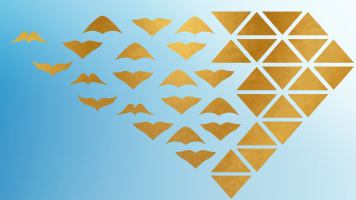


EMPOWER FAMILIES FOR INNOVATIVE PHILANTHROPY

4th Meeting

Franschhoek, South Africa

31st October - 2nd November 2016



ERFIP

EMPOWER FAMILIES FOR
INNOVATIVE PHILANTHROPY

An initiative of the Edmond de Rothschild Foundations

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INTRODUCTION



The 4th edition of ERFIP's gathering took place from October 29th to November 1st, 2016 in Franschhoek, South Africa.

Firoz Ladak, CEO of the Edmond de Rothschild Foundation opened the meeting with a welcome note and a short recap of ERFIP's history. In 2013, the Edmond de Rothschild Foundations, launched EmpowerR Families for innovative Philanthropy (ERFIP) - a unique initiative to harness the power of Frontier Philanthropy in five priority areas:

- a. Facilitate peer to peer knowledge exchange & highlight risks, limitations and opportunities
- b. Showcase successful models funded by private philanthropy
- c. Catalyze new opportunities for philanthropic collaboration
- d. Push for a new development discourse where private philanthropy from frontier economies is an equal partner
- e. Boost linkages among business, philanthropy and economic development.

ERFIP is unique because its roots and growth is being laid with the expertise of its participants garnered from years of involvement in supporting responsible businesses models, social change, expert advice and an impact-driven approach to development. The ERFIP platform also provides a safe space for those who fund civil society groups working on a range of social justice challenges.

By building a distinctive knowledge sharing platform, the aim of ERFIP is also is to push for openings and partnerships between private philanthropy from frontier markets and development finance institutions (DFIs) to maximize impact and scale.

We invite you to read ERFIP 2016 report and let us know if you have any thoughts or additional insights into the role of private philanthropy in emerging economies.

Handwritten signature of Firoz Ladak in blue ink.

BIRD'S-EYE VIEW OF FRONTIER PHILANTHROPIES

Safe issues do not challenge the established order and governments do not perceive them as threatening.

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

EMERGENCE OF KEY THEMES

Ebba Augustin, CEO SAANED Philanthropy Advisory, had presented at ERFIP 2015 'Bird's-Eye View of Frontier Philanthropies' which provided a common ground with a general overview of trends in philanthropy in Africa, Asia, Latin America and the Arab region. The following section has been updated to reflect some of the key changes since then.

THE CONTESTED LANGUAGE OF PHILANTHROPY

The discussion of global philanthropy (and the borrowings and adaptations among different countries) 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.

For example, in Africa, families are primarily community-minded, and there is a strong tradition of advice and support to members of the extended family. Where do you draw the line be-

tween helping family and philanthropy? Frameworks could 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.

Dealing with such complexities, a new definition of edgy was proposed. It is possible to be innovative but not confrontational. Corporate Social Responsibility programs (CSR) 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 sufficient data yet should not dissuade experimentation in this emerging field though!

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 in the horizon of both philanthropists and investors in targeting 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 though, 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 a younger generation of philanthropists that wants to tackle action and results directly. 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 crowd funding 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. Taking aside the use of money for terrorism in the name of God, religion still plays a large part both in Western and emerging markets. 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

54

nations
and diverse
cultures
and histories

*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 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 colonial history, insufficient governance mechanisms and, for many, ongoing 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.

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 elites 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.

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; accurate numbers of private giving are thus 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.

Impact investment and venture philanthropy are operationally very similar, though venture philanthropy does not expect financial returns. One of the challenges in impact investing is lack of sufficiently deep project pipeline despite available funding.

Private foundations have existed in South Africa since the 1930s. Wealthy individuals originally established these foundations, 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’.

Other than a geographic qualification, there is no concept of being ‘Asian’

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.

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.

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 can enter the social investment sphere impactfully.

Since **China** passed legislation in 2004 easing the conditions for foundations, their numbers have grown considerably. There are now over a thousand 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 the 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.

In **India**, a surge in philanthropic activities was expected after the passing of an ambitious CSR legislation in April 2014, requiring all big companies to contribute 2% of the average net income to charity. However, list of approved CSR activities under the new law and natural reluctance of business to engage in “edgy” or unpopular causes limits supports to dealing with root causes of societal problems. The injection of extra funds for social causes has huge potential to make a difference leading to real social change and marking a distinguishing feature of contemporary Indian philanthropy.

Impact investing is experiencing significant growth.

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 include 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 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 programs.

Yet governments remain a core limit to philanthropic work as 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.

LATIN AMERICA

Latin America is a region of rich cultural heritage, abundant resources, tumultuous political histories, and expanding economic strength. In

general, it can be said that Latin America underwent notable economic growth in the first decade of the twenty first century. This included an increase in governmental social spending, significant growth in wealth, poverty reduction, progress in various social indicators and a consolidation of political democracy. However, the financial crisis of 2008 brought about severe cutbacks in government services and therefore paved the way for more business sector involvement to fill gaps for social investment.

In the world of philanthropy, Latin America is distinct in its use of language. For example, it is more common in Latin America to talk about private social investment instead of philanthropy where private social investment implies sustainable approaches to social change. Therefore, social investment in Latin America is often perceived as more daring than other regions in dealing with edgy issues. Governments are more understanding of the role of corporate giving in this respect as it is considered as providers of much needed social services.

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In the world of philanthropy, Latin America is distinct in its use of language.
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Despite wealth creation in Brazil, philanthropy has not kept up. According to World Giving Index 2016, Brazil ranked 68 in among 140 countries surveyed. Myanmar has been ranked number 1 for the last three years.

According to a study on Latin American philanthropy by UBS and Hauser Institute for Civil Society in 2015, education is the most important focus area for such investment, followed by cultural and artistic heritage, health and community development. Corporations are perceived as leaders in social investment. Business practices are injected in the various social investments seeking maximum return on investment with effort to measure impact. Impact investing is increasingly attractive to social investors in Latin America.

However, like in most emerging economies, there is no clear distinction between family-owned business giving and family philanthropy.

Brazil, the largest economy in Latin and South America has long standing tradition of philanthropy developed during the 19th and the 20th centuries. Philanthropic giving ranged from setting up of hospitals, museums and providing poverty relief. At present, there are numerous corporate foundations and programs that provide in cash gifts, in-kind contributions or employee volunteerism. Social investment is a term most commonly used in Brazil as opposed to philanthropy. Despite growing corporate and private foundations and increased social investments, the Brazilian philanthropic landscape is faced with great challenges.

