

ERFIP

EMPOWER FAMILIES FOR
INNOVATIVE PHILANTHROPY

An initiative of the Edmond de Rothschild Foundations

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Introduction

In 2013, the Edmond de Rothschild (EdR) Foundations launched EmpowerR Families for Innovative Philanthropy (ERFIP), a unique platform to harness the power of private philanthropists from emerging economies. Five priority areas were established:

- PROMOTE peer to peer exchanges and showcase successful philanthropic models
- HIGHLIGHT contributions achieved through private philanthropy
- ACTIVATE new opportunities for philanthropic collaboration
- REINFORCE the presence of 'Frontier Philanthropies' on the global stage to advocate for systemic change
- BOOST connections between business, philanthropy and economic development

ERFIP is about the convergence of ideas and shared universal values between businesses and stakeholders in development. It is about thinking big and using cross-fertilizing partnerships to maximize global impact.

Since its inception, ERFIP has sought to leverage collective intelligence and extensive experience across Africa, the Middle East, Asia and Latin America. In doing so, it has become a truly global platform for Frontier Philanthropy and Sustainability.

Equally essential is its unique format offering an inspiring personal journey and practical steps for moving forward. It is an opportunity to share knowledge, assess successes as well as failures and find new ways to collaborate, free of theoretical posturing.

ERFIP favors an outcome-driven approach to overcoming substantial economic and social gaps. It also seeks to amplify the distinctive voices of outstanding women.

ERFIP remains faithful to its core mission by moving Frontier Philanthropies to center stage. It crosses boundaries and activates synergies between private philanthropy, business, civil society and government.

In 2019, we had the joy of hosting the ERFIP Foundation's annual meeting in Singapore. After strengthening our legacy in South Africa, we are exploring new horizons in Asia, the source no doubt of fresh ideas and enquiries for our model and our community. The case of Singapore is particularly compelling: a young country that has become a reference in nation-building and global influence. We are grateful to the Monetary Authority and especially the Economic Board of Singapore for their counsel and warm welcome.



Firoz Ladak
ERFIP Co-Founder
CEO, Edmond de Rothschild Foundations

ERFIP

2019 REVIEW



Our hope with this report is to reactivate our memories of the ERFIP Foundation Global Summit held in Singapore from 30th November through 4th December 2019 and the key lessons learnt through thematic showcases, informal exchanges and expert conversations. This is not a dry summary, but one which tells compelling stories of engagement and highlights examples of the indomitable human spirit facing down some of the most crucial challenges of our time. It illustrates the development of private philanthropy in specific emerging economies, with all its challenges and successes.

What makes these philanthro-development models so unique and valuable? None of them were conceived in London, Washington or Paris, but were born and bred by outstanding philanthropists from Africa, Asia, Latin America and the MENA region – the best-positioned to understand the specificities of local ecosystems.

ERFIP reflects a growing demand to recognize Global South philanthropy as a key driver for social change and economic development. There is an urgent need to redesign paradigms for development in which donor agencies, private business and philanthropy can partner together.



In 2018, according to the Organization for Economic Cooperation and Development (OECD), foreign aid from official donors had fallen 2.7 percent from 2017 levels, with less and less going to the neediest countries. Overseas development assistance (ODA) to the least-developed countries fell by 3 percent in real terms compared to 2017, aid to Africa by 4 percent and humanitarian aid by 8 percent.

By June 2019, donor countries had contributed approximately 7 billion USD according to United Nations financial tracking services. This is about 2 billion USD lower than funding received in the first semester of 2018 – a period in which the world's total military expenditure rose to 1.8 trillion!

Shortfalls in humanitarian and development assistance are increasing while short- and long-term needs for development and humanitarian assistance are growing proportionally.

Beyond these figures and efforts, the battle to solve key challenges such as access to education, healthcare, employment or poverty reduction is led almost exclusively through international aid. ERFIP truly believes in strengthening connections with family philanthropy as a key driver for sustainable change in frontier markets. These families actively engage in charitable giving and lead businesses which employ thousands.

Furthermore, ERFIP believes that philanthropy that does not interact with sustainable business and work to protect the environment runs the risk of being left on the development backbench. ERFIP seeks to bridge this gap by providing in-depth dialogue between philanthropy and socially-responsible investment practices that identify real opportunities in sustainability.



The current SDGs buzz...

CAN IT FIX AN AILING INTERNATIONAL DEVELOPMENT FRAMEWORK?

In his preface to the 2019 SDGs report, António Guterres wrote that 'Despite considerable efforts these past four years, we are not on track to achieve the Sustainable Development Goals by 2030 [...] We must connect the dots across all that we do – as individuals, civic groups, corporations, municipalities and Member States of the United Nations – and truly embrace the principles of inclusion and sustainability'.

