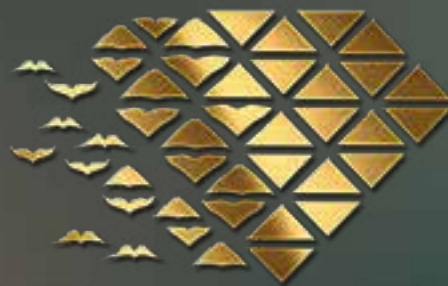

EMPOWER FAMILIES FOR INNOVATIVE PHILANTHROPY

3RD MEETING | FRANSCHHOEK, SOUTH AFRICA | OCTOBER 10-14, 2015



ERFIP

THE BUSINESS OF GIVING

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INTRODUCTION

The 3rd ERFIP meeting was opened by Firoz Ladak, CEO of the Edmond de Rothschild Foundations, and Ariane de Rothschild, President of the Edmond de Rothschild Foundations. Firoz Ladak welcomed the philanthropists from Africa, Asia and the Middle East. He noted, that the Edmond de Rothschild Foundations (EDRF) had successfully made the choice of applying business acumen to philanthropy. He argued that a business mindset in philanthropy helps generate sustainable impact and social change.

EmpowerR Families for Innovative Philanthropy (ERFIP) aims to bring together families involved in Frontier Philanthropies to exchange their experience and best practices thus building a cogent voice that needs to be better heard. The priority areas that ERFIP focuses on are:

- Promote peer to peer exchanges and showcase successful models
- Highlight contributions achieved through private philanthropy
- Catalyze new opportunities for philanthropic collaboration
- Reinforce the presence of Frontier Philanthropies on the global stage
- Boost linkages among business, philanthropy and economic development

From Switzerland, Ariane de Rothschild welcomed participants. She emphasized the importance of **convergence**: close linkages of topics and approaches that will create synergy among various disciplines whether business, philanthropy, education, science and technology. This kind of design thinking can bring exciting opportunities, which if captured adequately, will be essential in dealing with global challenges.



BIRD'S-EYE VIEW OF FRONTIER PHILANTHROPIES

EMERGENCE OF KEY THEMES

Ebba Augustin, CEO SAANED Philanthropy Advisory, set the stage for the following sessions with a birds-eye view of recent development and trends in *Frontier Philanthropies* in Africa, the Arab region and Asia.

The presentation 'Bird's-Eye View of *Frontier Philanthropies* provided common ground for the meeting with a general overview of trends in philanthropy in Africa, Asia and the Arab region. A number of general themes were touched upon in the presentation and resurfaced several times in the different sessions over the two days. It is worth drawing some of these out in order to highlight them.

THE CONTESTED LANGUAGE OF PHILANTHROPY

The discussion of global philanthropy (and the borrowings and adaptations among different countries), however, is more difficult due to the lack of a common language. Many of the terms commonly in use among foundations and philanthropy professionals have originated in the US, or at the very least in the global North, and they don't always translate satisfactorily into other traditions. Foundations are invariably part of the society in which they operate - in fact they are institutions of the establishment *par excellence*, arising directly from the accumulation of a society's wealth. This does not, however, undermine the idea of 'global philanthropy' or the idea of a common purpose. Rather the diversity of practice and approach is a source of strength; it enables borrowings and adaptations as well as a sense of solidarity and mutual support.

Safe issues are those that do not challenge the established order and are not perceived as threatening by the government.

Edgy issues are those that challenge the status quo and are, or perceived to be, indictments of government.

For example, in Africa individual giving is not the same as it is in the US. African families are very community-minded, and there is a strong tradition of advice and support to members of the extended family. Where do you draw the line between helping family and philanthropy? Frameworks should thus be redefined in the African context, as in other parts of the non-Western world.

This does not mean that any discussion of family philanthropy in a global gathering necessarily involves people talking at cross-purposes, but it does underline the need for caution in the use of terms that are often taken for granted.

"SAFE" AND "EDGY" CAUSES AND RELATIONSHIP TO GOVERNMENTS

Governments may see family philanthropy or foundations as auxiliaries, both morally (they are in some senses both representatives and guarantors of the existing order) and materially (they can supplement state welfare provision). If foundations stick to straightforward service provision, they are likely to have the government's approval.

Yet most frontier economies have restrictive laws governing philanthropy and private giving. Complex legislation is often perceived as a government approach to exercise control. If regulations are vague and confusing, it becomes hard for philanthropy to engage in social justice and rights issues and gauge a government's level of comfort and navigate the maze of legal restrictions.

Foundations and philanthropists that operate in a general climate of state suspicion have evolved tactics to suit. This often involves the sanitization of potentially inflammatory terms and the presentation of a contentious issue in a different, more practical guise. Philanthropic organizations in frontier economies use various strategies to attain government approval. For example, language: instead of using the term poverty line – poverty being a condition whose existence can be denied – philanthropy uses the term "sufficiency line" for a decent living when broaching the issue, thus making it acceptable. Or in other cases, focus on concrete problems in local communities is allowed so long as rights-based language is avoided. For instance, a program to feed rural children is safe, and can even be supported by the state, so long as it is portrayed as simply meeting a need; if it is clothed in the language of rights, the story would be very different.

The possibility to cooperate with governments ends when philanthropic organizations uncover and tackle systemic injustice for which the government is responsible or complicit. At this point relations between the government and foundations break down almost everywhere in the world.

Dealing with such complexities, a new definition of edgy was proposed. It is possible to be innovative but not confrontational. CSR programs for example can be safe while on the private foundation side initiatives can be edgy. There is a need to understand how foundations can achieve impact without having walls being put up against them (i.e. the promotion of civil liberties by US foundations abroad). Philanthropists from emerging





economies who often solve issues at the bottom end should not necessarily confront government. The key questions in the dichotomy between safe and edgy remain: should private philanthropy only be involved in execution or also in policies? Should they not deal with the root of problems, not only with symptoms and/or consequences?

FOR-PROFIT OR NON-PROFIT?

The language of social *investment* should not mislead us into creating a dichotomy between for-profit and not-for-profit activities. There are many examples where the two are intelligently combined. Current buzz around social or impact investment does not remove the fact that it is emerging as a new asset class whose shape cannot yet be clearly discerned. More time and exploration are required before judgments can be made about positive outcomes and sustainability. The absence of a final judgment should not dissuade experimentation in this emerging field though!

A BUSINESS MINDSET

A business mindset to philanthropy is developing across the world. It focuses on key principles of long-term funding and capacity building to reach strong, sustainable organizations able to generate significant social impact. Impact investing and social investment are emerging fields of philanthropy. Entrepreneurs whose ventures intentionally seek to create strong social value through a sustainable business model. Impact investment and venture philanthropy are operationally very similar; but while the former typically expects a financial return the latter does not. In impact investment especially, available funds find it difficult to identify a satisfactory project pipeline.

