



# Choosing Structure and Mission

**From Starting a Foundation in Foundation Building Sourcebook: A practitioners guide based upon experience from Africa, Asia, and Latin America**

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## Section 3 Choosing Structure and Mission

The following section explores key decisions that the creators of foundations must make in establishing their organizations.

Example 1	Defining Mission and Objectives <i>Esquel Ecuador Foundation</i>
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What Decisions Need to Be Made about Structure?

Grantmaking foundations share some or most of the following features: they may be nonprofit, non-governmental, tax-exempt, public service, and have an independent governing board. The governing body may represent the interests of its local constituencies (national or regional), sometimes with international representation. Some have permanent endowed funds.

Defining the Institution

Vision statements are used together with the mission statement to express how the world will be different as a result of the foundation's work. An example of a vision statement is given in the example of the Foundation for the Philippine Environment below. The statement often emanates from the vision of the founders or the leadership of a foundation, and usually includes:

- Identification of particular problems looking for long-term solutions
- What the solutions might look like

A vision statement can serve several purposes:

- It is a recruitment and planning tool
- It can be used to attract the top-level leadership needed to assure the foundation's success, and to galvanize the interest of donors and volunteers
- It can be a step towards articulating a mission statement.

Mission statements are formal statements that provide direction for programs and strategies, and communicate the organization's identity and purpose to broader funding and social constituencies. Mission statements of grantmakers generally include information on the following points:

- The social purpose of the foundation
- Its values and identity
- Its function

Missions sometimes incorporate the role envisioned for the foundation as a social and economic catalyst. Missions often communicate:

- What we are
- What we do
- Why we are doing it
- To/with whom (including geographic boundary)
- How we are doing it (thematic definition, process, etc.)

The formulation of a mission statement, however, is not always easily accomplished. Mission statements often seek to go beyond the mere explanation of a foundation, and embody the values for which the foundation stands and the dreams and commitment of the founders. The articulation of the purpose of a foundation is an ongoing and evolving process as founders and their advisors define it and express it in early memos and correspondence, in consultative workshops, in concept papers and feasibility studies, and in founding documents. Mission statements are not static documents, but rather they stand at the core of the decision-making process: mission is the point you always come back to, as a Board of Trustees, a CEO, and a staff person.

### *Objectives*

Objectives are statements of more specific goals that the foundation plans to achieve. These goals can be monitored, quantified, measured, and evaluated. In foundation documents, they might accompany or follow closely upon the mission statement and explain what the foundation plans to do to realize its mission or vision. How this will be done is articulated in proposals and annual plans and through descriptions of program strategies. Objectives are often accompanied by strategies, which are statements of a more operational nature that provide an instrument/way to fulfill the stated objectives of the foundation. Both objectives and strategies are treated further in Chapter 3 of this book.

### *Note on Registering a Foundation*

There is a statutory body in most countries charged with supervising, and, in some cases, stimulating the philanthropic (often called "charitable") sector. In countries where there is not such an entity, founders may find themselves faced with negotiating with their government to find a "space" for their foundations. For information on ways to register a grantmaking foundation, founders may find a council of NGOs in their country or a center for philanthropy in their region (some are listed in the bibliography).

### Summary Points

*Developing vision, mission and objective statements help define the focus of your organization.* In building an organization, having a clear focus is essential. The process of defining a vision, mission and objectives can serve to clarify goals and arrive at a niche for the organization. Supporters of the foundation will want to know that the new organization has a clear idea of what it wants to do and does not duplicate existing efforts.

*A participatory process of defining the vision, mission and objectives can serve to disseminate your message and garner broad-based support.* Missions play a key communication role: they convey to other groups who the foundation is (identity), what it does (purpose) and why it is doing it (values). By including different actors in the process of definition, founders can gain the buy-in of important local and international actors. For example, The Esquel-Ecuador Foundation (FEE) convened a national workshop in Ecuador to disseminate the idea of the foundation and gain feedback from local actors. FEE also carried out a second workshop with national social development organizations, foundations in Latin America and international organizations and foundations. Both activities served to clarify the role of the foundation and to gain national and international support.

*A clear vision and mission can demonstrate the level of institutional consolidation of the organization.* Articulating and documenting a clear vision, mission and objectives can demonstrate the maturity of the organization. For example, for the first 10 years of the Child Relief and You organization in India, the vision and mission of the foundation were embodied in its founder, Rippan Kapur, and were not written. Once the organization grew and matured there was a need to write vision, mission and objective statements to institutionalize the organization and show that it was an entity independent of its strong founder.