At the heart of the problem is an annual funding gap of 2.5 trillion USD. This glaring lack of sustainability-based investment is linked to low private-sector participation.

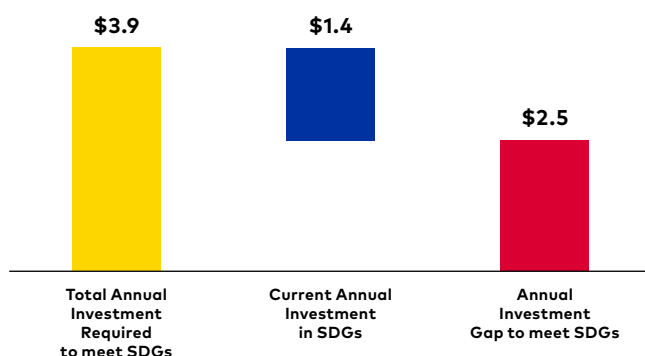
At ERFIP, leading economist and chairman of IDFC First Bank of India, Dr. Rajiv Lall, argued that despite billions of aid dollars spent on such goals as poverty alleviation, only limited results are achieved because of a failure to address root causes. Continually-changing goal posts stand out among the many explanations for this limited impact. For example, eight Millennium Development Goals (MDGs) were set to be achieved by 2015, but these had only mixed rates of completion.

The world of international development is replete with well-intentioned individuals, but their will to do good is often eclipsed by national politics and funders' demands for unrealistic projects. The development community regularly invents new buzzwords intended to encompass everything that is to be achieved: 'empowerment', 'impact investing', 'sustainability', 'aid-effectiveness', 'convergence', 'public-private partnerships'... For many on the ground, particularly the most vulnerable, this jargon remains too abstract.

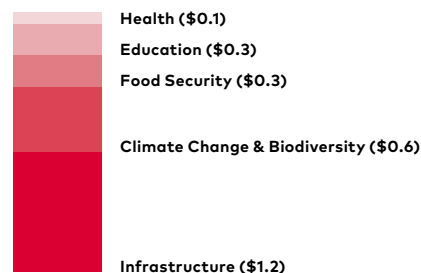
2.5

trillion USD
annual funding gap

Estimated Annual Investment to meet SDGs in Developing Countries (\$ trillions)



Breakdown of Investment Gap by Sector (\$ trillions)



Sectors critical to achieving the SDGs remain significantly underfunded, in particular infrastructure, which accounts for over 40% of the gap.

Credit: World Economic Forum (WEF)

Most international organizations habitually emphasize 'local agency', yet many of their programs are designed by Western experts with limited local input.

Amid the sea of interventions in the development arena, indigenous philanthropists are often notoriously absent. For the most part, families and businesses who have deep local knowledge are not engaged with international donors. They work on the ground, using their own resources to build and test new models and methods to make sorely-needed services available – like healthcare, quality education and employment training. All too often, foreign donors arrive with their own models, using taxpayer money to mount new projects without bothering to learn about those already in operation.

Why are families in developing countries not part of discussions on development issues? Instead of remaining disengaged from global discourse, their voices and influence could be harnessed for improved outcomes and scalability. This is precisely the bridge which ERFIP creates.

Not all philanthropic foundations are created equal. While often smaller in dollar terms compared to their North American or European counterparts, family foundations and family offices in emerging markets are often able to take more risks and innovate. These families are invested for the long haul as they build synergies in the regions where their busi-

nesses operate. Sometimes, however, such families fear the perception of political alignment with one government or another – a potentially serious threat to their businesses.

In parallel, large Western foundations tend to monopolize seats at the international aid table due to their significant budgets and overarching influence. These foreign philanthropic dollars are then channeled through government agencies. Quite often, this development aid is tied to the agendas of bilateral and multilateral organizations. In this configuration, there is simply no space for the intellectual and financial capital of private philanthropy in emerging markets.

There is a growing consensus on the urgent need to more accurately identify and address realities on the ground. Among these, a deeper role for local private philanthropy is key.

Populations in emerging economies deserve more than has been offered thus far. All stakeholders and shareholders should have a voice in defining needs and ways to meet them. Local philanthropists are the driving force behind the most worthwhile initiatives. It is time for their voices to be heard and their experiences taken into account in international development.

'Secretary General Calls for Strong Partnerships, Harnessing Technology Towards Achieving 2030 Agenda, in Message to UNLEASH Conference'. United Nations Press Release, 13 Nov. 2019, <https://www.un.org/press/en/2019/sgsm19857.doc.htm>

Petri Gornitzka, Charlotte. 'Sustainable development funding is broken. Here's how to fix it'. World Economic Forum website, 15 August 2019, <https://www.weforum.org/agenda/2019/08/sustainable-development-funding-is-broken-heres-how-to-fix-it/>

From manufacturing to organic models

ENDURE OR ENJOY!