Moreover, efforts to boost and regulate corporate giving are slowly spreading across frontier economies. Mauritius, Indonesia, South Africa and India have their respective regulations in place and others are exploring their viability.

DO IT YOURSELF OR DO IT THROUGH NGOS?

The growing appetite for more direct involvement in philanthropy is not confined to the younger generation. There is a growing tendency for foundations to directly operate their own programs, distinct from traditional grant making.

But there are other factors involved here. Mistrust of NGOs, for example – not necessarily of their probity but of their capacity to carry out the work that donors want to achieve. This is not only true in countries without a

well-developed social sector, where one might expect additional time to build trust in NGOs and civil society, but also, for instance, in Spain and even in the US. Many foundations seek to be both grant making and operating foundations, with those who began life as pure grant makers increasingly developing an operational arm.

DEMOCRATIZING PHILANTHROPY

Philanthropy is no longer just for the wealthy. The rise of crowdfunding and the increasingly wide reach of the Internet mean that anyone with access to a computer can be well-informed and contribute to any cause that interests them anywhere in the world.

Second, the growth and spread of forms of community philanthropy, of which the most notable is the community foundation, is increasingly drawing local money and support to local issues. In both cases, the sums of money involved – or other assets such as time and skills – might be modest but they can still have significant impact.

In regions of the world where institutional philanthropy is less well established, there are immemorial forms of mutual aid, offered by people either to their extended family or to other members of the local community. Again, this might be in the form of money, goods or time.

Philanthropy is not only about giving money. There is a strong tradition of (unrecorded) mutual aid, members of poor communities giving to other community members and to members of their extended family. These actions would fall outside of what is often considered “philanthropy,” but are essential to the larger idea of democratizing philanthropy

RELIGION AS A MOTIVE BUT NOT AN OBJECT

Religion has played a huge part as the wellspring of philanthropy, often supplying both the motive for giving and its object. It still plays a large part in *Frontier Philanthropies*. Though giving springs from religious precepts, it does not necessarily follow that its purpose is the promotion of that religion. Very often giving motivated on religious grounds are for any number of social purposes. In fact, it is precisely in the mingling of these motives that new directions are opened and new possibilities arise.

A NEW GENERATION

Young philanthropists are more likely to be actively involved with the projects and organizations they support than their parents. They are interested to see and measure the impact of their giving. They also possess a greater awareness of global issues than their parents' generation

REGIONAL TRENDS

AFRICA

Africa is a large continent with 54 nations and diverse cultures and histories. Philanthropy is not new to African societies. Reciprocity and giving are age-old practices that manifest regardless of socio-economic status; it is part of the currency of how communities and societies function. However, there are some shared current trends in philanthropy. Most have a common history of colonialism, insufficient governance mechanisms and, for many, on-going aid requirements. At the same time, indigenous forms of community sustenance and sharing have existed for millennia as communities have had to cope with regular crises. The concept of “Ubuntu” is considered a key value in traditional African culture. It means “I am who I am because of who you are.” “Ubuntu” as form of giving and self-help continues to prevail.

Ubuntu is Swahili for “I am who I am because you are who you are.” It reconciles individuality and diversity as being necessary the health and balance of the whole.

Africa is a religious continent with various forms of Christianity as well as millions of Muslims. Faith-based organizations play a significant role in the charitable sector and their contributions to various community development programs are considerable.

South Africa and other African economies, such as Ghana, Zambia, Mozambique and Botswana, have seen the rise of a new elite who are under substantial pressure to give back to society and their communities. These large demands have not translated yet into the emergence of formalized philanthropy though.

Impact investment and venture philanthropy are operationally very similar. While the former expects a financial return, however, the latter does not. In impact investing especially, the available funding is not matched by a sufficiently deep project pipeline.

Only a few Africans have joined the giving pledge campaign led by Warren Buffet and Bill and Melinda Gates. Indeed, a considerable number of African philanthropists prefer to give anonymously, so accurate numbers of private giving are hard to come by.

Corporate giving in South Africa experienced considerable growth during the 1970s disinvestment campaign. The Sullivan Codes included the requirement to reinvest in South African society, particularly to alleviate poverty and to develop disadvantaged communities. This inculcated a culture of corporate social investment, which spread across the business sector and remains to this day. Corporate giving has been further impacted by the broad based Black Economic Empowerment legislation that compels corporate giving for socio-economic development.

Private foundations have existed in South Africa since the 1930s. They were originally established by wealthy individuals, and some have substantial endowments that have grown over time. Most of these foundations operate discreetly, and there is currently no significant research that has been done to identify their size and scope. The sector has major potential for growth and South Africa has seen the emergence of a new black elite, some of whom have established private foundations for their giving.

Until recently, impact investing in Africa had been led by Western equity firms, which found it difficult to identify companies that fit their private equity derived criteria and strict economic, social and governance (ESG) requirements. Specialized funds like Leapfrog, Acumen, Abraaj Capital or Root Capital have focused primarily on East and Southern Africa. Private impact investing remains nascent in French speaking Africa where often the state is the core provider of social good and economic incentives. IT, health and agribusiness are sectors with good opportunities to broaden the scope of impact investing. Southern Africa has a number of community and re-granting foundations that undertake important work to uplift communities that have little access to other funds.

ASIA

‘Asia’ is shorthand for a diverse collection of countries at very different stages of development and maturity of their philanthropy and social investment. Other than a geographic qualification, there is no concept of being ‘Asian’. The Indian, Chinese and Japanese civilizations are quite separate; and the Thais are very different from the Malays and Vietnamese. Philanthropy hence is developing differently across ‘Asia’.





Despite the differences, there is much the continent's countries share, including similar social problems (though strategies and ways to address them vary because of cultural and legislative differences). Most of the foundations and philanthropic families are young. Fast wealth creation, an emerging middle class and large, underserved markets for low-cost goods and services create the conditions for an emerging impact investing sector.

An example is Rumah Zakat in **Indonesia**, a professionally managed and highly collaborative foundation. Rumah Zakat was set up to channel and manage zakat donations. It has currently 121,000 donors, contributing \$15.2 million annually. Rumah Zakat illustrates that even conservative, religious giving in the region is entering the social investment sphere.

Since **China** passed legislation in 2004 easing the conditions for foundations, their numbers have grown considerably. There are now around 600 and they are being created at the rate of between 60 and 70 a year. Three main types have emerged: think-tank foundations, grant-making foundations and public foundations (which have no endowment and raise funds). The rise of Chinese philanthropy has multiple roots: Chinese government looks at the foundation sector with cautious approval; yet Chinese companies have seen the advantage of philanthropy in promoting their name; with still recent accumulation of wealth, growing links with the US in the last ten years have served as an example; as in other countries, philanthropy helps Chinese donors fulfill their aspirations to help others; and most important in China, it is perceived clearly as preserving family legacy. Putting their wealth in the form of a trust enables Chinese donors to pass their estate to their children intact, without fear of its being dissipated.

