues on office operations and staff, but significant staff resources were likely necessary given its extensive brokering role.

>>> *“Tot Raval meets
the international
criteria of a community
foundation.
Spain's first”*

Tot Raval, though its participants had never heard the term “community foundation” until meeting the staff of Fundación Bertelsmann in early 2007, meets all the international criteria of a community foundation –Spain’s first. More important, it is not only a community foundation, it is an exemplary community foundation, one whose methods of openness, inclusiveness, and resourcefulness serve as a powerful model for

other community foundations around the globe. Specifically, the inclusiveness of its governing structure, the openness of its support process, and the resourcefulness of its brokering role establish it as a potential leader within Europe and beyond. The leaders and members of Tot Raval are to be commended for their initiative and wisdom, and should be welcomed into the worldwide community of community foundations.

Competence Centre for Community Foundations



www.fundacionbertelsmann.org
www.fundacionescivicas.es

Convinced that Community Foundations contribute to the development of civil society, the Fundación Bertelsmann considers further promoting the creation of this innovative type of institutions in Spain as an opportunity.

The Fundación Bertelsmann, through its Competence Centre for Community Foundations created in 2006, supports new bodies of this type appearing in Spain, making available the necessary experience and knowledge.

The Centre has the following aims:

- to promote the Community Foundation concept
- to support the creation of Community Foundations
- to professionalize the work of existing foundations
- to encourage experience exchanges and mutual learning among Spanish foundations

Further information

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