As Pablo Picasso once said, all children are born artists.

As they grow older, creativity is hampered. How does this happen? Education systems tend to stress conformity, suppressing children's ideation and curiosity. Mainstream education systems, including those in the West, lack a space that blends learning and creative thinking. A child's natural talents are ignored to give priority to STEM subjects. This is the 'hierarchy of subjects' observed by Sir Ken Robinson: 'mathematics, sciences, languages, then humanities and at the bottom is the arts'.

When third-grade students in Kenya, Tanzania and Uganda were recently asked to read a simple sentence such as 'The name of the dog is Puppy', whether in English or Kiswahili, only a quarter were able to do so. In rural India, nearly three-quarters of students in third grade could not solve a two-digit subtraction problem (46 minus 17, for example). In Brazil, the skills of 15-year-olds do show signs of improvement, yet at the current rate it will take another 75 years to reach the maths scores of wealthier countries. There are multiple crises in the education sector worldwide. In 2017, more than 262 million children did not go to school. This figure – equivalent to one in five children worldwide – has remained unchanged for the last five years according to UNESCO. Yet even where there is majority enrollment in school, one out of six children and adolescents never reaches minimum reading or maths proficiency. As World Bank Group past president Jim Yong Kim has stated, '**This learning crisis is a moral and economic crisis.**'

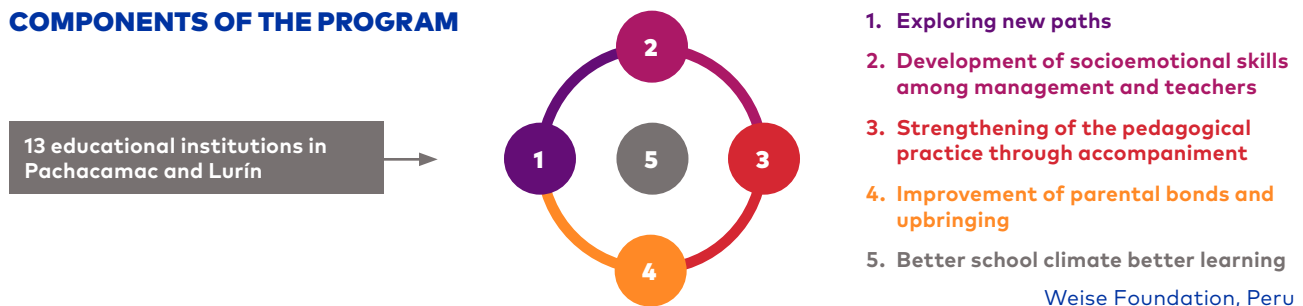
262

million children worldwide
with no school access in 2017

Education is meant to prepare children for a future that none of us can predict. Yet policy makers continue designing rigid education policies which lack the imagination to allow a child's natural talents to flourish. **Large-scale education systems produce students like assembly-line products.**

Philanthropists have tried to step in when structural inefficiencies and a lack of political will have stood in the way of opening more schools, introducing innovative curriculum or formulating impactful education policies. In the ERFIP community, two families have come up with their own methodologies to address learning challenges in schools, in Turkey and Peru respectively.

COMPONENTS OF THE PROGRAM



The Vehbi Koc Foundation (VKF) in Turkey has been working on many education issues since its creation in 1969 with a mission to foster social and economic development through collaborative and high-impact projects in education, healthcare, culture and other sectors. While VKF indeed builds brick-and-mortar schools and dormitories, it also promotes high-quality education by creating environments for teachers to collaborate with peers from different institutions or disciplines.

VKF president Erdal Yildirim spoke about one of the Foundation's most innovative and challenging projects: building a model school. But after having already built 17 schools and handing them over to the Turkish Ministry of Education, what could be new about this one?

As Yildirim explained, 'We decided to experiment with school design. Social development is possible only if learning environments address the needs of students and the school community. There is research which shows that children learn from their physical environment as much as they learn from their peers or adults. Learning environment is the third teacher which has direct impact on learning. In order to obtain better learning outcomes and support creativity of children, it is imperative that educators and policymakers take into account physical design of schools.'

A myriad of complex factors come together to constitute the learning environment: classroom layout, nutrition, airy and sunlit rooms, educational methods and community participation are only some. A model school structure addresses all of these issues in a multidirectional way. For example, one key de-

sign principle to foster learning is 'Let the sunshine in'. In fact, research shows that children in classrooms with plenty of sunlight and air remain better focused; observed benefits include not just improved learning outcomes, but better health as well.