How philanthropic organizations and the Chinese government can work together is illustrated in a nutrition program launched in 2012 to feed poor rural children. This was funded by the foundation sector with an initial investment of €3 million, which increased to €6 million. Its success was such that the government took up the program and has pledged €3 billion a year to it.

Impact investing is experiencing significant growth. Aaviskaar (an innovator in early stage investing) has been investing in Indian social businesses. It has a track record of successful exits and over \$155 million under management. Others are the Japanese ARUN syndicate investments in Cambodian social businesses; Sow Asia, Transist Impact Labs, and B Current Impact Investment in Greater China. In Asia, as elsewhere, the problem is not a lack of funds but the shortage of investment ready, high potential social businesses.

There is a large potential for philanthropy across Asia with new as well as existing wealth that could flow into the social sector. Lack of transparency and concerns about the effective use of donations continues to prove a barrier. In addition, a large pool of volunteers is ready to provide support on the human capital side through professional service firms and corporate CSR programmes.

China legalized foundations in 2004 and since then, 600 have been registered. They fall into three categories: think-tank foundations, grant-making foundation and public foundations. Public foundations have no endowment and raise their operating funds through donations made by the public.

Yet governments are the main limit to philanthropic work and the civil society space continues to be threatened, especially for philanthropic organizations involved in human rights issues and those that question actions of government and corporations. Foundations develop coping strategies, like not working in the sphere of politics or framing their work in terms of human, women's or children's rights.

MIDDLE EAST

Since 2011, the Middle East has been in upheaval. Philanthropy initiatives in the region are pursued against a background of deep societal transformation, with governments striving to maintain their grip. Reactions range from careful reforms (Morocco, Jordan) to civil war (Libya and Syria); from slow, uneven progress towards democracy (Tunisia) to the re-strengthening of grip by the state (Egypt). 'The old world is dead, and we are still awaiting the birth of a new one'. The political developments in the region have had vastly different effects on the philanthropy sector. Some donors have been frightened by the events of the Arab Spring; others are inspired to engage actively in various types of social ventures.

Giving is a deeply ingrained practice in Arab culture. Zakat, Waqf (religious endowments) and Takaful (solidarity) are either compulsory or at least common practices that underly deeply-engrained values. The concept of giving in the Arab region is largely personal and directed to those nearest to the giver. Estimates put Zakat across the Muslim world between 200 billion and 1 trillion USD annually.

Philanthropists in the Arab world still mostly support 'safe' activities: health, education, feeding programs during events like Ramadan, distribution of cash to needy families, youth employment. Less support is given to 'political' or 'edgy' activities to tackle root causes of problems, like human rights and policy changes. Private foundations tend to stick to service provision rather than addressing deep structural issues.

The Arab world scores comparatively low on the 2015 BNP Paribas Individual Philanthropy Index (30.3 compared to 49.5 for Asia) principally because of poor scores on assessment criteria such as promotion and innovation

The old world is dead, and we are still awaiting the birth of a new one.

Sources of funds vary: in Tunisia most philanthropic money comes from outside the country, whereas in Saudi Arabia, philanthropic money is generated and spent almost entirely in country.

The **Gulf Region** is one of the most philanthropic regions in the world in purely financial terms. Last year, the UAE replaced Norway as the largest provider of development aid, and Saudi Arabia is one of the world's largest donors of humanitarian assistance. In a number of recent natural disasters, from Haiti to Japan, Saudi contributions far surpassed those of any other donor worldwide.

Private giving is extremely discreet, and giver and receiver are for the most part anonymous. Governments in the Gulf States exercise close control over the foundation sector. Though the attitude to non-profits has relaxed some, there are still onerous laws which delay registration and establishment. Engagement with the government tends to be a matter of compliance – fulfilling legal and financial requirements – rather than real partnership. Most foundations are conservative and don't take risks.

In Turkey (albeit non Arab- is included in the Middle East in this report), the Waqf flourished in Ottoman times, and established the framework for charitable giving that would emerge in the 1960s following the growth of private wealth and the founding of many new foundations. These foundations filled gaps where state provision lacked and often invested in the 'hardware' of social welfare, building schools and hospitals. To date this sole focus of approach is questioned, and interest in funding social justice issues and emphasis on outcomes is on the rise.

The giving pledge went largely unanswered in the Arab region until mid 2015 when Dubai based and Indian-born billionaire Sunny Varkey became the first Individual from the GCC to join the pledge. 2015 also saw a significant departure from the region's characteristically anonymous giving. Prince Alwaleed bin Talal (KSA Kingdom Holding) pledged \$32 billion of his wealth to "build bridges, foster cultural understanding, develop communities, empower women, enable youth, provide vital disaster relief and create a more tolerant and accepting world," and Abdullah Ahmad Al Ghurair (UAE Mashreq) pledged one third of his wealth (an estimated 7.5 billion dollars). This could potentially be a watershed moment and prove an example to the region's 36 billionaires

While traditional charity is still dominant, many new Arab philanthropists believe giving needs to be more strategic and connected to creating change. Consequently, they are willing to experiment with new partnerships and modes of giving..

CONCLUSIONS

In Africa, most giving is in the vicinity of the donor's family or community. Family wealth is invested and used for social causes and emphasis is place on preserving and protecting wealth for future generations. Family philanthropy often directly implements the programs it decides to support, rather than giving grants for NGOs to do such programs. NGOs are considered as providers of social services that help governments fulfill their responsibility to society. Therefore, not enough cooperation happens between NGOs and family philanthropists and thus can keep interaction with government to a minimum.

In Asia, some governments are slowing reforms initiated to facilitate the work of private philanthropy. They introduce disabling regulations that discourage giving and restrict the work and scope of philanthropy. Foreign

funding for philanthropy organizations is also being targeted by some governments. In regions, for instance, regulations requiring the wire transfer of funds prove onerous or impossible due to the country's limited banking infrastructure and the poor access of beneficiaries to banking services. These challenges make financial support and development work challenging.

In the Middle East, there is an enduring lack of role models for giving due to the tendency of philanthropists to be discreet and avoiding public exposure of their charitable activities. An increasing number of family offices have diversified their activities to include philanthropic engagement. When dealing with edgy issues, the approach is incremental and rarely confrontational.



THE CHANGING FACE OF PHILANTHROPY

FROM GIVING TO INVESTING

The involvement of the private sector and the application of a business mindset can extend leverage, achieve “impact at scale”, and lead to sustainable structural change in economic and social development.

The premise was addressed through an Oxford-style debate between Vidya Shah (**EdelGive Foundation - India**) and Farrokh Captain (**Captain Industries - Pakistan**) and Nicola Galombik (**Yellowwoods - South Africa**) and Erdal Yıldırım (**Vehbi Koç Foundation - Turkey**).