Similar to many emerging economies, there are massive inequalities in income in Brazil. Income inequality and its interrelated problems of lack of access to health care, education, economic opportunities to name a few require not only governmental intervention but private sector's ability to come up with creative solutions and structural changes to address these issues. This is where the need of social investment or philanthropy is the greatest to contribute to more sustainable development.

Religion and family values continue to play a key role in philanthropic giving. However, an emerging trend points to individuals breaking away from traditional family giving. Young high net worth individuals form supporting groups that at times deal with edgy issues like human rights, criminal justice or transparency in governance.

MIDDLE EAST



The concept of giving in the Arab region is largely personal and directed to those nearest to the giver.

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 underlie 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 Middle East, and more so recently due to deteriorating situation and closing spaces for civil society in most Arab countries, still mostly support 'safe' activities: health, education, feeding programs during events like Ramadan, distribution of cash to needy families, youth employment. Little 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.

Sources of funds may vary: in Tunisia most philanthropic money comes from outside the country, whereas in Saudi Arabia, philanthropic money is generated almost entirely in the 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 sometimes relaxed, there are still onerous laws that 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.

A study by TUSEV in 2015 "Individual Giving and Philanthropy in Turkey" indicated that most Turkish people (close to 90%) prefer to give directly to relatives and fellow townspeople in areas such as education, scholarships, building schools and dorms, giving sadaqa (charity) to the poor and building mosques. There is clear lack of confidence in civil society organizations like NGOs as conduit for outreach with such donations. Although the Turkish people donated US\$ 77.5 million in 2015, which is close to 0.8% of Turkey's GDP, less than 10% of that is donated through institutional intermediary and the rest through personal channels.

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 billionaires.

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

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

CONCLUSION

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 placed 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, little cooperation happens between NGOs and family philanthropy and thus keeps 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. Some governments have been tightening regulations to stop the flow of foreign funding for philanthropic organizations. In some countries, for instance, regulations requiring 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 major Latin America countries, social investments are instrumental in providing safety nets as government spending shrinks. In addition, Latin American models of giving remain distinct from other regions and could be disseminated more globally.

In the Middle East, there is still a lack of visible 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.

In overall analysis, despite successful and innovative models being funded by private philanthropy in emerging economies; their impact and potential of scale -including partnerships with multilateral or bilateral development agencies- are not seen enough.

Private philanthropy from emerging economies still remains on the periphery of any development discourse despite its deep pockets, success stories, entrenched local roots and a serious desire to improve society. If we want to have a more equitable world which allows for every individual to reach his potential, market based solutions can address one set of challenges while social innovation and philanthropic efforts tackle different and yet equally important issues; private philanthropy can be a common denominator in this equation and should become a trusted partner in improving the development discourse.

THE ROLE OF PHILANTHROPY IN CHANGING THE WORLD

Private philanthropy and Apollo's mission share a common thread. The courage to take on an impossible task and make it possible.

Multiple efforts and considerable financial resources provided by international aid and a plethora of reports seem unable to resolve development challenges at any significant scale. "We are dealing with social problems that are massive in scale, and our organizations can't generate any scale. All of the scale goes to Coca-Cola and Burger King." (Dan Pallota - TED Talk 2013). This session explored the kind of leadership we need, risks and opportunities to address growing inequalities and timelines to measure impact and effectiveness

We are in an urgent need of a new kind of leadership that can think outside of the box and set bold deadlines. Can philanthropists dare to dream big and bold? How far can we go in taking risks? Beyond pledges and goodwill, how can private philanthropy be the next Apollo?

On July 20, 1969, man landed on moon - a dream made possible because John F. Kennedy made a promise, gave a timeframe and the scientists came up and followed a clear set of rules. This remains an act of immense unmatched courage and principled determination. Private philanthropy and Apollo's mission share a common thread - the courage to take on an impossible task and make it possible. Landing on moon may seem simpler as compared to problems we face which are multifaceted, multi-causal and appear in a world that is riveted by strife, disagreement and driven by different set of values.

01 THREE REMARKABLE PHILANTHROPISTS SHARED THEIR EXPERIENCES IN ADDRESSING DEEPLY ROOTED PROBLEMS



Henriette Gomis-Billon (Fondation SIFCA, Côte d'Ivoire) discussed the need of integrated and holistic solutions to chronic problems. Her experiences in working in rural areas of Côte d'Ivoire underlined a key lesson. If you want to bring schools to villages, there will usually be a need for access to health care and clean drinking water. In addition, the local community would require the support of educated staff to run health facilities. How did she learn these lessons? It was the local community, which identified these three areas and asked for a holistic approach. In this case, these provisions had an immediate positive impact, particularly on women and children. The challenge was to convince local administrators and government bodies on implementing a multi-faceted program and its effectiveness.





Manu Chandaria (Chandaria Foundation, Kenya) observed that one of the key challenges of our time is to change attitudes, which are time consuming and often a slow process. Thus, part of philanthropic efforts must focus on attitudinal shifts. He shared his experiences from his work as chairman of the Street Family Trust, Kenya. In his observations, in the last decade, the phenomenon of street children has reached such a self-replicating level that no amount of money can deal with. Children are born and raised on the streets; they bear and raise children on the streets, creating street families. This cycle of poverty continues and only a small percentage of children manage to escape this poverty trap. All successive governments have talked about the problem but there has not been any form of sustainable actions to address the issue. As a result, apathy and violence towards street people is growing and there is a real danger of extremist ideologies taking root.

There is a very thin line between marginalization and extremism. To break the cycle of poverty in any community requires innovative approaches, an appetite for risk and a long-term view. Philanthropists must ask themselves hard questions like: are we giving enough of our time and skills besides financial resources to address this problem? Do we have the appetite to stay and invest for the long haul?