There is limited hope for achieving the SDG for education if we continue to use 20th-century design approaches and pedagogical systems. In places where governments are reluctant to use taxpayer money and avoid taking risks, foundations like VKF have taken the lead by calling on teachers, parents, pupils and the wider community to imagine schools ready to prepare children with 21st-century skills.

In Peru, the Weise family has likewise used its creativity to build and support educational opportunities. The family embarked on efforts toward national school reform by improving schools' climates and learning outcomes. Within the framework of its Educational Quality Program, the Weise Foundation initiated its 'Better school climate, better learning' project in April 2016. 'The premise of the program is supporting teachers as they are agents of change', explains Marilu Weise. By working mainly with school administrators and teachers in 13 public schools in Lurín and Pachacamac, the main objective is to improve institutional and classroom climate to benefit teaching and learning.

The program accompanies 200 teachers throughout the year based on reflexive, critical dialogue. 'We engage parents in our approach to build a comprehensive learning community. We work towards strengthening socioemotional skills amongst school management.'

Employment creation & youth empowerment

ENTREPRENEURSHIP
IS THE ANSWER... REALLY?

Growth forecasts suggest that existing economies will be unable to absorb the world's surging youth population. The International Labor Organization estimates that young people account for up to 40 percent of the world's unemployed. One in four people today is aged 15-29 – nearly 1.8 billion – around 90 percent of them in developing countries.

As millions enter the job market each year, governments and the private sector are unable to provide opportunities for all. In sub-Saharan Africa alone, 10 to 20 million young people enter the job market every year, yet they are underequipped to fulfill market needs, with employers at a loss to find candidates with appropriate skill sets.

The diverse origins of this malaise range from lack of access to formal labour, low-quality education, inadequate national policies and persistent gender inequality. Poverty, crime, migration, political unrest and a lack of innovation and economic development are the consequences.

90%

of young people aged 15–29
live in developing countries

While large corporations indeed provide some opportunities through training and secure wages, the creation of entrepreneurial drive and economic value depends on an overarching development strategy. Bringing a new generation of entrepreneurs up to speed presents deep-seated challenges: lack of business training, limited access to capital and networks and, in many cases, a prevailing risk-averse mindset. These challenges are magnified when financial viability must be conjugated with positive social and environmental impact.

Whether this generation of youth is to be squandered or transformed into an asset depends on the ways employment is addressed. By fostering impact entrepreneurship, can philanthropic investment seize the benefits of an interconnected world to build more efficient ecosystems in local markets?

Three philanthro-investors shared their stories.

Dato Kim Tan grew up in Malaysia to become a successful biotech entrepreneur and social-impact pioneer. He is a passionate advocate for entrepreneurs working to make a difference. Co-founded by Tan, Transformational Business Network (TBN) has created 20,000 jobs through 85 different projects led in partnership with local communities. Through Agape Call Centre, one of Tan's TBN investments, Agape Connecting People Pte Ltd was set up by a former prison inmate to provide employment opportunities to prisoners and past offenders in Singapore. 'Agape', explains Tan, 'hires and helps inmates with remaining sentences to re-build confidence upon their release to return to society and the marketplace. Inmates, whether currently or formerly incarcerated, comprise a group of people, young and old, that no one wants to hire or trust. They are the most difficult to re-integrate into society; yet after serving their prison sentence, they need to become part of society

again. It is as if society punishes them a second time upon release as they are shunned socially and economically.'

'We invest in ideas but most importantly, we invest in people, particularly those who are considered unbankable. We deploy the same criteria of corporate governance but we also look to see if people are willing to learn, to excel, and are committed to turning their lives around. They must get a second chance in life.' – Dato Kim Tan

Kuzuko Game Reserve in South Africa demonstrates how a local alliance can transform lives through responsible tourism. It created 250 jobs and helped an entire community ecosystem.

The Wiese Family's Entrepreneur Fund in Peru shows how a family foundation can harness entrepreneurship for social good. Representing the Wiese Foundation, Ingrid Claudet explains that the Entrepreneur Fund 'has become the vehicle through which the Wiese family crystallizes its desire to put the Wiese Group companies and family giving together at the service of the most vulnerable'.

According to the ILO, Peru's youth face particularly high unemployment – 7.8 percent – more than triple that of adult workers (1.9 percent). Youth and women living in rural areas are even more susceptible to unemployment. For the first time, the philanthropic capital of a Peruvian foundation is being used to identify, invest and boost social enterprises whose leadership signifies new ways of doing business and creating employment. 'We look at businesses who see commercial success as intertwined with environmental awareness and social returns' added Claudet. 'How are we doing it? Every two years, we launch a drive to identify social enterprises for our portfolio and provide technical advice to build capacity and invest in them. We work in collaboration with other partners to scale and have more impact.'

