



Fundación Comunidar

works to strengthen
philanthropic organizations

Fundación Comunidar advises and trains philanthropists to mobilize more resources towards the social sector and increase their impact. Its Social Investor Development Program (Programa de Desarrollo del Inversionista Social) guides them towards a strategic philanthropy vision via its *Learning Journey*. Riisa, a family office specializing in materials recovery, enrolled in the program to refocus its philanthropic model.

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LOCATION:

State of Nuevo León
- Mexico



MAIN PARTNERS:

Facebook Community Fund



TYPE OF INVESTOR/SILO:

Foundation



MOTIVATION/PROBLEM TO TACKLE:

Guide a family office in the transition towards more strategic philanthropy to boost the social impact of its interventions.



FINAL BENEFICIARIES:

Philanthropic organizations.



SECTOR:

Social and economic development



TYPE OF FINANCING / RESOURCES INVESTED OR DONATED:

N/A



NON-FINANCIAL SUPPORT OFFERED:

- Business strategy and/or model
- Financial management



SDGS ADDRESSED:



DURATION:

2018-2020

(guidance)

2020

-now (implementation)

IMPACTO:

Comunitar:

81 social initiatives

incubated in **eight years of operations.**

Guidance for the creation of

17 new foundations

aligned with the **strategic philanthropy vision.**

Fundación Riisa:

Has developed a **vision for its philanthropic project** and for the impact it would like to have.

Has adopted a **finance model** that meets project needs.

Has implemented results **monitoring and evaluation mechanisms.**

Has **strengthened 7 organizations** to deal with the COVID-19 crisis.



BACKGROUND AND CONTEXT

The State of Nuevo León, located in Northwest Mexico, is known for its industrial hub - more developed than those of other regions. Notwithstanding, strong social inequalities persist there. 12.2% of its population lives under food insecurity (683,000 people), while 2.4% (170,000 people) lacks access to essential services at home.¹ Also, in spite of the decline in the educational lag, 10.1% of the population (553,000 people) has not completed elementary education. This state has seen an accelerated urbanization process with profound environmental consequences: water resources deterioration, land degradation, loss of vegetation, and air pollution.²

Since mid-2011, a group of experts in Nuevo León's social sector considered it was necessary to strengthen the "philanthropic spirit." Indeed, while there is a strong will and resources to promote community development in the state, there is also a great information gap about which development projects are carried out and how to invest in them. This motivated the creation of a citizen project in Monterrey (the capital of Nuevo Leon) and its metropolitan area. Fundación Comunitar was thus born in 2012.

Comunitar is based on the premise that there is a lack of initiatives and strategies to train philanthropists, which makes mobilized resources less likely to have a true social impact. Their motto is "to connect those who want to help and have the resources to do so with those who need assistance and have the know-how," states Erika Laveaga, Comunitar Director General.

To achieve this goal, Comunitar recognizes that, first, it is essential to know and understand the context of an intervention. Even when actions are well intentioned, a lack of knowledge on the socio-economic environment and the organizations' conditions may make philanthropic support useless for the intended

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¹ Consejo Nacional de Evaluación de la Política de Desarrollo Social, Coneval, (2020). *Informe de pobreza y evaluación 2020*. Nuevo León. Ciudad de México, 2020. Accessed at: https://www.coneval.org.mx/coordinacion/entidades/Documents/Informes_de_pobreza_y_evaluacion_2020_Documentos/Informe_Nuevo_Leon_2020.pdf

² Universidad Autónoma de Nuevo León, Observatorio de Sustentabilidad de Nuevo León (2020), Problemática ambiental, acciones para el cambio. Accessed at: <http://observatorio.iinso.uanl.mx/index.php/diagnostico/diagnostico-01/diagnostico-0106>

beneficiaries. Thus, its main work is to connect, advise, and train donors, which is why it features a Social Investor Development Program.

In order to ensure that donations have a greater impact, Riisa—a family office specializing in recycling materials that are hard to recover³—entered the program in 2018.




DESCRIPTION

Comunidar aims to promote and improve the impact of social investments made in the region. Its working framework is based on *“a proven strategic philanthropy model.”* To this effect, it provides *“opportunities so that people and organizations interested in the development of Monterrey and its metropolitan area can contribute resources and participate in solutions required by the community to improve the quality of life of its current and future generations.”*⁴

The foundation mainly aims its interventions at other foundations and philanthropists to meet the need of *“helping those who help.”* It is also positioned as a hub for the philanthropic and social-investment environment in the Monterrey area while contributing to the identification, documentation, and structuring of local development opportunities for interested individuals to invest in them. Comunidar is the only community foundation in the state of Nuevo León.