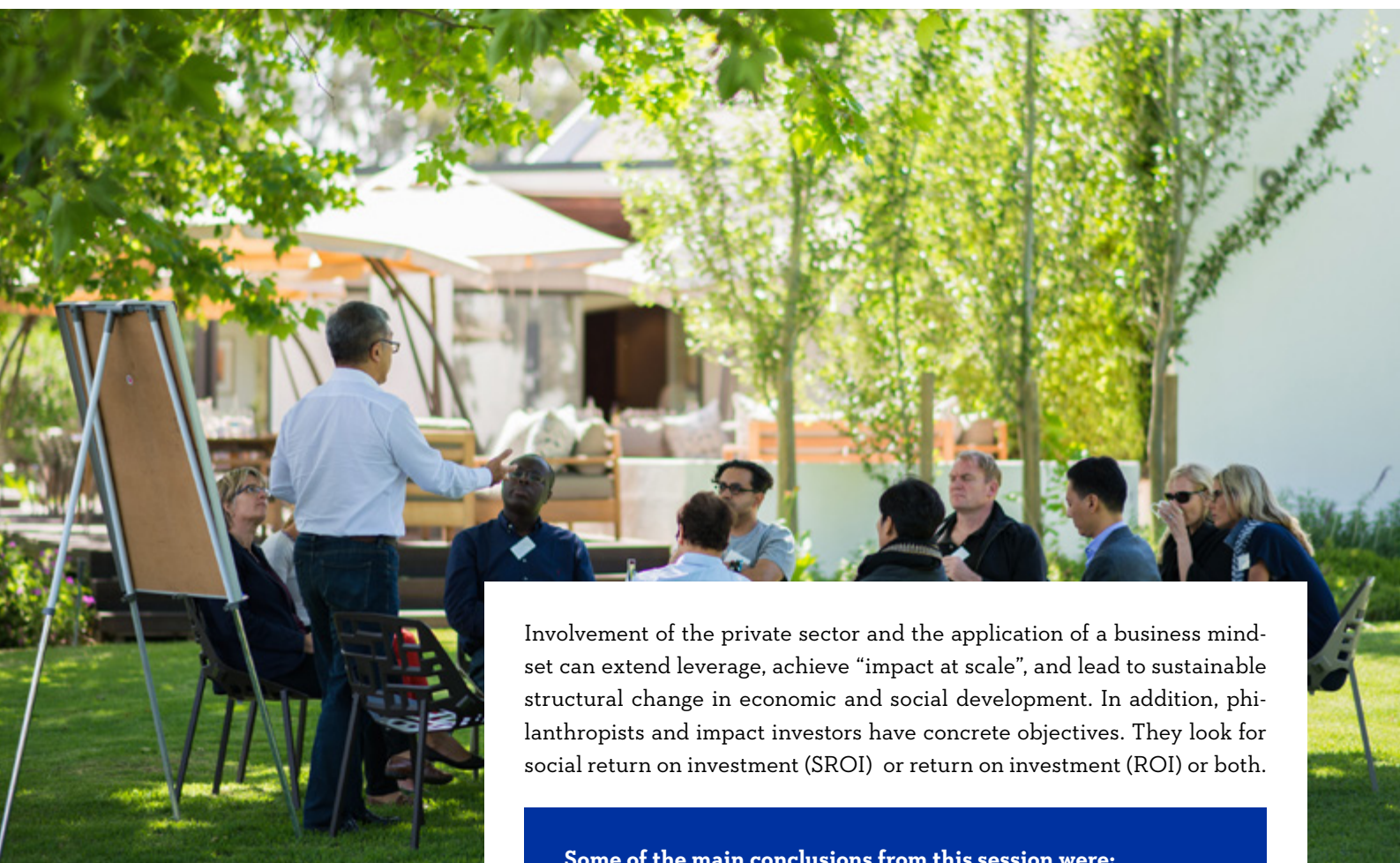


Hassan Tatanaki (Tatanaki Foundation, Libya) put forward the following challenges: Can private philanthropy engage in addressing problems arising as a result of geo-political events like wars? Can it impact global policy on most pressing issues of our time like the refugee crisis as a result of wars in Iraq and Syria? Can private money support access to health care, education, and decent living conditions for millions of displaced or should philanthropy stick to safe sectors?

Such situations create self-perpetuating endemic problems of poverty, generations lost to war and high unemployment in addition to deep psychological and emotional issues. This is where private philanthropists with local networks and understanding can make a difference. Tatanaki's work involves dealing with governments that host refugees to try to address some of the most pressing issues by providing local context, knowledge and financial support. He promotes the idea that private philanthropists should actively engage in addressing serious geo-political issues where it concerns human welfare. However, by doing so, individuals can run the risk of falling out of favor with their respective governments and undermining the very success which allows them to do good.



At this point, private philanthropy in emerging markets is not an equal partner when governmental social development policies are enacted. However, through engagement and resource allocation, philanthropy can help create favorable framework conditions on the ground. The work of Instituto Betty E Jacob Lafer in Brazil is an example where it helps address complex and systemic issues of accountability in the legal system.



02

LEVERAGING BUSINESS TOOLS FOR POSITIVE IMPACT AND SCALE

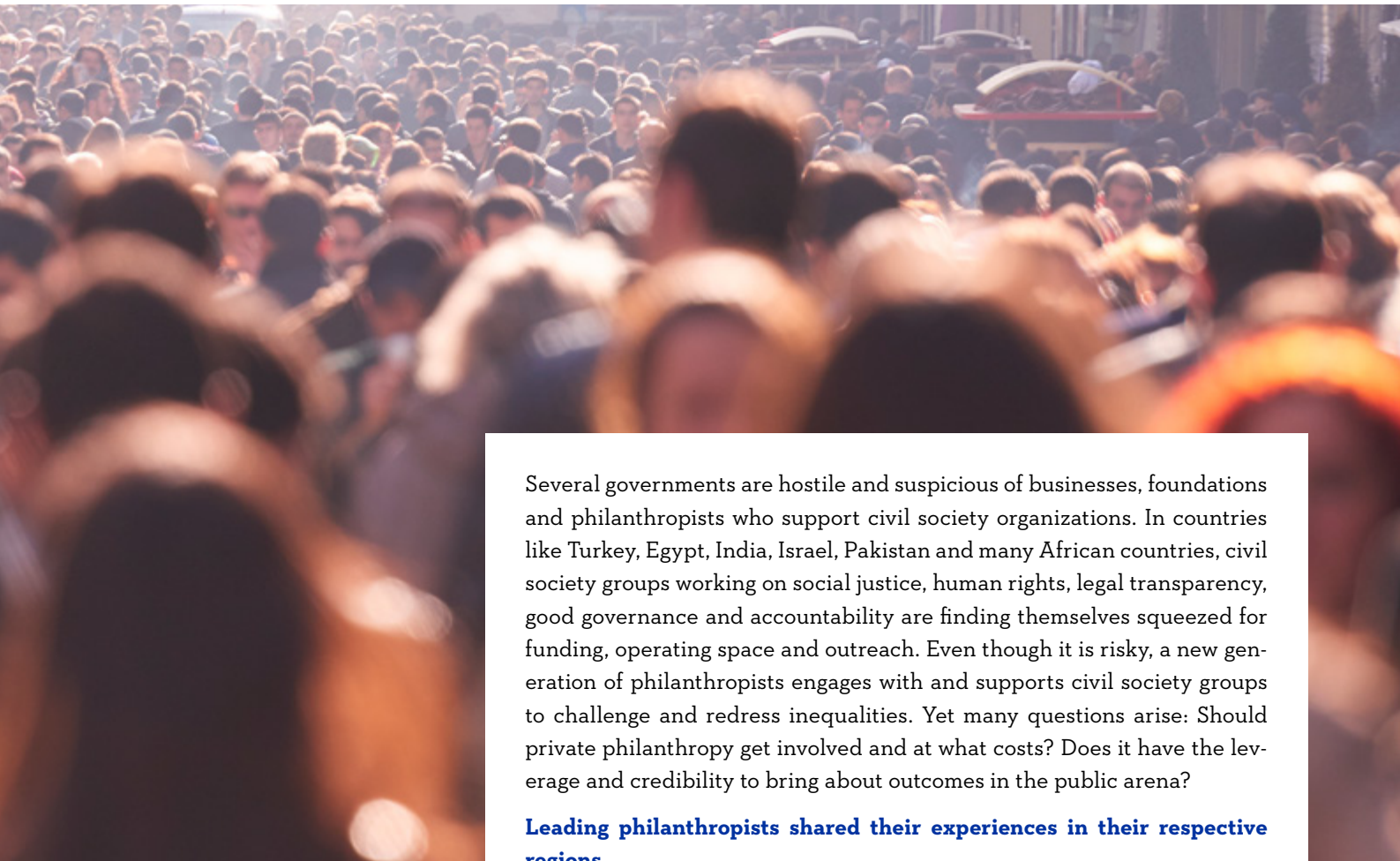
Involvement of the private sector and the application of a business mindset can extend leverage, achieve “impact at scale”, and lead to sustainable structural change in economic and social development. In addition, philanthropists and impact investors have concrete objectives. They look for social return on investment (SROI) or return on investment (ROI) or both.