#### Example 1

##### Defining Mission and Objectives

##### *Esquel Ecuador Foundation*

##### *Defining What the Foundation Will Do*

The Esquel Ecuador Foundation (FEE) was legally constituted as a nonprofit, non-governmental organization in August 1990. An economic crisis experienced by Ecuador (and other Latin American countries) during the 1980's and the very limited capacity of public policies to alleviate the effects of this crisis on the poor, played a key role in convincing the founding members of FEE that the moment had come for the Ecuadorian private nonprofit sector to engage more strongly in contributing to the solutions of this problem and to national development efforts.

The mission statement developed by the founding members of FEE reflects the beliefs on which they based the creation of the foundation. They felt the public sector's efforts to deal with the economic and social crisis in Ecuador had been misguided and inadequate. Public policies failed to recognize that Ecuador is a heterogeneous society and, thus, excluded diverse sectors - particularly the poorest

groups of the population. In addition, there had been little progress made in consolidating a democratic system, re-established in the early 1980's after ten years of civil and military dictatorship.

Based on those beliefs, the founding group of FEE outlined a mission statement that encompassed four main points:

- FEE is a private, nonprofit legally incorporated entity subject to the laws of Ecuador. (What FEE does)
- The Foundation is free from political, religious or commercial interest, and its activities are based on respect for all creeds and ideologies, on solidarity with the most indigent members of the population and on strengthening the democratic principles which will permit the attainment of social justice within a context of pluralism and tolerance. (What FEE values)
- The Foundation respects the autonomy of the communities and institutions with which it collaborates. Its relation with the State and the organizations providing technical and/or financial cooperation, both national and international, are based on mutual respect, and designed to facilitate efforts in favor of common objectives. (How FEE operates)
- Esquel's principal commitment is to work with impoverished sectors by supporting their social, economic and cultural development, backing their initiatives and promoting their capacity to generate their own development alternatives. (What FEE expects to be)

FEE's objectives have been stated in the by-laws of the foundation. There are one basic and nine specific objectives. The basic objective is broad and more general in its enunciation while the specific objectives provide clear guidelines, are more operational in nature, and are aimed at furthering the achievement of the goal.

#### **Basic Objective**

Contribute to the social, economic and cultural development of the neediest segments of the population in Ecuador by supporting creative initiatives and the self-management capacity of the communities.

#### **Specific Objectives:**

- Obtain and provide financial support for projects that seek to improve the standard of living of all those populations living in poverty
- Strengthen community organization and encourage the active participation of the least advantaged in the understanding and analysis of their own circumstances, in the formulation of concrete solutions to their problems, and in the definition of projects
- Cooperate with social subjects in the formulation, implementation, monitoring and evaluation of projects
- Continuously evaluate objectively the situations and the social impact produced by projects in order to provide feedback for the development process
- Cooperate in the autonomous development of the scientific, technological, economic, legal and managerial capacities of communities
- Provide advice and technical assistance to social organizations and any other private or public entities that require it, with the expectation that such technology transfer will be assimilated in a critical manner
- Promote the development of the social sciences within a context of support for the cultural expressions of the Ecuadorian population
- Analyze past experiences, design and conduct complementary studies, and hold events and meetings to promote a better understanding of the Ecuadorian reality

- Disseminate the results of research projects implemented, using communication and publication techniques most appropriate for the social groups and institutions targeted<sup>38</sup>

Esquel has also established a set of eight 'institutional principles' that guide its activities in a fashion coherent with its objectives. These principles encompass respect for laws and individuals; solidarity with the poor; tolerance of all creeds and ideologies; environmental protection; cultural plurality; support for local initiatives; and the generation of institutional and financial mechanisms to mobilize under-used or neglected resources.

Esquel convened a national workshop in 1990 with the aim of communicating its mission and vision, ensuring that these were perceived as valid by many Ecuadorians and enriching them through other perspectives. The workshop was attended by twelve representatives of 12 NGOs and grassroots organizations, three public entities, and individuals concerned with social and economic development.

Participants discussed in depth Esquel's philosophy, policies, strategy, action areas, project formulation and evaluation, and organizational design. The outcome of this workshop, according to Esquel's Director of Development, Boris Cornejo,

...was general agreement that we were well oriented in our mission and vision and that our institutional structure and organizational design were consistent with our work proposals. But more important was the participants' contribution to the Foundation... Due to their experience in working with the neediest sectors of the population, they were in a position to tell us what we should and should not do.<sup>39</sup>

After gaining support for the foundation's mission at the local level, Esquel also involved strategic international organizations. In mid-1991, Esquel convened a workshop with representatives of national social development organizations, as well as delegates from the Puerto Rico Community Foundation, the Carvajal Foundation (Colombia), the Mexican Foundation for Rural Development, the Center for Development Research and Promotion (DESCO, Perú), the Rockefeller Foundation, the Synergos Institute, Esquel Group Foundation, and the United Nations Development Program (UNDP).<sup>40</sup>

The workshop not only served to communicate Esquel's mission and vision internationally, but also provided Esquel with an opportunity to learn from the experiences of other foundations and institutes on policy and strategy formulation, institutional organization, fund-raising procedures, and endowment-building and management.