Its Social Investor Development Program seeks to guide social investors towards a strategic philanthropy vision with close support. In this framework, knowledge, strategies, tools, and information on strategic philanthropy trends are provided.



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³ Riisa, (2020), Acerca de. Accessed at: <http://riisa.mx/>

⁴ Comunidar, (2020), Nosotros. Accessed at: <https://comunidar.org/>

The program has three main goals:

- 1...to contribute to the solution of social issues by providing an ad hoc governance structure for social investors' philanthropic activities;
- 2...to help philanthropists have a higher impact through their beneficent activities by designing an organized and focused investment strategy;
- 3...to advise social investors around the institutionalization, monitoring, and systematization of their initiatives.

The systemic approach is a key aspect of the advice provided by Comunidar. The goal is that investors address issues comprehensively, avoiding isolated or fragmented interventions, which would have a less significant impact. To this end, the structural causes of problems are identified, and more far-reaching interventions are designed. *"This approach makes social investors aware that we are all part of the same system, that everything is multifactorial and nothing is unilateral,"* explains Erika Laveaga.

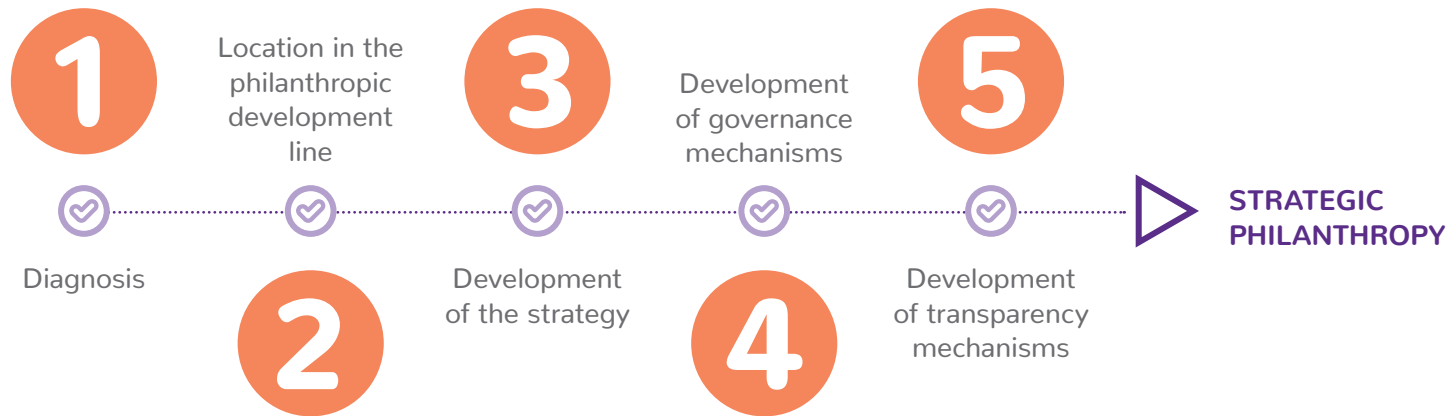
Before Comunidar's intervention, Riisa's philanthropic arm was led by family members who contributed their own time and resources, without any institutionalized participation by the corporate team. Additionally, donations were made without many selection criteria, addressing all sorts of problematic issues—from assistance-related to more sophisticated programs. Furthermore, follow-up of the resources provided was limited to the information sent to the donors by the recipient organizations.

Upon realizing this situation, Riisa set out to modify its philanthropy model and gear it toward a more strategic vision, ensuring that the corporate team participated in the process. After a diagnosis of this situation and the identification of its needs, Comunidar developed a guidance strategy for Riisa, so that the latter could adapt its financial resources to the needs and characteristics of its interventions, provide the time and resources needed to strengthen organizations, and implement tools to transform goals into measurable results. This led to the creation of Fundación Riisa.



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Figure 1. Comunitar’s Learning Journey Process



Source: Prepared by the authors based on the Social Investor Development (DIS) Program methodology, by Fundación Comunitar.



IMPLEMENTATION

The Social Investor Development Program’s working strategy is based on a gradual *Learning Journey* process with feedback. Investors are expected thereafter to change some fundamental paradigms as to how they conceive their philanthropy model.

At the end of this process, the social investor decides whether to continue receiving guidance from Comunitar until later implementation stages or not. In the case of Riisa, it was decided that guidance should be extended, which took the form of an incubation process during which Fundación Riisa’s operations were created and consolidated.