Some of the main conclusions from this session were:

- There must be financial viability as an exit strategy; and a balance between social objectives and financial sustainability, should the two objectives merge. Furthermore, the CSR arm of any business or family foundation should be run like a business. (Rashesh Shah, Edelweiss Group, India.)
- In light of growing inequalities, businesses must come up with clearly defined strategy on social return on investments. Philanthropy should not be used as stopgap measure. (Anthony Farr, Allan Gray Orbis Foundation, South Africa)
- We talk about how to bring social sector into business; let us focus on how to bring business acumen into social ventures. (Sach Chandaria, Chandaria Foundation, Kenya)
- Data suggests that value-driven companies massively outperform the rest. They have better retention and higher staff motivation. (Tabreez Verjee, Uprising, USA)

A few multinational companies are already ahead of the curve by using social markets for improved business opportunities, Unilever being one of them is investing in many small companies that can bring about innovative ideas. Increasingly, consumers are pushing companies to have environmentally and socially conscious policies and practices.

In overall analysis, business and market demands remain the driving force. However nowadays there is an increasing focus on responsible business development that goes beyond window dressing and image enhancement. Doing good could potentially result in better returns. Available data suggests that corporate giving worldwide is far ahead private philanthropy. Nonetheless, philanthropy is uniquely suited to act as an incubator and a catalyst of solutions that can be scaled up by businesses and governments. Lines between social and profit are beginning to blur. What will remain hopefully is the right alignment of values between shareholders and business that are essential to the success of having multiple bottom lines.



Several governments are hostile and suspicious of businesses, foundations and philanthropists who support civil society organizations. In countries like Turkey, Egypt, India, Israel, Pakistan and many African countries, civil society groups working on social justice, human rights, legal transparency, good governance and accountability are finding themselves squeezed for funding, operating space and outreach. Even though it is risky, a new generation of philanthropists engages with and supports civil society groups to challenge and redress inequalities. Yet many questions arise: Should private philanthropy get involved and at what costs? Does it have the leverage and credibility to bring about outcomes in the public arena?

Leading philanthropists shared their experiences in their respective regions.

Providing basic services like access to quality education, good healthcare or legal aid are some of key responsibilities of any government, said Aisha Oyebo of **Murtala Muhammed Foundation**, Nigeria.

Yet, a significant number of local or national governments fail to do so. As soon as a non-profit group steps in to provide support particularly in areas dealing with legal aid, human or environmental rights, or working on highlighting gross human rights violation by the state – governments consider them a threat and starts to hinder their work. As an example, Ms.

03

INVESTING IN DEMOCRACY & CIVIL SOCIETY

In a number of countries particularly from emerging economies, civil society groups fill in crucial gaps, however they are anathema to most governments particularly the autocratic ones. These days even democratic governments are threatening to or are clamping down on civil society groups.

Oyebode discussed her foundation's work on keeping the issue of the 276 kidnapped girls by Boko Haram onto the public stage. The Nigerian government did not actively pursue the matter after some time; however those who had lost their daughters to this kidnapping were not willing to give up.

Considering that these were immensely poor people who had invested their last penny to send their daughters to school, and had no resources to pressurize their government to bring their girls back, the Murtala foundation, in partnership with local communities, started a campaign and organized demonstrations city by city using social media as for mobilization, to keep the issue alive and build pressure on the central government.

According to Ms. Oyebode, this is one of the many ways where private philanthropy can take on an advocacy role by building consensus and pressurizing the government to spring into action. The objective and hope is to begin to change social norms and attitudes. And come together as a movement and push for the change we want to see.

Some governments are suspicious of civil society groups particularly those who receive any foreign funding. In some cases, where a civil society group is highlighting corruption in the ranks of government bodies or are committing unlawful actions - governments look for hidden agendas to discredit these particular organizations. A most common charge in this case is that these groups are trying to undermine the democratic process.

Dr. Iqbal Survè, a first generation South African philanthropist and an activist during apartheid years, was of the view that most civil society organizations have noble goals but they are not perfect. It is, however a fallacy to think that those who fund them do not have their own intentions. Just like there are good and bad governments and businesses, similarly there are good and bad civil society organizations. We are funding a lot of entities (academic and business) that bring us potentially in conflict with government. What is important is to understand the complexity of issues and processes to address them. Pragmatism must be the fundamental basis on which we approach civil society organizations and we need to take a long-term view.

Ines Mindlin Lafer ([Instituto Betty e Jacob Lafer](#), Brazil) highlighted two key areas of intervention within the larger realm of social justice work: Working on improving the criminal justice system in order for it to be fair and efficient; and innovative public policy for increased government accountability.

Ms. Lafer described their work as supporting incremental changes through advocacy, negotiation and monitoring. And a strategy that supports projects that try to bring systemic change even if it is usually a slow process. In Brazil, democracy is being built after, 20 years of dictatorship, as reflected by the many organizations that support public policy transparency. While large international foundations remain the most significant supporters of this cause, the challenge is to find more local supporters for these sensitive issues.