KEY CONCLUSIONS: PHILANTHROPISTS NEED TO

RE-THINK scale

RE-DEFINE problems

EXPLORE the edges of what's possible and how to get there

DEVELOP EXPERTISE to build creativity and design thinking

TAKE risks

COOPERATE

The sustainability mindset

CAN IT BE APPLIED TO
THE HOSPITALITY INDUSTRY?



Sustainable development is about much more than simply jumping on the 'green bandwagon'. It denotes a holistic approach to business incorporating people, the planet and profit in a drive toward long-term profitability.

Inextricably related, the tourism and hospitality fields touch nearly all of the 17 SDGs in one way or another. For one example, Responsible Production and Consumption focuses on the development and implementation of tools to monitor sustainability in tourism, with reference to job creation and the promotion of local culture and products.

Many great stories demonstrate how families have applied good business practices to global hospitality and tourism opportunities and have thus been able to create sustainable livelihoods while protecting the planet.

According to the ILO, 73 percent of Mali's economically active population works in the informal economy, with one-third of workers between 15 and 39 years old. Youth unemployment is significantly higher than the national average, at 12 percent nationwide and 32 percent in the capital city of Bamako. All countries in the region face a similarly toxic mix: high youth unemployment, environmental degradation, insecurity.

Mossadeck Bally from Mali chairs Azalaï Hotels Group, a leading hotel chain in West Africa. Key among the several challenges Azalaï faces is the lack of properly trained staff, particularly among the youth workforce. Azalaï addresses unemployment by running a vocational school for the hospitality industry. Bally explained that 'We could never find enough trained staff to work in and run our hotels. Although unemployment remains high in West Africa, we were struggling to find the right candidates. We decided to open a center for hospitality training ourselves. 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 French advisor who had opened an impressive hospitality training school for local needs in Cambodia. He helped us setting up our center in Bamako.'

Bally detailed the Azalaï initiative. 'We want to build a pipeline of well trained and highly skilled labor force not only for our own hotels but also for the sector at large. To start, we selected a group of 40 young people for training, who had basic education and passed an entrance exam. Their training was split into two parts – practical on the job skills training and theoretical learning. All 40 graduated with a certificate and are employed. The costs of training which includes boarding and lodging stands at 4000 USD per student. Ten percent

of this is covered by the student; we cover the rest. This is how private philanthropy and local business work together to address youth unemployment in Mali. We are happy that a corporate need can meet a social need and create a win-win situation,' Bally concluded.

Thousands of miles away, Melita and Rory Hunter co-founded Song Saa Foundation in Cambodia. In 2005, they stumbled upon one of the many Cambodian islands where fishing communities had been driven out during the Khmer Rouge period (1975-1979). Witnessing the extent of marine environment devastation, the Hunters set up Song Saa to aid the local community's development efforts toward environmental cleanup, an economically-sustainable solid-waste management system and a protection zone around the islands. To generate revenue and offer employment to the community, a for-profit luxury retreat was built.

One important indicator of Song Saa Foundation's success is the continued presence of local communities on the island, which could have disappeared through migration to the mainland in search of income opportunities. Relationship building was key to that success, creating trust and vested interest on the island. Success creates its own followers and neighboring communities are adopting marine-life restoration as well. Song Saa Foundation together with the local community has thus become a major force for sustainable marine-life regeneration in the archipelago.