To accomplish its objectives, Esquel delineated five key strategies: networking; co-financing community efforts; capacity building; convening of civil society in search of consensus; and promoting social responsibility. Esquel decided to follow these strategies in the belief that they social value to the development process, resulting in the empowerment of individuals and institutions.<sup>41</sup>

## Example 2

Institutionalization of a Founder's Vision  
*Child Relief and You (India)*

Child Relief and You (CRY), an independent trust created in 1979, was founded by social activist Rippan Kapur to raise and channel support and funds to restore a right to food, shelter, health and education to Indian children.

During its first decade, CRY's purpose was expressed through the values and vision of Rippan Kapur, a few similarly committed friends, colleagues and, eventually staff. Kapur did not articulate this vision into a formal statement. This is not to say that CRY did not have a mission. A mission statement is an expression of an organization's purpose that helps transmit this purpose to staff, board, donors, other organizations and the public at large. CRY achieved these ends through years of close and shared working experiences with its staff and volunteers and a track record growing out of its support for children.

*Articulating the Mission*

CRY had grown from a one-person organization in 1979 to 231 persons in 1998. As the organization grew and activities diversified, more attention was given to reinforcing institution-building processes. Growth made it increasingly difficult to operate solely on the basis of shared values and spurred the staff to feel the need for a formal articulated statement of mission, objectives, values and guiding principles that would embody the essence of the founder's purpose.

In 1989, a staff team took on the task of articulating a mission statement. Pervin Varma, a member of the team, said that the team sought to translate the organization's action agendas from previous years into statements of mission and objectives. The mission statement, which was refined through the comments of board and staff, emphasizes the organization's role as a facilitator to connect and empower both beneficiaries and donors.

CRY's mission statement was articulated as follows:

To make people responsible for the situation of the deprived Indian child and so motivate them to confront the situation through collective action, thereby giving the child and themselves an opportunity to realize their full potential.<sup>42</sup>

Four objectives were defined and three strategies presented as the instruments to achieve them:

**Objectives:**

- To discover people with values committed to applying their knowledge and skills to serve their fellow human beings
- To help such people to translate their ideas into tangible, ongoing projects
- To act as a catalyst in bringing together like-minded individuals whom may join forces to enrich their work and widen their impact
- To develop and harness the "You" element in "Child Relief," by facilitating the contribution of expertise from professionals in all disciplines, as well as contributions of resources however small the amounts, from a wide base of individual and corporate donors

**Strategies:**

- To create awareness of the problem, involve people, sensitize the giver to the needs and rights of the less privileged
- To suggest ways in which people can participate in the process of change
- To provide comprehensive support to development initiatives in India, with a focus on communities that are socially, economically and politically deprived or disadvantaged<sup>43</sup>

## Example 2

## Mission, Vision and Roles

*Foundation for the Philippine Environment*

The mission of the Foundation for the Philippine Environment (FPE) rose out of the extensive consultation process that characterized its formal establishment in 1992. FPE was established to address the problem of environmental degradation affecting the Philippines. Its creation was the result of consultation among the US Government, the Government of the Philippines, coalitions of Philippine NGOs, a lobbying effort based in Washington D.C. and the World Wildlife Fund. This process of consultation is a core element in the culture of Philippine NGOs, and an instrument to decide NGO practices, policies and organizational initiatives.

In 1991, members of the recently created Interim Board held a preliminary workshop to brainstorm on FPE's development and to generate ideas on how it would make its grants. During this meeting, Board members agreed that the formulation of a mission statement would be linked to the overall consultation process.

In July 1992, the Board of Trustees was established. It created several committees to facilitate its work. A three-year business plan was drafted. Included in the plan were a draft statement on the mission, vision, roles and guiding principles of the new foundation. Until early 1993, the Board, concentrated on processing project proposals submitted for funding and completing administrative aspects of the debt swap mechanism that would provide an endowment to fund conservation activities. The Interim Grants Program period ran from September 1991 to December 1993.

It was only in April 1993, during its fifth regular meeting, that the Board finalized its vision and mission statement during a formal visioning and strategic planning workshop that was attended by all Board members and selected staff. As an outcome of this workshop, a Strategic Plan was adopted, containing:

- A statement of vision and mission
- A statement of values
- A statement of goals, objectives, strategies and activities

**The Vision:**

FPE envisions an ecologically balanced, clean, and healthy environment with communities living fully and caring responsibly for the environment.