Hasan Tatanaki described the work of **Tatanaki foundation** in the Middle East. Tatanaki, however, pointed out that notion of foreign funding being neutral for issues around social justice is a myth. In his experience, major Western foundations fund this work and act like an extended arm of their respective countries policies. This has tarnished the notion of neutral funding. His strategy when dealing with government's interference on sensitive issues is to keep a very low profile while funding non-governmental partners to work on the ground. One of the key challenges is to identify non-governmental bodies that are reliable.



“In 60 seconds, more than 100 hours of film are uploaded to You Tube, nearly 350.000 messages are send on Twitter, a quarter of a million photos uploaded don Facebook and more than 3 million items are shared by its users”. Groups such as ISIS and Boko Haram are offering master classes in how to use social media and technology to advance their objectives.

The entire world struggles to understand and keep pace with such an appeal by extremist groups. The world has experienced far-reaching impact of various technological tools. Technology is an enabler for human development and at the same time, in wrong hands, it can inflict massive destruction onto communities/countries. **“Many young people are adept at consuming technology but fewer understand its real power and impact”.**

Social media can also be an extremely powerful means to inform and mobilize communities. Typhoon Haiyan in the Philippines showed for instance how social media could be used effectively to mobilize support, and improve the transparency of aid. How can philanthropy investments in social media and new technologies become a more significant force for good?

04

TECHNOLOGICAL INNOVATIONS FOR DEVELOPMENT

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The only antidote is strict adherence to good information, educating the public, and perhaps most important - building a compelling counter narrative.

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The session on technology and its power of creating good was led by tech-entrepreneurs and investors in technology platforms: Tabreez Verjee from California, Keyur Patel from India and Sach Chandaria from Kenya/Switzerland.

Inadvertently, technology has changed the nature of human interactions in every sphere of life, says Sach Chandaria. As an example, he explored the relationship between access to education and technology. According to him, an increasing number of technological platforms are being used as tools to make education accessible. However, in hype of technological platforms for education, we are overlooking a key component that is appropriate content. What good is technology if the content is garbage?

Tabreez Verjee, a serial investor in supporting mission-driven technologies, discussed the impact of various platforms on empowering poor communities through financial inclusion. We can harness power of technology to achieve inclusive growth and sustainable through financial inclusion by providing financial services to those who are considered unbankable. Kiva is one such organization that uses mobile technologies and the internet to connect borrowers and lenders for microloans.

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.

The session illustrated that there is no technological solution per se to counter extremism. Antidotes include focusing more on creative and relevant content, and a 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, like for instance organizing media boot camps as it was the case recently in Senegal. Venture capital philanthropy can also play a role in addressing the urgent need of counter narratives.

HIGHLIGHTS FROM SESSIONS UNDER CHANGING FACE OF PHILANTHROPY

- Philanthropy is becoming part of the business model rather than on the fringe
- Frontier philanthropists should be at the center of the discussions 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

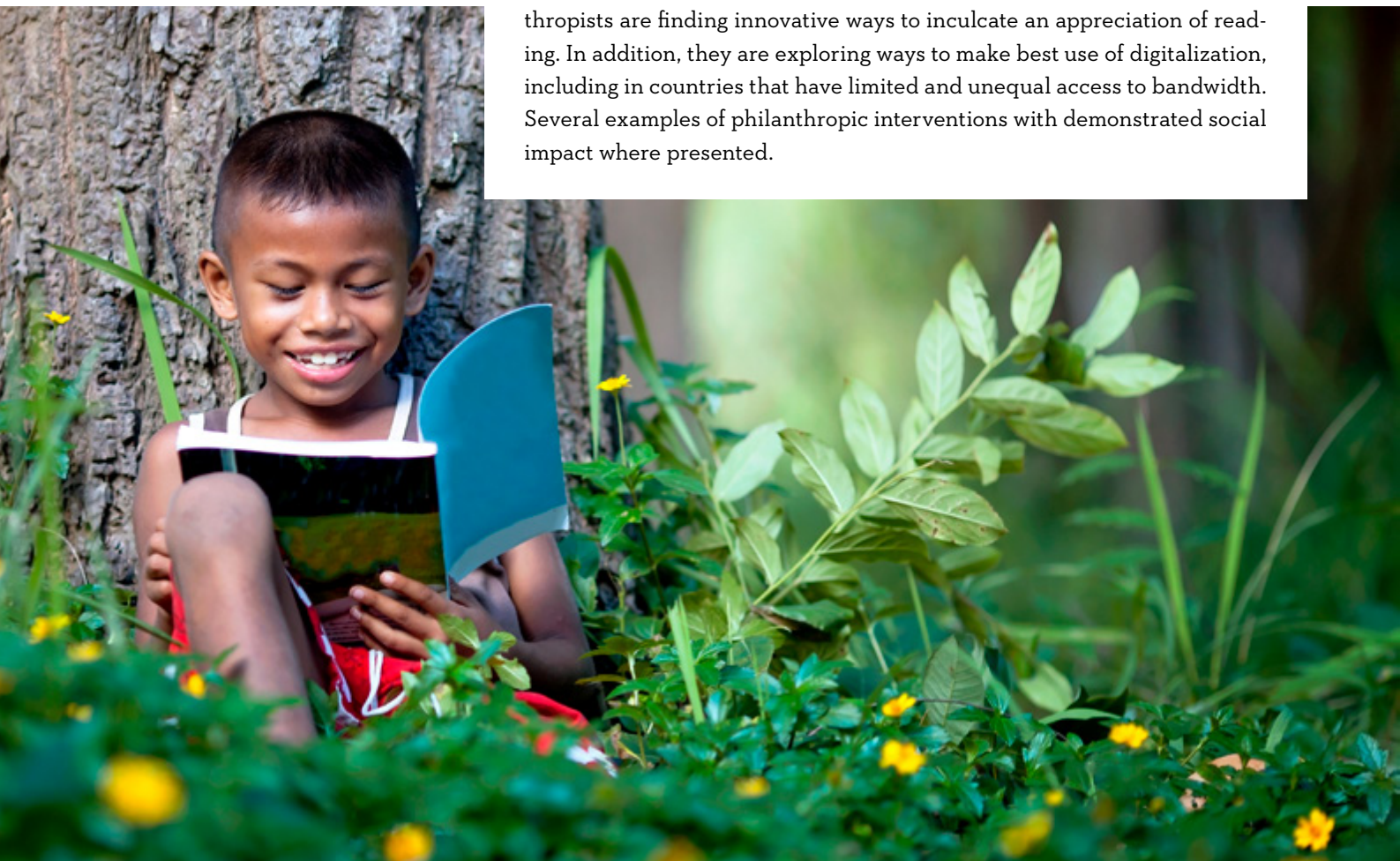
THEMATIC SHOWCASES

01 CAN PHILANTHROPIC INVESTMENTS BREAK THE LEGACY OF ILLITERACY AND SAVE THE PAPERBACK?

Two-thirds of the illiterate population is women.