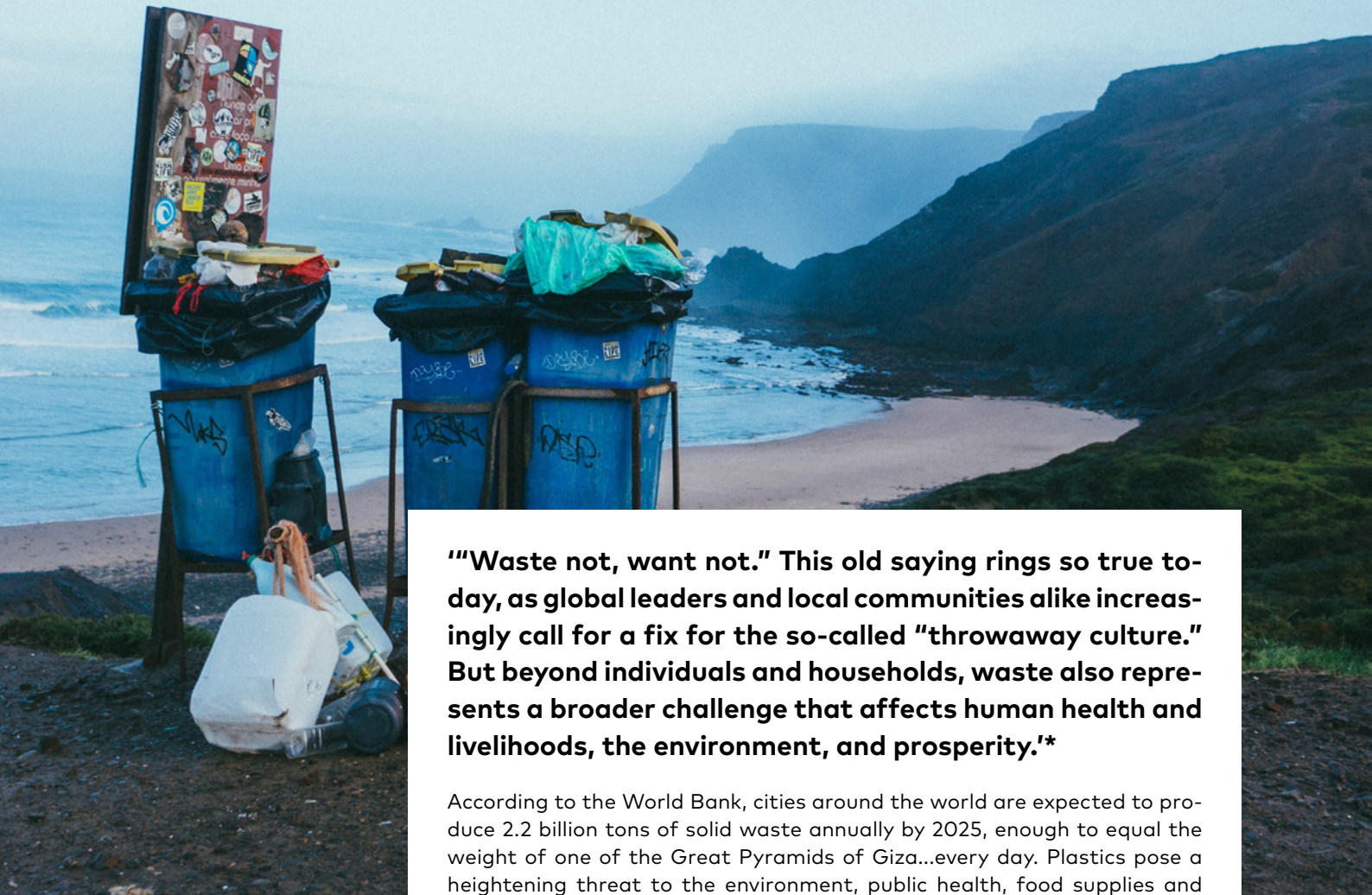
KEY TAKEAWAYS:

Families and an increasing number of sector corporates now know that hospitality should promote:

1. Social inclusivity, diversity and sustainable economic growth
2. Employment opportunities and vocational training
3. Resource efficiency, environmental protection and efforts to reverse environmental damage through sustainable practices

AIN'T NO MOUNTAIN HIGH ENOUGH!

Turning waste into sustainable opportunities



"Waste not, want not." This old saying rings so true today, as global leaders and local communities alike increasingly call for a fix for the so-called "throwaway culture." But beyond individuals and households, waste also represents a broader challenge that affects human health and livelihoods, the environment, and prosperity.*

According to the World Bank, cities around the world are expected to produce 2.2 billion tons of solid waste annually by 2025, enough to equal the weight of one of the Great Pyramids of Giza...every day. Plastics pose a heightening threat to the environment, public health, food supplies and more. They particularly affect the world's freshwater systems and marine resources. 'The East Asia and Pacific region currently generates most of the world's waste at 23 percent. And although they only account for 16 percent of the world's population, high-income countries combined are generating over one-third (34 percent) of the world's waste. The fastest-growing regions are Sub-Saharan Africa and South Asia, where total waste generation is expected to triple and double by 2050 respectively, making up 35 percent of the world's waste.'

2.2

billion tons of solid waste will be produced annually by 2025

A new breed of forward-thinking philanthropists and investors are applying business tools to address issues of solid-waste management while putting together actionable plans for employment. They are finding comprehensive and inclusive solutions to find hopeful opportunities in the present tragedy.

The story of the Future Africa Foundation in the Ivory Coast arose from a personal and emotional experience of its founder, Charles Kie. One day Kie followed a garbage truck into a camp where squatters survived by scavenging and sorting garbage for recycling. Families lived dangerously close to an open landfill, many afflicted with poor health and without resources to send their children to school.

This experience led Kie to take action. Registered in 2014, the Future Africa Foundation has a dual focus on education and the environment. It aims to give underprivileged children access to education and, in parallel, increase environmental awareness. As a first step, Africa Hope rehabilitated a school near a shanty town bordering a garbage dump. For the first time in the Ivory Coast, electronic tablets offered children access to digital learning. In addition, the foundation initiated after-school activities to increase children's environmental awareness.