Training content is constantly adapted based on the social investor's characteristics.⁵ For Riisa, it was split into five stages as follows:

- ... **Stage 1:** Diagnosis. Assessment of Riisa's philanthropic arm and its overarching intentions—for example, priority social and environmental sectors for the enterprise.
- ... **Stage 2:** Location of the organization in the "philanthropic development line."⁶ Riisa's philanthropic interventions were categorized as "incipient philanthropy." Donations were allocated to immediate needs; the project portfolio was too dispersed; there were no follow-up mechanisms or communication strategy.
- ... **Stage 3:** Development of a social investment strategy. Creation of a roadmap comprising the following aspects: i) targeted financing; ii) strategic approach to its business name and social activity; and iii) spectrum of social organizations to work with.
- ... **Stage 4:** Development of governance mechanisms. Most of the company's decision-making related to the business's philanthropic activities was transferred from family members to other participants. For this, working groups consisting of one family member, one member of the Board of Directors (not a member of the family), and three employees were formed.
- ... **Stage 5:** Development of transparency mechanisms through more accountability in communicating the results of their social investments, reinforced by the employees' participation.



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Tailored Finance

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⁵ In the case of Fundación Riisa, the five stages of the Learning Journey took place in six sessions (1 every 15 days) over the course of three months.

⁶ In its "philanthropic development line", Comunitar divides philanthropy into three types according to its degree of affinity with strategic philanthropy principles: incipient (or emerging) philanthropy, established philanthropy, and strategic philanthropy.

go from addressing pressing needs—with unstructured, discretionary amounts—to developing tailored finance schemes that meet the needs of the organizations they decide to support.

In the case of Fundación Riisa, before Comunitar's intervention, the amounts granted were very heterogeneous—although, generally speaking, relatively small and without set criteria. In 2020, the foundation invested larger amounts in the projects, with a long-term vision, pre-set principles and goals, and follow-up indicators.

Non-financial Support

Comunitar's non-financial support comprises two axes: training and guiding social investors and facilitating strategic partnerships. The cost of counselling for a strategic philanthropy design process varies, and the process is three months long approximately.

Comunitar's role as an articulator and promoter of the local strategic-philanthropy and social-investment ecosystem allows it to foster the concurrence of resources and efforts for development projects that it considers strategic. For instance, when operating a Facebook Community Fund grant, it decided to form a partnership with Fundación Riisa in order to jointly create a system to organize the "Unidos por la Conservación" (United for Conservation) call and support environmental conservation initiatives.



RESULTS

For Riisa, Comunitar's guidance has meant a deep change in its approach to philanthropic work.

"There was a change of mindset for our philanthropy to be aligned with company values—geared towards transformation but now through long-term projects that can be replicated," explains Mariana Aguirre.

The main results, in line with strategic philanthropy, are the following:

- ... Adaptation of tailored finance mechanisms: Fundación Riisa has been honing its support so that funding is allocated to projects with a community-development focus. The foundation is still, however, using a donations system to address more pressing needs—although that constitutes an increasingly smaller fraction of the total budget.
- ... Implementation of impact measuring tools: results follow-up and evaluation mechanisms were set up for the supported initiatives.
- ... Non-financial support for its interventions: despite not serving as an incubator or accelerator, the foundation is aware of the importance of strengthening organizations and forging partnerships. In response to the COVID-19 crisis, a partnership was established with Centro de Innovación e Impacto Social(yCo), whose aim is to strengthen seven organizations that work on education and preservation, by means of guidance that allows them to overcome the negative impacts of the pandemic on NGOs.

The following changes were also made:

- ... Fundación Riisa changed its strategy to mitigate challenges at their roots, formalizing two lines of action under a strategic and systemic approach—education and environmental preservation.
- ... Now it seeks initiatives that have a long-term, lasting impact.
- ... It understands the importance of having accountability and transparency mechanisms for its social investments.
- ... Family members are more committed to the foundation's goals.
- ... Governance mechanisms—which allow to democratize decision-making related to philanthropic activities—have been established and agreed upon.



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LEARNINGS AND PERSPECTIVES

Comunidar seeks a permanent and empathetic relationship with social investors. Comunidar thus positions itself as an external partner that aims to add value to the sector's initiatives. Secondly, philanthropists' faith in Comunidar can be explained by its high ethical standards—namely the confidentiality of the information provided, policies to prevent conflicts of interest, and the respect for the social investors' will.

After eight years of intervention, Comunidar has proven that it is possible to professionalize social investors - provided that a solid methodology is followed. Meanwhile, it has learned that, in the case of family offices, a larger number of family members and collaborators should be involved in decision-making. Finally, there is a wide window of opportunity to introduce new generations of entrepreneurs, investors, and philanthropists to strategic philanthropy principles and, thereby, strengthen the ecosystem.

For philanthropy to become more strategic in Mexico, Comunidar believes it is paramount to: i) further professionalize the sector; ii) raise awareness among philanthropists about assuming social and economic risks equally; iii) bring down the current resistance offered by philanthropists to strengthen and professionalize their human capital.