Literacy skills are a cornerstone for improving an individual's capabilities for achieving socio-economic empowerment. Multiple organizations work on access to primary education in developing economies while attempts to eradicate illiteracy have been unsuccessful so far. Illiteracy threatens over 785 million adults worldwide, translating in one of every five people, with either no or just basic reading skills. Two-thirds of the illiterate population is women. In addition, one in four under the age of 16 cannot read a sentence with 175 million young people lacking even basic literacy skills, according to a 2014 UNESCO report. Ten countries - India, China, Pakistan, Bangladesh, Nigeria, Ethiopia, Egypt, Brazil, Indonesia and the Democratic Republic of the Congo - account for almost three-quarters of the world's illiterate adults. Countries and development aid agencies continue to focus on brick and mortar schools and teacher's trainings to improve access to education. Yet literacy for all remains an elusive dream. Compounding the issue is a lack of access to high quality; age appropriate and inexpensive books in local languages.

Private philanthropy is stepping in to refocus on literacy. These philanthropists are finding innovative ways to inculcate an appreciation of reading. In addition, they are exploring ways to make best use of digitalization, including in countries that have limited and unequal access to bandwidth. Several examples of philanthropic interventions with demonstrated social impact where presented.



Zeynep Belger, from the **Mother and Child Foundation**, Turkey, shared the experience of the foundation in early childhood development. She highlighted the shift from a focus on children to families as vehicles of children literacy. The foundation uses scientific based models for early childhood education, while recognizing that both parents had to be included into the program for long-term and sustained impact on a child's development. Parental illiteracy is a decisive negative factor for a child's early development which includes the ability to read.

Turkey has two million illiterate people of whom 80% are women. The foundation has developed various models for adult and early childhood literacy and to date 150,000 people have benefited from its programs. Initially the focus was on face-to-face teaching; later a TV educational program was added followed by a web-based program in 2012. Additionally, many families do not read with their children, says Zeynep. Getting parents to read stories in her experience is crucial to strengthen children's literacy. In Turkey, it is not so much the language that is a challenge but the process of language acquisition.

From India, **Pratham Books**, a multi-language book-publishing house was highlighted. Suzanne Singh who has been associated with Pratham Books since its inception in 2004 shared her experiences. India has 22 'constitutional languages' and an additional 152 local languages. In school, children are taught in one of the official languages while books are published in Hindi and English.

Statistics on literacy are sobering. One out of two children in grade 5 read at level of grade one or two. India has many reading programs in place, but there are not enough age-appropriate, culturally relevant, inexpensive books available to read. There is a further dearth of books in multiple languages. Recognition of all these shortcomings was the genesis of Pratham Books, says Singh. Since the beginning, Pratham Books has worked on finding innovating solutions on distribution while publishing low cost and high quality books.

In addition, according to her, children from low-income communities have no or very limited access to science-related knowledge. To address this gap, Pratham Books launched a series of books on science and

technology through fiction. These books were tested in Rajasthan - a region with high levels of gender inequality. 'How planes fly' was one of the books shared in a school with 5th grade students. The book had an illustration of a woman pilot that generated a lot of curiosity amongst girls. 'I did not know that women can fly planes', said one of the girls. Suzanne illustrated the potential of tech books on not only challenging gender stereotypes but also giving children a different worldview.

Singh said they are also addressing the issue lack of appropriate content. In 2015, Pratham Books launched an online content platform with 800 stories in 24 languages. The platform has tools embedded for translation, to change the stories or to create image based stories. The aim was to empower content creators. As a result, there has been an explosion of stories in several major and "minor" languages.

Bring Me a Book Foundation in Hong Kong is bringing good English and Chinese books to the market. Su Hwei Lee, from 'Bring Me a Book' Foundation, shared her family's journey to make books accessible to kids and find ways to inculcate reading habits. Hong Kong has a population of 7 Million and ranks highest in comprehension but lowest in reading for pleasure.

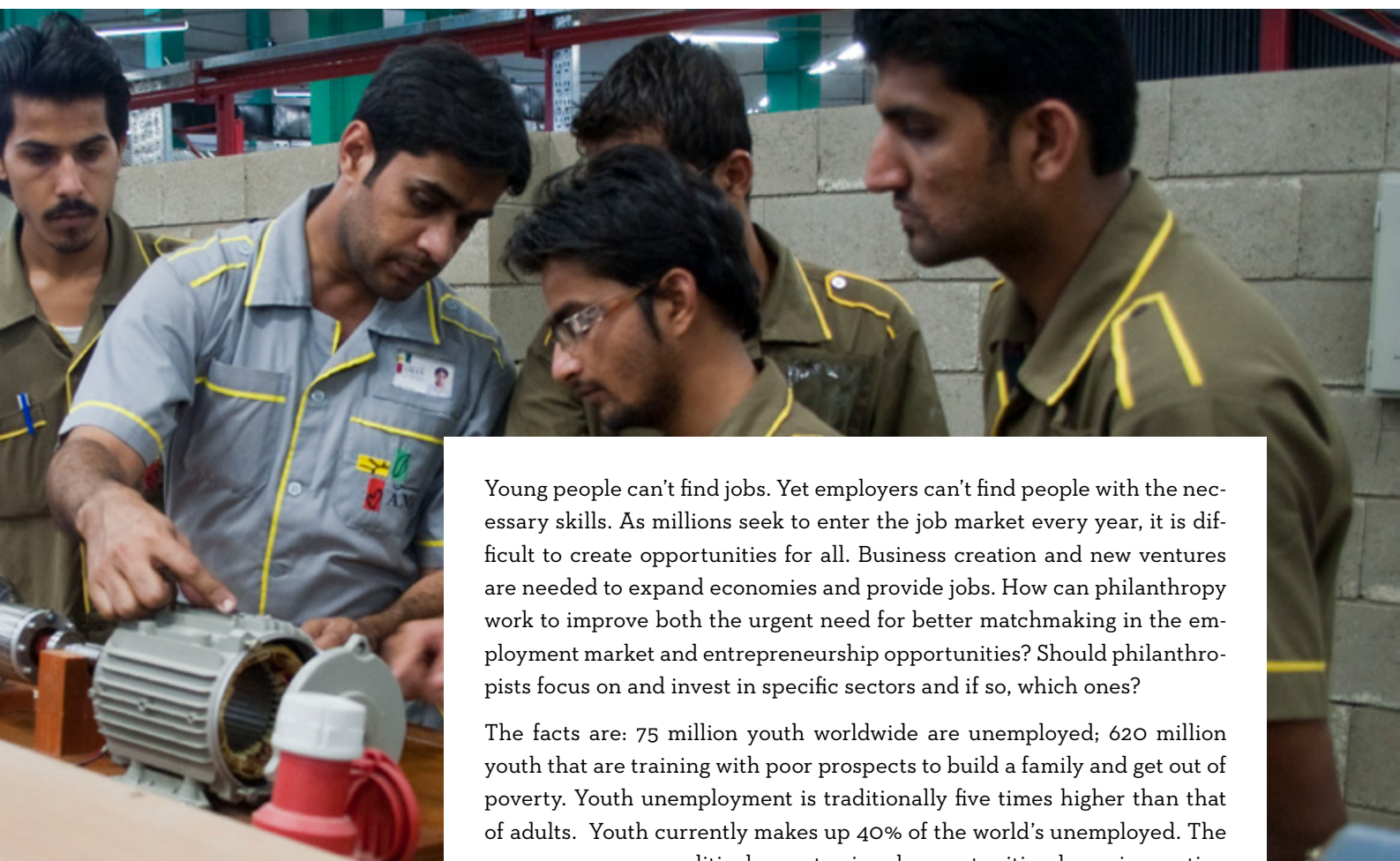
Hong Kong cannot be counted among developing economies; it has high literacy rates with a world-class educational system. However, the educational system is focused on producing competitive human beings for market place. There are clear gaps in teaching kids about empathy, compassion, critical thinking and so on. This illustrates a failure of the educational system!