The Ivory Coast suffers from a chronic lack of classrooms. UNICEF reports that 1.6 million of the nation's children do not go to school, with insufficient classrooms being a main obstacle. Future Africa

Foundation partnered with UNICEF to build classrooms with environmentally-friendly materials. According to UNICEF, of the 288 tons of plastic waste produced daily in Abidjan, only 5 percent is recycled. The adverse effects of poor waste management policies are seen in the health of adults and children alike. Sixty percent of malaria cases, diarrhea and pneumonia in children result from defaults in the waste management system.

UNICEF Côte d'Ivoire partnered with Conceptos Plastico, a Colombian social enterprise, to create blocks from plastic trash to be used in the construction of classrooms. Since most garbage collection is done by women, efforts are underway to create a recycling market led by women. Women are trained in the sorting, reselling and management of waste materials.

As a relatively new entity, the Future Africa Foundation continues to grapple with the challenges of stakeholder alignment and support from public authorities. Various approaches to using garbage as a source of energy, employment creation and development are being explored. All of these will require partnerships with like-minded entities and, ultimately, the government.

We must work to restore dignity to the women who play such an important role in the waste-recycling process.

KEY CONCLUSIONS

Philanthropic endeavors must be drawn from passion with a long-term commitment to change

Education linked with environmental awareness and employment creation is a starting point for behavioral change

Parachute philanthropy does not work: Rather, build trust and understand the complexity of people's lives to imagine solutions

Community ownership is the key to any project's success

* 'What a Waste: An Updated Look into the Future of Solid Waste Management'. World Bank website, 20 September 2018, <https://www.worldbank.org/en/news/immersive-story/2018/09/20/what-a-waste-an-updated-look-into-the-future-of-solid-waste-management>

Everything's gonna be alright

NO WOMAN, NO CRY

For a long time, women's empowerment has served as a development buzz word, often with a shortsighted focus on offering women low-paid work like hairdressing, sewing or cooking. There is an appealing simplicity to the argument for investing in women and girls: 'They have so much potential, get them into work and poverty will disappear', or 'Get them into school and child marriages will decrease', 'Give them a goat or a cow and they will change the world!'...

Significant philanthropic and development resources have sustained this appealing yet simplistic narrative. Greater care must be taken to understand the complexity of women's mindsets and living conditions to lift them and their communities out of poverty.

A new breed of risk-taking philanthropists are building new pathways for women's empowerment, some by building entire ecosystems to support women, others by focusing on sustainable economic independence.

One such forward-thinking philanthropist is Vidya Shah, founder and CEO of the EdelGive Foundation, part of the Edelweiss Group, a lead-

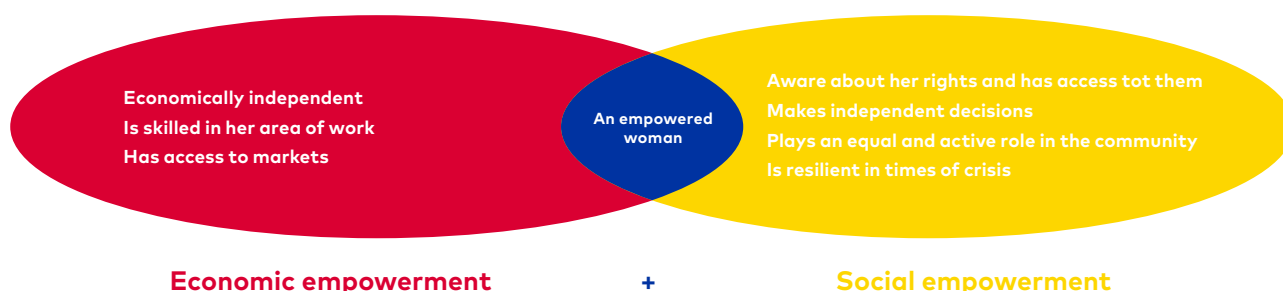
ing financial services conglomerate in India. After developing this impressive business venture with her husband, Shah created EdelGive in 2008 to give a more structured approach to Edelweiss CSR initiatives. 'Women need to challenge and disrupt norms', affirms Shah. 'We must collaboratively build a sustainable culture of empowering India's half-billion women.'

In a recent Oxfam report on inequality, India ranked 147th out of 157 countries in the Commitment to Reduce Inequality index and 151st on the index for Public Spending on Healthcare, Education and Social Protection. According to Thomson Reuters Foundation, India has become the world's most dangerous country for women.

Gender justice and women's empowerment is EdelGive Foundation's objective. EdelGive works to strengthen the collective representation of women, especially in the workforce, by bringing critical stakeholders together – women and men, conventional social actors such as NGOs and new entrants

focusing on venture philanthropy. 'We believe it is only at that level of collective engagement that needs can be better communicated and the scale and magnitude of change required for women's rights can be achieved' Shah emphasized.