THE ARGUMENT IN SUPPORT OF THE MOTION WERE SUMMARIZED AS FOLLOWS:

- Business brings accountability and measurability
- Business can take risks
- Important to lead things with the head and not be driven by the heart

THE ARGUMENT AGAINST WERE SUMMARIZED AS FOLLOWS:

- Business focuses on the “how” whereas the “why” should be the driving force
- Business focuses on the tangible and safe investment whereas it is the intangible and the edgy issues that are the essence of effective social change
- Innovation, efficiency, value chain are all attributes that are not solely restricted to business
- Edgy issues, of essence to social good and change, are often incompatible or hard to reconcile with a business mindset
- Business mentality encourages a focus on short term results, and can actually make philanthropy less effective

THE MAIN CONCLUSIONS OF THE DISCUSSION WERE THE FOLLOWING:

- It is essential to find balance between the why and how, the tangible and intangible, the edgy and the safe.
- CSR too often focuses on compliance rather than true social change.
- A business approach is only one component in the tool box.
- It is important to build on the spectrum that lies between the two arguments rather than on the extreme ends. One must define the shape of success. Does it meet the value target and is social change at the core of those values?



THE CHANGING FACE OF PHILANTHROPY – PHILANTHROPY AND INTERNATIONAL DEVELOPMENT

Solving social and economic challenges requires re-imagining the development paradigm and the way governments, businesses, foundations, philanthropists and non-profits work together. Involvement of the private sector and the application of a business mindset can help extend leverage, achieve ‘impact of scale’ and lead to sustainable structural change.

While private philanthropy often separates giving from earning, how can such lines be blended without compromising social good? Would such application be a mirage or a new paradigm? How can private philanthropy be heard not only for the money but for all the ideas it brings to the table?

This session explored the extent to which business principles such as investment time frame, innovation, market adaptability, branding, and financial sustainability can apply to social transformation.

Significant funds to the three regions - namely Africa, Asia and the Middle East - are channeled from government to government. The private sector is not yet seen as a serious partner in development and hence largely left out. This is despite the fact that large funds of development aid have not produced the desired results and are often simply wasted. Private philanthropy has models that work and should become a cooperation partner in aid efforts.

Several philanthropists shared their experience with donors and other development actors. Ali Siddiqui (Mahvash & Jahangir Siddiqui Foundation - Pakistan) reported on the experience of cooperation with NGOs and DFIs in entrepreneurship and humanitarian relief. In the 2005 earthquake and the 2011 flood, the Foundation partnered with OXFAM and USAID. He drew several lessons learnt from the cooperation:

No single actor is able to effectively respond to natural disasters because of the scale of destruction. The needs and expertise are vast and complex.

No single actor is able to effectively respond to the emergency because of the scale of destruction; the needs and expertise are vast and complex. Countries cannot effectively be ready for emergencies of such magnitude and every disaster is different. In Pakistan, the military responded effectively to immediate needs, but they could do little else for the long-run. The provincial disaster agencies, the federal agencies and the UN filled that gap. These actors had significant resources and well-trained staff because many subsectors were involved such as psychological support, nutrition, health etc. However, they also needed time to mobilize and raise additional needed funds. This is where the private foundations could come in and fill the gap, albeit not only financially.

There is significant voluntary help available but often volunteers are not trained and can clog up the system. At the same time, private foundations can manage the building of emergency shelters and camps with their own funds and complement those coming from agencies such as UNHCR. Private foundations can also erect schools in cooperation with UNICEF (who would operate the schools) and subcontract local NGOs. In order to fulfill this role, though, private foundations need additional expertise in coordination and outreach. It is also important for philanthropic organizations to learn to navigate the systems of large donors and UN organizations. Moreover, philanthropists need champions within these organizations to guide them: "Tell us how to interface with you!"

Another example of cooperation of private philanthropy with bilateral aid was concerning support for SMEs and impact investing. Following its perception of a successful experience in developing funds for SMEs in Eastern Europe, the US Congress expanded this approach under the foreign assistance bill. In 2010, this model, in which professional fund managers manage the assistance, was earmarked for replication in a number of countries, including Pakistan. After lengthy negotiations

with the local philanthropic community, dedicated funds were agreed to on with a 1 to 1 matching basis. The US Congress gave its approval and 70 million dollars were allocated for Pakistan. Abraaj Group and the Mahvash & Jahangir Siddiqui Foundation were given 24 million dollars each, matched by the foundations' own capital or raised funds. This created a 50 million dollar fund for SMEs with most of the money being channeled through local foundations and Pakistani educational institutions.

Ahsan Jamil (**Aman Foundation - Pakistan**) has himself been on a learning path engaging with large donors. The challenge has been how to get successful projects in Pakistan to be replicated and expanded with international funding. Aman Foundation has had experience with USAID funding Aman's educational institutions with the Gates Foundation providing matching funds. In poverty reduction, 'edgy' issues are at the heart of the work.

If private philanthropy wants to bring massive social change, it has to engage with government.

SUSTAINABLE DEVELOPMENT GOALS (SDG)

Successor to the Millennium Development Goals, the SDGs are an intergovernmental set of aspiration goals covering a broad range of sustainable development issues. Adopted by the United Nations in September 2015, the SDGs serve to coordinate development actors and defines 17 goals.



The session's main points were

Philanthropy is becoming part of the business model rather than on the fringe.

Frontier philanthropists should be at the center of the discussion on development.

Philanthropy should fight against silos and barriers.

There is a need to focus on sustainability, deal with root causes instead of purely remedial initiatives.

Private philanthropy should take greater interest in policy

ERFIP could be a unique forum to allow *frontier philanthropists* to interface with institutional actors.

Poverty is essentially political as resources are sufficient but unequally distributed. Power structures and policies favor some and leave out others. If private philanthropy wants to bring massive social change, it has to engage with governments.

Jean-Michel Severino (**Investisseurs & Partenaires - France**) suggested that there is a need for family philanthropists to engage in policy discussion. International organizations and foundations often operate on opposing ends of the spectrum: policy-level versus frontline work; public versus discreet; large, dedicated funds versus discretionary funds. "We talk transaction, they talk policy; we talk millions, they talk billions." However, foundations bring incredible value to the table, including proven track record of success and legitimacy in their own countries.

A three-year process to establish the SDGs has resulted in a challenge to the world to eliminate absolute poverty. This is a tremendous endeavor and requires cooperation, dialogue and all stakeholders acting together in a coherent manner. It is important that foundations occupy their space in the global landscape and discussions.

One way is to engage as a group in forums where participants share common goals (such as the Convergences meeting in Paris). Until now, the philanthropic sector has been largely absent from these gatherings. A second strategy is to engage directly with policy-oriented players, such as the UN and the World Bank. The question of which goals matter most to philanthropists needs to be answered. Currently, most private foundations do not have the depth and experience to engage with large donors, especially those driven primarily by policy. Yet with their transactional focus, private foundations can leverage their expertise, models and programming to impact large donors and influence development policies.