The world is too big to be confined to a classroom and if you give a child a good book you give him /her wings, according to Su Hwei Lee. The outcomes of the Foundation's literacy program goes beyond literacy and extends to soft skills like compassion, critical thinking, listening and communication. Su Hwei Lee believes that between the ages of 0-6 years - you can build habit of learning through reading. Children who learn to enjoy books at an early age have a better grasp of vocabulary.

Studies in Hong Kong found that children from low income areas who are 1st generation learners, have 40,000 less words than families that read and communicate. Hence the 'Bring Me a Book' Foundation launched a new story-telling program through mobile. The idea was to dial a number and listen to a story. The program was aimed at 30,000 calls/week. However, there were soon 38,000 calls by kids wanting to hear a story - illustrating the need and interest in story telling for children.

Although, technology can reduce costs and provide access to wider audiences, it can be a source of distraction particularly if content and quality of books is mediocre or not age and culture appropriate. Technology cannot be sidelined in the quest for finding workable strategies. Philanthropists must be agile and address what is needed in society, concluded Su, and governments are needed to scale successful models. Philanthropists cannot do it alone.

02 EMPOWERING A GENERATION: ENTREPRENEURSHIP AND SKILLS TRAINING



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 matchmaking in the employment market and entrepreneurship opportunities? Should philanthropists focus on and invest in specific sectors and if so, which ones?

The facts are: 75 million youth worldwide are unemployed; 620 million youth that are training with poor prospects to build a family and get out of poverty. Youth unemployment is traditionally five times higher than that of adults. Youth currently makes up 40% of the world's unemployed. The consequences are political unrest, missed-opportunities, lower innovation and poverty.

A vital question is how to empower 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.

Mossadeck Bali of Groupe Azalai Hotels, based out of Mali, is attempting to address unemployment issues through an initiative started at his company, which opened up a vocational training school to train youth for the hospitality industry. We could never find enough trained staff to work and run our hotels. Although unemployment remains high in West Africa, we were struggling to find the right candidates, said Mossadeck. “Thus, we decided to open up a center for hospitality training. Governments in Africa spend billions on traditional and vocational training.

However, when these young people enter the labor market, they lack the skills needed. There is a huge gap between market demand and what educational institutions are supplying. We were lucky to find a Frenchman who had opened an impressive vocational training school for local hotel needs in Cambodia, added Mossadeck. He helped us setting up our center in Bamako.

To start, we selected a group of 40 young people for training, who had basic education and passed an entrance exam. This first cohort received extensive training in various aspects of hotel industry. Their training was split into two parts – practical on the job skills training and theoretical learning at the school. All 40 graduated with a certificate and have been employed. Groupe Azalai Hotels have employed 10 of these graduates while the rest of them have been taken by restaurants and other hotels in Bamako. The costs of training which includes boarding and lodging per student stands at \$US 4000, 10% of this is covered by the student. We cover the rest; this is how private philanthropy and local business work together addressing youth unemployment in Mali. We are happy that a corporate need can meet a social need and create a win-win situation, concluded Mossadeck.

Eric Kacou (**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.

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

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.

Entrepreneurs in Africa face a vicious cycle keeping their businesses under skilled, undercapitalized and vulnerable. ESPartners exist to help these entrepreneurs grow.

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.

A key challenge is to find relevant role models and champions to inspire young people work towards attitudinal shift. Entrepreneurs sharing their stories that are relatable and real help tremendously in engaging youth.

Another challenge is the legal environment that is not conducive, according to Kacou, and it provides more hindrance than help to entrepreneurs. One of the major challenges is the cost of doing business and lack of access to finance.

Tabreez Verjee on job creation in Africa showcased **The Andela Fellowship**. Andela is a four-year, paid Technical Leadership Program designed to produce high quality software developers. Through training and work with top global technology companies, participants master the professional and technical skills needed and are ready to join the labor market upon graduation. At the moment, Andela Fellowship is focused on Kenya and Nigeria. It is another attempt to address both high youth unemployment and market needs.

03 BUILDING, HEALING, CARING: THE ROLE OF PRIVATE PHILANTHROPY IN HEALTH SYSTEMS



Access to healthcare is considered as a basic human right according to multiple UN resolutions. Yet, there continues to be a lack of accessible, high quality and sustainable health care systems in emerging economies. With a rapidly growing young population, particularly in Africa and the Middle East, investing in healthcare makes for a strong economic argument. Likewise, as elderly population increases in parts of Asia and Latin America, the demand for health services will multiply. Add this to outbreaks like Zika or Ebola, pressures on health care systems are enormous with most national governments struggling to provide basic health care facilities.

“Communities and countries and ultimately the world are only as strong as the health of their women.”
Michelle Obama

In this context, can private sector and philanthropists impact the broader health system through innovation and alternative economic models? What do successful partnership models with governments look like to mobilize an entire ecosystem? What are the limits of such collaboration? An 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.

Several examples of health interventions with demonstrated social impact where presented, each with a different financial model. Khady Nakoulima (Nest for All, Senegal) explained how her company is working to fill a needed gap in maternal care and trying to provide access to affordable quality services in poor communities.

If almost 2.5 billion people have no access to vision correction, it is surprising that large multi-nationals have shown limited interest in supporting and scaling successfully tested models. Partnering with private philanthropists in emerging economies can be a successful model for generating impact and efficient resource utilization. These philanthropists hold deep knowledge and understanding of how best to push for change in their countries.