**The Mission:**

A nonprofit, non-governmental organization, the Foundation for the Philippine Environment (FPE) exists to be an active, self-reliant, sustainable, and innovative catalyst of biological diversity conservation and sustainable development of the communities in critical areas needing protection and conservation.<sup>44</sup>

**During its ninth meeting in October 1993, the Board of Trustees suggested an addition to the mission statement:**

FPE is committed to provide financial resources needed to strengthen and support non-governmental organizations (NGOs), people's organizations (POs), and communities to enable them to be pro-active and capable agents of biological diversity conservation and sustainable development activities.<sup>45</sup>

**To achieve its mission and vision, FPE defined its roles as follows:**

- *As a Grantmaker:* FPE is essentially a grantmaking foundation. FPE does not implement projects on its own, but initiates, assists and finances biological diversity conservation and sustainable development efforts. In addition, FPE aims to strengthen the capabilities of local civil society organizations and communities in enhancing biodiversity conservation and sustainable development.
- *As a Fund Facilitator:* FPE will not rely entirely on the income of the endowment fund, but will seek to generate additional financial resources to support projects. It will also provide linkages between project proponents and donors.
- *As a Catalyst for Cooperation:* FPE aims to encourage cooperation among international and local communities, governments, business groups, NGOs and other civil society organizations, towards the development of policies and effective programs for biodiversity conservation and sustainable development.<sup>46</sup>

**The Strategic Plan also lists a set of twelve values that guide the foundation's actions. These include: community orientation, equity, stewardship, gender equity, commitment, excellence, integrity, wholeness, simplicity, teamwork, innovativeness and openness.**

**The document presented the goals and objectives of the foundation for the next five years (1994-1998). The goals included:**

1. To initiate, assist, and finance projects that support bio-diversity conservation and sustainable development efforts. FPE will strengthen the capabilities of NGOs, POs, and local communities to be significant agents of bio-diversity conservation through stewardship and responsible management of the natural resources and ecosystems in their environment. (grantmaking)
2. To generate additional financial resources for funding qualifies projects in bio-diversity and sustainable development and to provide financial linkages between project proponents and donors. (Funds facilitation)
3. To encourage international and local cooperation between and among communities, NGOs, POs, business groups, and governments towards the development of policies and effective programs for bio-diversity conservation and sustainable development. (Catalyst for cooperation)

A set of detailed objectives was then defined for each goal:<sup>47</sup>

**Goal 1 - Grantmaking: Objectives**

- Rehabilitation and stabilization of 50% of 30 environmentally critical sites by 1998 through the combined efforts of the Philippine Government, non-governmental and people's organizations, and donors
- Conservation up to 1998 of biodiversity resources existing as of 1995 in the identified sites

**Goal 2 - Funds Facilitation: Objectives**

- Financial partnerships with three (3) international donor institutions by 1998.
- Generation of additional funds totaling US\$25 million through various financial mechanisms and leveraging programs by 1998

**Goal 3 - Catalyst for Cooperation: Objectives**

- Formal collaborative programs among NGOs, key government agencies and business organizations to influence the setting of policies related to biodiversity conservation and sustainable development by 1996

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- <sup>18</sup> *Ibid.*
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- <sup>20</sup> *Ibid.*
- <sup>21</sup> Salazar, *op cit.*

<sup>22</sup> Del Rosario, *op cit.*

<sup>23</sup> Foundation for the Philippine Environment. Documents.

<sup>24</sup> Del Rosaria, *op cit.*

<sup>25</sup> *Ibid.*

<sup>26</sup> Foundation for the Philippine Environment. Documents

<sup>27</sup> Del Rosario, *op cit.*

<sup>28</sup> The institutions visited included the Lexington Herald-Leader, Kentucky Cabinet for Economic Development, Human/Economic Appalachian Development Corp., Community Ventures Corporation, Center for Economic Options, Appalshop, East Tennessee Foundation, Community Shares, Highlander Center, the Inner City Community Development Corporation, the Commission on Religion in Appalachia and the Appalachian Community Fund.

<sup>29</sup> Trip Report on the visit to the Fundação para o Desenvolvimento da Comunidade (FDC) and the Kagiso Trust by ORAP staff members

<sup>30</sup> *Ibid.*

<sup>31</sup> Report on Strategy for Assembling a Steering Committee for the Community Foundation of Western Zimbabwe. Internal document. 1996.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Ibid.*

<sup>34</sup> Memo from the Synergos Institute to USAID, March 21, 1997.

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