In the corporate sector, Danone is an informative example of articulating transactional focus and policy. CSR and policy, particularly in nutrition, are clear priorities for the company. In its 50 years of continuous growth, Danone has seen the world go from resource abundance to resource scarcity. With activities across the globe, Danone knows that many countries continue to struggle with large-scale poverty, but knows equally well that the poor are future clients. Conscious that trust is everything, Danone and its staff have made a deliberate decision to be positive actors of change and not just work and earn. The company's mission is derived from what Danone calls contribution to the future of mankind. Bonuses are determined half on financial/commercial performance and half on social performance. Danone has also decided to engage massively in the policy debate. A company that relies on natural resources cannot survive when nature is destroyed. For Danone, policy engagement has become a core focus of its business.

Manu Chandaria (**Chandaria Foundation - Kenya**) noted that establishing the SDGs was markedly different from the MDGs. "The big boys" (governments and the UN) set the MDGs, and many countries did not achieve half of what was targeted. With the SDGs, it was clear that a broader group of stakeholders needed to participate. However, policy-driven agendas often forget to address the basic concerns of the people, individuals and communities the policies are meant to serve. The private sector and philanthropy can help to bring this focus back. They are closer to the ground and more in tune with what is fundamentally their client base. The challenge for them is scaling, which are dependent on cooperation and replication. Foundations need to multiply the effective social wealth and impact they achieve and should occupy the center, not the periphery.

Sustainability is also a challenge. Promising projects can run out of steam when funding ends. The question is how to build sustainable institutions in-country and channel funds toward building such indigenous institutions.

THEMATIC SHOWCASES

CAN PROFITABLE INVESTMENT IN HEALTH BRING ABOUT POSITIVE CHANGE?

Access to basic healthcare is a human right. Investing in healthcare makes for a strong economic argument. A recent IFC study 'Investing in Health in Africa' argues that Africa's current economic growth can be accelerated if concerted efforts are made to improve the continent's health care system. It further highlights the need of partnering with the private sector to deliver goods and services through efficiency and innovation. Where public health systems are failing, including in developing economies, what solutions can be provided by a for-profit approach and what are its limits?

Several examples of health interventions with demonstrated social impact were presented, each with a different financial model. Sach Chandaria (**Chandaria Foundation - Kenya**) explained how the Chandaria Foundation's investment in health sought to improve access to affordable quality services in poor communities, accepting the fact that the concern will likely never make a profit and depend on periodic funds to operate. For national coverage, one could catalyze better, more affordable care in existing public dispensaries, all the while keeping it the responsibility of the government.



Farrokh Captain (**Capitain Foundation – Pakistan**) does not accept the government's sole responsibility to provide health coverage. He presented an example of wide coverage, quality health service that is free of charge and funded entirely by private donations. Like Chandaria, he admits that this approach needs continual financial support, but is equally confident that private donors will always be found to support this model.

*“Ours is a
personal
society: people
give to people,”
Farrokh
Captain*

In a third case, James Chen (Vision for a Nation) is developing a socially innovative project to provide national access vision testing, particularly in Rwanda. The program screening is complemented by quality remedial action, whether in the form of medicine, referral to hospitals or provision of eyeglasses. Chen has developed adjustable eyeglasses, which are being marketed globally by AdLens. The company provides heavily discounted eyeglasses to Vision for a Nation, currently \$1.50 per pair, a price point that AdLens thinks will be financially sustainable when anticipated economies of scale are reached.

Iqbal Survé (Surve Family Foundation - South Africa) presented yet another social business, which he described as a blend between philanthropy and business, where he leveraged IT innovations to create efficiencies and cost savings within government hospitals and health services in Africa. This intervention needed his financial support initially, but once improved efficiency became evident, government decided to fully fund and sustain it.

The discussion highlighted ERFIP's networking possibilities. Ali Siddiqui and James Chen are exploring how to bring adjustable lenses to Pakistan, and Iqbal Survé will feature the story in his media outlets. The broad exposure could very well lead to wider replication of the model in Africa.

SOWING THE SEEDS: FOOD SECURITY AND PHILANTHROPIC INVESTMENT

Despite record growth in many Frontier Economies, food insecurity resulting from poverty, recurring drought, over population, and soil and water degradation is still a huge challenge. According to the World Food Program, roughly 100 million children in developing counties are underweight; 66 million primary-school-aged children attend class hungry across the developing world. Where most humanitarian aid has struggled to achieve long-term outcomes, can philanthropic capital be invested in areas such as sustainable farming and agro-innovation to address critical nutritional needs and improve livelihoods in rural areas? Can market-led approaches provide solutions to income uncertainty and food insecurity?

Jean-Michel Severino illustrated the gravity of the situation, a confluence of population growth, climate change's impact on agricultural production and the ripple effect on food security. Africa, already the world's second most populous continent with over 1 billion inhabitants, is experiencing a demographic shift unprecedented in scale and swiftness. Its population will reach 2.4 billion people in 2050. India, currently the second most populous country in the world, will overtake China to become the most populous nation by 2030. By 2050, India's population will be 1.6 billion and China's 1.3 billion. Climate change impact is most heavily felt in poorer countries. Bangladesh will be massively affected by flooding; Vietnam, Egypt, Tunisia and Indonesia are threatened by rising sea levels; Malawi is seriously affected by draughts. Climate change negatively affects agricultural productivity and weighs on food security in the most vulnerable countries.

Shahrayar Nawabi (**Magnus Kahl Seeds – Australia/Pakistan/UAE**) shared his successful experience in developing the production of onion seeds in Chitral, Pakistan, combining techniques developed in Australia and the existing production of onions in the Sindh and Punjab Provinces. Seed production in Khyber Pakhtunkhwa takes place on a large number of disparate land holdings, with over 500 small farmers in the low-income bracket and in need financial assistance. The project initially benefited from technical support from the Aga Khan Development Network, and today occupies a leading place in the local market, generating profits both for the company and for an expanding community of farmers.

Frontier philanthropy has an important role to play in food security. It can develop solutions for government to take to scale and bring a business approach to problems resulting from climate change mitigation and adaptation. Food insecurity is linked to framework conditions, including unsupportive regulatory environment, unequal distribution of resources and poverty, corruption and favoritism. These are *edgy* topics. Root causes can also be found in insufficient education, lack of nutritional awareness, unsustainable farming practices and barriers for women farmers. In these fields, safe, practical solutions can be devised, particularly by philanthropic organizations.

THE FUTURE OF TRADITIONAL EDUCATION - MORE BRICK AND MORTAR OR BETTER TEACHING METHODS?

Globally, four out of ten school-aged children will never enter a classroom; 250 million children either don't make it to grade 4 or don't learn basic reading, writing and math even after four years of school; 25 to 75 percent of children in the more deprived regions of poor countries cannot read a single word even after several years of school. Philanthropists worldwide give to schools, colleges and universities. Support ranges from endowment of chairs, support to research, finance of infrastructure and (more recently) curricula design. Where political will and structural inefficiencies fail to provide more schools and/or innovative curricula, can philanthropy step in, and if so in which areas?