Khady Nakoulima co-founded and runs **Nest for All**, Senegal, a chain of maternity clinics in Dakar. 80 per cent of population in Dakar depends on public health care system that is ill equipped and under funded while the rest 20 per cent of families have access to private hospitals. As a private company, Nest for All serves a population that is greatly underserved and can afford a fee for better service than what is provided by public hospitals in most cases.

These clinics focus on comprehensive healthcare provisions for women and children including advice and prevention care. Accessibility of health care is a central issue. Khady shared the story of a woman who went for delivery to a public hospital and lost her child. She was unable to get pregnant again. It was found that she had a negative rhesus factor, an issue that is common and can be overcome. However, at the public hospital, nobody had the time and required equipment to check her condition.

Another vital part of access to healthcare is insurance coverage. Even if women are insured, the respective hospital might not accept that insurance. In another case, a woman had a placental rupture and urgently needed medical care. However, she was refused admittance to the hospital she was transported to because it did not accept her insurance.

The business model of Nest for All is testing where the rich can subsidize the poor, although in similar examples in Bangladesh and in India, that cross-subsidization model did not work because the upper middle class was not willing to be treated in the same clinics as a lower income population. “Our packages are structured in a manner where the gap between patients who benefit from our social packages and those who have regular medical packages has been reduced, explains Khadi. We initially targeted the middle class and others who could afford to pay a little more than what is charged at public hospitals but could not afford private hospitals. Our biggest challenge has been to reach out to low-income bracket and educate them about the options available, including prevention.

At Nest for All clinics, same teams of doctors treat patients. Just because a patient’s affordability does not allow her to purchase a full medical package and she has a social package, does not mean that a lesser trained doctor will treat her, says Khady. How much a patient wants to spend on medical services vs. other expenses is a choice. We try to accommodate as much as we can.

A key lesson that we have learnt is that people from low-income backgrounds often put more value on the quality of the medical service. These patients usually have had terrible previous experiences and thus are aware what they are paying for. On the other hand, patients who can afford more expensive private treatments are not necessarily aware of the quality of medical treatment; they are more focused on comfort for example variety of foods served, room accessories etc.

Elaborating on Nest for All revenue drivers, Khadi says that their social package targets people that do not have insurance. Due to quality of services provided and patient satisfaction, payment recollection rates are higher thus associated costs with tracing payments are manageable.” Keeping costs low and patients satisfied with good medical services has been a success and we are starting to expand.”

James Chen (**Clearly**) started by sharing an astounding number **of 2.5 billion people who have no access to vision correction**. This is, by a wide margin the largest uncorrected health problem globally. The world tends to overlook vision, including in the SDGs.

Chen comments: “Sight correction glasses have been available for over 700 years and we still have such a huge amount of people who cannot see clearly; and most of these people live in developing countries. In Africa alone, traffic accidents are said to be the biggest killer. Available data suggests that 60 per cent of these accidents related to poor vision.

About twelve years ago I stumbled upon adjustable glasses. Although, technically they were good, these glasses were heavy and uncomfortable to wear. We continue to refine design and use better technology. We have also worked out a relationship with the government of **Rwanda** and the National Health System to test and distribute such glasses at cost. Furthermore, we developed a curriculum that is being used for a three-day training course for nurses. We have trained more than 2000 nurses so far at all major health centers. In Rwanda mostly anyone with an eye problem, depending on the diagnosis, either receives glasses or is referred to further treatment. This is the first time in history that this service is available to everybody in a country!” concludes Chen. In addition, we were lucky to find a champion in the Minister of health; it is extremely important to have a champion for your cause within a government. In eye treatment, we can manage without the government, but their blessing is required for scale.”

AdLens is marketing adjustable eyeglasses globally and provides heavily discounted eye-glasses to the program in Rwanda, currently at \$1.50 per pair, a price point AdLens believes it will be financially sustainable when anticipated economies of scale are reached.” This has truly been a journey that links to my own, says Chen. Without glasses, I would not be where I am today. It is said that the best philanthropists are the ones that are themselves affected.” Furthermore, we are currently exploring ways to use smart phone applications to deepen our reach to people and allow doctors to diagnose using digital technology.



On the other hand, in **Bhutan** we are facing a completely different situation. There is fierce resistance from ophthalmologists contrary to their peers in Rwanda. In Bhutan, they are all government employees and they will most likely need to work more without additional income. In this case, we are trying to work out a different model to get the ophthalmologists to buy in. **It points to a very important lesson: one size does not fit all.**

Partnerships with large multilateral organizations are another way to achieve target populations and more product development and research. However, it has been elusive so far. The World Bank is open to dialogue and we could explore potential partnership avenues. Unfortunately, has been over two years and there has not been a response. **Considering that the World Bank works on issues including access to healthcare, it is surprising that they would not support more actively private philanthropy that has tested successful models such as the one implemented in Rwanda.**

Iqbal Survé (**Surve Family Foundation** - South Africa) presented 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 South Africa. This intervention needed his financial support initially, but once it was rolled-out, improved efficiency became evident and governments decided to fully fund and sustain it.

Surve explains that the hospital he used to work at in Cape Town where the first ever heart transplant was performed had incredible expertise. Yet, patients from poor communities were not getting the benefit of this expertise. Their diagnostics were being lost in the system and a significant amount of government's spending was going to waste due to inefficiencies.

We recognized that to address these inefficiencies, a hospital information system was required although a decade ago technological solutions to such problems were still not popular or known enough in South Africa. We thus used our IT company to customize the hospital information system and put it in place. We were able to demonstrate the cost effectiveness and increased efficiency at the hospital to government by using technologic solutions. The turn around patient time for medical test results was significantly reduced and quality of patient care increased substantially. In South Africa our initiative has been a huge success as we could partner with government. But we did not wait for government, we invested our own resources and eventually the government took over to scale.

ERFIP CASE STUDIES

In 2016, Anne-Claire Pache, Chaired Professor of Philanthropy at ESSEC Business School in Paris, and her research team worked closely with ERFIP to compile a second set of five case studies to be added to “Frontier Philanthropies: Around the World in 10 Case Studies” done in 2015. These case studies offer 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.

These 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 actors 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 (Mahwesh and Jahangir 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 all the case studies 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.

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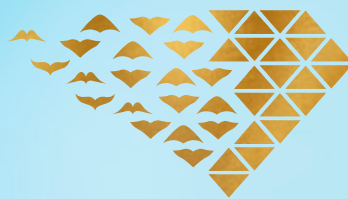
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ERFIP

EMPOWER FAMILIES FOR
INNOVATIVE PHILANTHROPY

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.