Candan Fetvaci (**Aydın Doğan Foundation - Turkey**) highlighted the shift her organization has made from focusing on hardware (building of schools) to software (educational activities). The Foundation concentrates on girls' education and cooperates with UNICEF, UNFPA, UNWOMEN and others. This cooperation has allowed for a mutually beneficial "division of roles". The UN organizations are relatively free to comment on potentially edgy issues in girls' education that the Aydın Doğan Foundation might not, focusing instead on program design and implementation. A core aim is to improve access to education to low-income students, followed by ensuring the professional opportunities that should result.



For Fred Swaniker, great education relies on curriculum and methodology, great teachers and a culture of high expectations. If all of these criteria come together, the best education can be delivered under a tree.

Fred Swaniker (**African Leadership Academy - South Africa**) presented his philosophy, greatly influenced by a family history of starting educational institutions.

The African Leadership Academy (ALA) gathers the brightest African students, gives them the best secondary education on the continent and sends them to elite institutions of higher education, mostly in Europe and the US. In return, students commit to returning to Africa to serve as the next generation of leaders. ALA boasts 23,000 annual applications from 43 countries, and 80% of graduates have gone to top universities. The first cohorts are now returning to Africa. But the question remains, why did they have to leave in the first place. Clearly, there is an urgent need for creating the Harvard and Stanford of Africa!

Massive Open Online Courses (MOOCs) are online courses aimed at unlimited participation and open access via the Internet.

Building a traditional university is incredibly resource intense, both time and money. Serendipitously, a single incident at ALA turned the need for a *traditional* university on its head. Following the cancellation of a computer science class at the school due to faculty convalescence, several of the students approached the administration asking if they could continue the class online. Their suggestion was to attend the online classes in groups and then provide peer-to-peer support for another, assuming the role of both master and pupil. At the end of the semester, the peer-led class garnered a 95% 'happiness' rating – far superior to the course when a member of the faculty had taught it. Peer-accompanied online education was to kick-start a network of African Leadership Universities – effectively launching the most innovative universities in Africa, or even the world.

Students combine online learning with support from their peers and periodic interventions by faculty. Indeed, by decoupling research and teaching, it was possible to get great teachers into the classes, mostly professionals or recent graduates that simply love teaching. Once a week, the students attend faculty-led sessions to fill gaps from the peer-to-peer sessions. Otherwise, it's the students who take the lead.

The African Leadership Academy opened its first campus in Mauritius in fall 2015 and is rolling the model out across the continent. Clearly, it is a new approach to education and a challenge to traditional education in Africa. MOOCs have a great future in Africa!

The African Leadership model still relies on a physical campus, but Croton in Brazil has taken the digital paradigm even further. Croton has over 1.5 million students, half attend the physical universities, the other half attending online courses and meeting weekly for peer-to-peer learning. The dropout rates for the two models are almost identical: 10% in the physical courses and 11% in the online courses. The model uses buildings in downtown areas on the weekends and evenings for peer-to-peer meetings. The next leap will be moving even the peer learning to the virtual world.

EDUCATION IS THE MOST POTENT DRIVER OF PROSPERITY AND THE ULTIMATE EQUALIZER. WITHOUT EDUCATION, NO SOCIETY IS LIBERATED. EDUCATION, PHYSICAL OR DIGITAL, MUST ACCOMPLISH TWO THINGS:

- Enable students to get a job. In 2050, Africa will have the world's largest workforce, and barriers between education and employment must be removed. Cooperation with the private sector is key to achieving this goal.
- Integrate entrepreneurship and entrepreneurial training into education. There is no such thing as an unemployed entrepreneur. Students need to be enabled to start their own businesses, creating jobs for themselves and others. Education needs to drive innovation and promote lateral thinking as a core skill. Teachers need to empower students to question and challenge!

PHILANTHRO-TECH AND MEDIA: IF EXTREMISTS CAN DO IT, WHY CAN'T WE?

“In 60 seconds, more than 100 hours of film are uploaded to YouTube, nearly 350,000 Tweets are sent on Twitter, nearly a quarter of a million photos uploaded to Facebook and more than 3 million items are shared by its users.” Groups such as the Islamic State (ISIS) and Boko Haram are offering master classes in how to use social media and technology skillfully. The world struggles to keep pace with the innovative and “inspirational” approach of extremist groups. How can philanthropy investments in social media and new technology counteract rising violence and extremist ideologies? Or can they?

Omar Cissé (**Teranga Capital - Senegal**) shared several philanthropy tech and social media initiatives, like using social media to improve governance (Open Society Initiative for Africa) and the Ivory Coast's social media election initiative and a petition against tobacco use in public places. The Ivorian petition collected over 30,000 signatures and led to a smoking ban in public places. He raised the fragility of social media's economic model and their dependence on philanthropic money.

Gustav Praekelt (**Praekelt Foundation - South Africa**) said that philanthropists should not hesitate to do things that are not sexy, but needed. Contrary to the belief that social media provides you broad, diverse content, the reality is actually many small networks of mutually enforcing in-groups. The Praekelt Foundation was recently involved with a voter advocacy campaign targeted to the “born free” generation (those born after apartheid). There is little philanthropic support for this type of initiative, especially from outside of South Africa.



In social media, he stressed the importance of non-frontal campaigns, i.e. not overtly addressing the topic at hand. Sky Girls, for example, invited thousands of girls from across Botswana to join a community, to share their aspirations and dreams – and declare what they wanted, and didn't want to be. Unsurprisingly, many of the girls want to be healthy – and part of a healthy lifestyle is not smoking. Indeed, and perhaps surprisingly, Sky Girls is financed as a non-smoking campaign! The branding would never lead you to believe as much, but the audience reach and resonance of the 'don't smoke' message is much greater when woven into the fabric of a broader self-affirmation and empowerment movement for girls.

Social media is an extremely powerful means to inform and mobilize communities. Typhoon Haiyan in the Philippines showed how social media could be used very effectively to mobilize support, lobby for aid and improve the transparency of aid. On the other hand, extremist groups such as ISIS and Boko Haram mobilize large communities for much more sinister ends. The dominant challenge is providing accurate information in a timely manner, and helping users separate the good from the bad!

Gustav Praekelt was keen to remind everyone that technology is a neutral platform that can be used for good or bad. There are many examples of positive messages being spread on social media, counteracting the violent narrative of extremists and building bridges. One of those is the blog '**Humans of New York**'. Brandon Stanton has been taking photos of ordinary people since 2010 and sharing their personal stories. He has also visited Pakistan, again taking photos of a wide array of people, including women and men in bonded labor. When he portrayed a woman activist who is lobbying against bonding on his blog, her initiative raised more than 3 million dollars in a week's time! Such scale and rapidity was not possible a few years ago. Another example of powerful, positive narration is '**Upworthy**', a website that shares inspiring stories and initiatives that are in sharp contrast to the prevailing pessimism and sensationalism of the mainstream press.

Given the rapid spread of information, and the reactions it can provoke, Candan Fetvaci from **Aydin Doğan Foundation**, the philanthropic arm of one of Turkey's most prominent media families, stressed the importance of the quality and accuracy of information. When all information is carefully vetted, however, it is important to leverage all outlets, including print, TV, Internet and social media. Trust towards most media in the Global South is already very low, redoubling the importance of accuracy. Several independent "fact-checking" websites have been created to hold politicians accountable and control propaganda.

The place of big data was also discussed. Can big data help to combat violence and terrorism? Can it help philanthropists to build programs and develop services that better serve their beneficiaries? Using data is not neutral. Before embarking on programs that leverage collected data, philanthropists need to assess the invasion of privacy that is inherent to collecting data, especially if the data is specific enough to improve services and better reach society's weakest members.

Philanthropists must also decide what their role is in improving the population's understanding of privacy. The "girl effect" project showed that 13 and 14 year old girls have no concept of privacy – a potentially very dangerous finding. It is important to educate young people, and especially girls, on the Internet' privacy implications, so they can make informed decisions about what they share and understand what is a violation of privacy.

The session illustrated that there is no technological solution to counter extremism. The only antidote is strict adherence to good information, educating the public, and perhaps most important - building a compelling counter narrative. It is essential to equip political and civil society leaders with the resources to create these counter narratives. In Senegal, a media boot camp was created to this end. Venture capital philanthropy can also play a role in addressing the urgent need of counter narratives.

There is no technological solution to counter terrorism. The only antidote is strict adherence to good information, educating the public, and most important, building a compelling counter narrative.

EMPOWERING A GENERATION: SKILLS TRAINING AND ENTREPRENEURSHIP

Young people can't find jobs. Yet employers can't find people with the necessary skills. As millions seek to enter the job market every year, it is difficult to create opportunities for all. Business creation and new ventures are needed to expand economies and provide jobs. How can philanthropy work to improve both the urgent need for better match-making in employment and entrepreneurship opportunities? Should philanthropists focus and invest in specific sectors and if so, into which ones?

Africa suffers from an employment paradox. While youth unemployment and under-employment are high, private sector companies cannot find the skilled workers they need.

A DOUBLE PRONGED APPROACH TO SOLVING THE EMPLOYMENT PARADOX:

- training youth with skills needed in the job market
- empowering youth to start their own businesses and create jobs

Nicola Galombik outlined the challenges facing South Africa: high youth unemployment (63%), largely stagnant economic growth (some growth in high-skills sectors, but none in manufacturing and services), high social inequality and large structural and multigenerational inequality. Youth is effectively locked out of the formal economy: schooling is insufficient and an almost complete absence of peers in the formal economy.

The main question is how to match young adults, many of whom have partial education and no degree, a legacy of multigenerational poverty, and few skills with existing jobs. How do we translate youth employment into a transformational lever on their families? What is the most efficient approach and how is it scaled? And perhaps most essential, how does one involve business, government and the third sector?

The current employment qualification frameworks are not pertinent to the current challenges. Most jobs do not require all elements of formal education, but rather resourcefulness, creativity and discipline. Indeed, a *lengthy education may actually delay entry into the labor force*. Clearly new proxies need to be developed to assess and improve the skills that are most needed in the economy.

EMPLOYMENT PARADOX: VACANT JOBS AMIDST WIDESPREAD UNEMPLOYMENT

Many frontier economies suffer from massive un- and under- employment while jobs go unfilled. To resolve the employment paradox, unemployed people must be trained with the skills needed to fill vacant jobs. Implicating the private sector is paramount.

Yellowwoods is an investment holding company. Beyond a financial return, it seeks inclusive and sustainable growth for all of its investees. It understands the synergies among business, government and the third sector and the role each has to play in promoting employment. Yellowwoods works closely with the Harambee Youth Accelerator, developing the diagnostics and training that gets young people their first job. The model has generated 16,000 placements and 200,000 people in employability programs, at both Yellowwoods companies and a growing community of corporate partners. A partnership with the city of Johannesburg was also established to create a clearinghouse.

Persuading employers and businesses to change mindsets and the way they operate is a big challenge. Most businesses are driven by short-term results and a consequently short time horizon. Being effective partners in driving social change require long horizons. Moreover, power is widely distributed in business and government, so the commitment to changing mindsets must be equally diffuse. Finally, and perhaps the most difficult challenge, is convincing business to hire candidates from poor families without the traditional qualifications to which they're so accustomed.

Harambee has also successfully partnered with government. With funding from the National Treasury, the program has improved reach and scale, but was also forced to clarify roles. The government had initially wanted to take over program management as they assumed funding, but government delivery would have fundamentally changed the program and the positioning and proximity vis-à-vis private business.

Ahsan Jamil shared the rationale and urgency behind Aman Foundation's projects for youth development. Pakistan has a large youth cohort, and a 34% youth unemployment rate. Outside of fulfilling Aman's core mission

of providing people with hope and dignity, there are also real concerns about Pakistan's long border with Afghanistan and the increasing efforts to enlist youth in extremism. Amantech provides vocational training and soft skills to young people, and grants the diplomas which are so essential to getting hired in Pakistan or abroad. Training is matched with market demands to further increase the employability of graduates - improving their livelihoods and dis-incentivizing extremism. Amantech is a model that is being scaled nationally and has international ambitions.

The Aman Foundation focuses on employability skills as opposed to employment and works to impart the skills necessary to find work, which will accompany the beneficiaries throughout life. These include language, computer skills, optimism, building trust, unconditional respect, authenticity, anger management, treating existing mental health issues, etc. Amantech has found that nearly 40% of the boys they work with had been raped or sexually abused, so the trust and anger issues were fundamental.

Every year, Amantech trains around 3,000 kids over a 6-month period. Placement currently stands at 60%, which has proven the biggest challenge by far. To improve placement, Aman is working to establish closer ties with employers and is adjusting curriculum so the kids can hit the ground running. The textile industry has become a key partner and will guarantee 80% of placement. Amantech is currently developing an alumni strategy, and being broadened to work with girls as well.

Teddy Roux (**ESPartners - Cote d'Ivoire**) provided another model to tackle youth unemployment, curb emigration and improve human capital. Proactively addressing youth unemployment is also a key lever to preventing civil unrest. ESPartners provides intelligent capital, which they define as insights and cents.





After the Haiti earthquake, ESPartners worked with a high tech entrepreneur to bring new technology to Haiti. 200 workers were trained on VTC knowledge and entrepreneurial skills to assemble basic houses for shelter. They also worked with local civil society to establish a foundation to provide advice and support, and better absorb the charitable giving. This holistic approach is characteristic of intelligent capital.

In Cote d'Ivoire, the main challenge ESPartner faces is the prevailing mindset of youth, which can be summarized as an aversion to entrepreneurship, reinforced by the absence of positive role models. For Ivoirian youth, entrepreneurship is simply not a career option, and the necessary appetite for risk is lacking. The absence of an entrepreneurial mindset is common to much of French-speaking Africa, but ESPartners is working to reverse this. In order to change minds at home, they are reaching out to the broader French-speaking community to provide role models and create an ecosystem of support for those brave enough to choose to start their own business.

ESPartners works with entrepreneurs to bolster skills, perfect strategy and secure funding – no easy task given the broader context which is unfavorable to entrepreneurship. Slowly, they are changing minds and building the necessary support network to help a new generation of entrepreneurs succeed.

For ESPartners, Intelligent Capital is financial capital delivered with the right amount of insights. Rather than focusing on the exit, intelligent capital focuses on the solutions.

Across these programs, finding a workable model to scale up is crucial. For Nicola Galombik it has different components:

Operationally, finding low cost, high value models is key. The model needs to be affordable and sustainable and not hesitate leveraging innovative financing models.

It is also essential to understand the **value chain**, and what can be delegated and what must remain 'in-house'. Operational scaling is difficult to accomplish as it relies on maintaining quality and market based relations.

Finally, **innovation** is key. New customers and markets demands need to be addressed constantly. Solutions for late adopters also need to be found.

WOMEN IN PHILANTHROPY

Women are a fast-rising force in philanthropy. More women are making their own fortunes than ever before and are exercising growing leadership in family philanthropy, shaping how wealth made by spouses or earlier generations is given away. Women are also emerging as excellent networkers and catalysts in modern philanthropy, bringing people together to mobilize resources for different causes. Unfortunately, the quiet power of women philanthropic leaders is often overlooked, especially in *frontier philanthropy* where giving largely remains discreet. There are no existing reports on women in philanthropy in the *frontier economies*, but a 2011 report by the Women's Philanthropy Institute at the Lilly Family School of Philanthropy at Indiana University had provided some insights into the role of women in managing family giving. It showed that women are deeply involved in family philanthropy, and growing anecdotal evidence and empirical research demonstrate the scope of this influence. The report found that *all* high net worth couples engaged in philanthropy make their giving decisions jointly.

The session on women in philanthropy brought together three women philanthropists, each with different approaches to philanthropy. While Mahra Rashed Al Suwaidi (**Horizon Energy – UAE**) has a more traditional type of philanthropic engagement, Lulu Al Sabah (**JAMM Art Consultancy – Kuwait**) pressed for more risk taking by women in philanthropy. Indeed, women are specially placed to tackle *edgy* issues, such as abuse against women.

A 2011 report from the Women's Philanthropy Institute at Indiana University found that all surveyed high net worth couples make philanthropic decisions jointly.

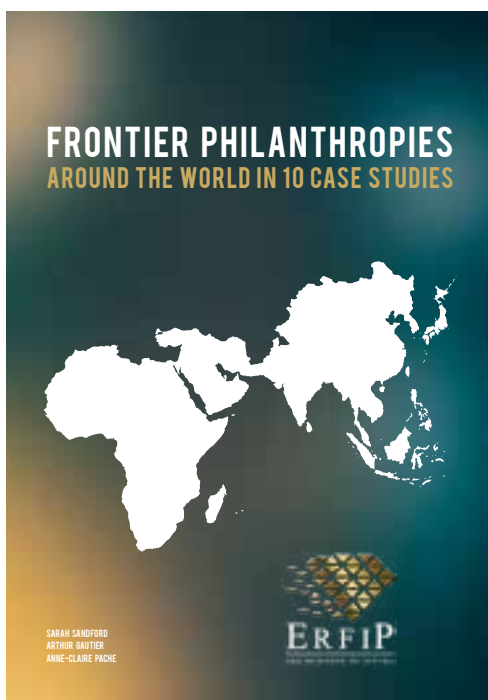
Ronak Lakhani (**Special Olympics – Pakistan**) stressed that philanthropy is much more than just money. It is about time and personal commitment, and also risk taking on the individual level.

The roles and positions of women in *frontier philanthropies* are as diverse as the panel, and little in depth information on practices or trends is available. ERFIP will continue to explore this topic in future meetings and study the feasibility of commissioning position papers on the matter.

ERFIP CASE STUDIES

Anne-Claire Pache, Chaired Professor of Philanthropy at ESSEC Business School in Paris, and her research team worked closely with ERFIP to compile 10 case studies on *frontier philanthropy*. “Frontier Philanthropies: Around the World in 10 Case Studies” offers unique insights into private and corporate giving in countries that are rarely the focus of academic analysis. According to Professor Pache, 70% of the academic articles on philanthropy come from the US, 13% from the UK and only the remaining 17% feature experiences from the rest of the world. The ERFIP case studies are a unique compilation, blending story telling with academic rigor and accessible to a broad audience.

“Frontier Philanthropies: Around the World in 10 Case Studies” focused on three main areas, providing a snapshot of *frontier philanthropy* and contrasting it to what we know about philanthropic practices in Europe and the US.



COLLABORATING WITH GOVERNMENT

In Western countries, a clear “division of labor” between government and the third sector prevails. In the US, the third sector focuses on welfare issues, and the state takes a corresponding step back. In Europe, states are the dominant actor in welfare provision, and philanthropy, to the extent that it does exist, concentrates on areas where the government is not present.

In frontier countries, the relationship between the government and philanthropic organizations is different; so too is the magnitude of socio-economic challenges. The prevalence of philanthropic and state cooperation is higher than in the west – with all its benefits and pitfalls. Three main reasons for collaboration emerge: 1) governments can unravel blockages and provide security (**Siddiqui Foundation**); 2) government can bring initiatives to scale (**Aman and Chen Foundations**); 3) governments can provide significant funding in provision of social services, like capital expenditures and running costs of schools (**Captain Foundation**)

OPERATING VERSUS GRANT MAKING

In the US, 93% of foundations are grant making and operate through to existing NGOs. In the admittedly small *frontier philanthropy* sample, the opposite was true! 9 of the 10 interviewed were operating foundations. The most compelling explanation was the absence of NGOs and civil society organizations capable of operating the programs and achieving the ambitious goals of the philanthropic organizations.

TIES BETWEEN FAMILY PHILANTHROPY AND FAMILY BUSINESS

In the 10 cases of *frontier philanthropy*, close ties exist between family business and family philanthropy. The families contribute human resources and time and use their businesses to exert influence, impact and scale. This is significantly different than family philanthropy in the west.

In a 2014 ESSEC study on family philanthropy in France, the wealth of the 30 interviewed families came from family business. Yet only *two* of these families had developed strong ties between the foundation and the company or leveraged the resources of the business to further the family’s philanthropic agenda. *Frontier philanthropists* build much closer ties between private giving and business.



ERFIP is a unique platform of Frontier Philanthropists and business people. It provides principals, professionals and practitioners a forum to build and share knowledge to address some of the most pressing social and economic challenges of our time.

ERFIP is a powerful demonstration of what can be accomplished when outmoded ideas of philanthropy and development are challenged. We are shaping a future in which families, businesses and institutions cross-fertilize vision and expertise for maximized results.

This is just the beginning.

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