EMPOWERMENT: A TRANSFORMATIONAL PROCESS



Credit: EdelGive Foundation

EdelGive uses distinctive tools to support women's social and economic empowerment. As an example, Shah described the Influencers: 'They are a significant and influential group of women and men who are iconic leaders and opinion makers across sectors, with an intent and ability to lend their voice to the concerns of and challenges to women empowerment.' Through their identity, networks and resources, the group aims to enable millions of nameless, faceless women marginalized by caste, culture, geography, economic status and other differentiators to participate actively in the social, political and cultural spheres. Another group empowered by EdelGive Foundation, survivors of trafficking have become forceful advocates against this abhorrent practice.

While EdelGive works on women's empowerment and gender equity in India, a leading Turkish family has been at the heart of educating girls and

providing the necessary physical infrastructure for reaching their full potential. Aydin Dogan Foundation has focused on girls' education for the last 15 years. Thirty-three dormitories have been built, fifty thousand scholarships offered, schools and other infrastructures provided; but the foundation goes further by offering women microcredits as they move toward economic independence. Additionally, Aydin Dogan has been a leader in promoting women's rights through lobbying and campaigns against child marriage and domestic violence.

'We work collaboratively with other foundations, civil society groups and government for increased impact and scaling-up of our projects', explains foundation director Candan Fetvacı. 'We are constantly seeking ways to innovate and engage young girls and women in our programs. Our aim is to close the skills gap and prepare these young women for the 21st century.'

KEY TAKE AWAYS


Ways to advance women's and girls' empowerment by improving access to education, justice and economic resources

An insight into innovative, collaborative philanthropy focused on gender-related advocacy work

Knowledge about how to identify and strengthen gender equality, equity and justice

Education & economies in frontier markets

A VISIT TO THE HP CAMPUS
IN SINGAPORE



Current research identifies a strong correlation between improvements in cognitive skills and economic growth. Since the publication of Hanushek and Woessmann's landmark paper, academic literature has largely supported their contentions: quality education leads to more predictable economic growth and societal peace. Good schools are good for business.

100

million will gain more
from their education

During a visit to the HP Campus, experts in education and economists from academic institutions, international non-profit organizations and the private sector discussed the economic foundations for human capital development. Participants experienced the latest education technologies like virtual reality, purposeful gaming and mobile learning at HP's Asia-Pacific headquarters.

The HP visit highlighted the company's ambition to improve learning outcomes for over 100 million people. At present, HP is about to reach the halfway point of this goal, revealing the need for an approach focused on scale and impact, said David Holland, HP's Education Strategy Manager for the Asia Pacific region.

Holland presented HP's four sustainability focus areas in education:

1. Women's and girls' education
2. Education in emerging markets
3. Entrepreneurship and lifelong learning
4. Instructional innovation

Holland commented that 'we work with countries to understand educational opportunities in policy through the program known as NETA (National Education Technology Assessment). NETA is a complete nation-wide learning, social and economic mixed method research conducted in partnership with the country and partnered with advisors including UNESCO and Brookings Institute. We have worked in countries like Rwanda, Peru, certain U.S. states and many other countries; our focus remains in-country support in close partnership with local stakeholders'. He added that 'Entrepreneurship and

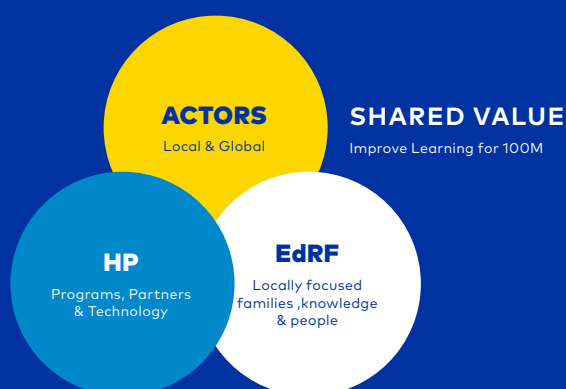
skill development is another area of focus. We work to bring people opportunities for self employment, when unemployment is high; and helping reskill youth and mature people alike with highly employable technology-based lessons. HP is currently investigating and researching how and when technology actually delivers real results to learning and challenges like teacher capacity. Indeed many countries have bought computers for students and actually seen none to negative education results. We try to help leaders to move away from photo opportunities and political points to real impact in learning and country academic performance.'

Holland concluded by affirming that 'To create shared values and maximize impact, HP needs to work with partners like ERFIP who can localize programs and efforts to ensure innovation, traction, efficiency and impact'.

Our Approach

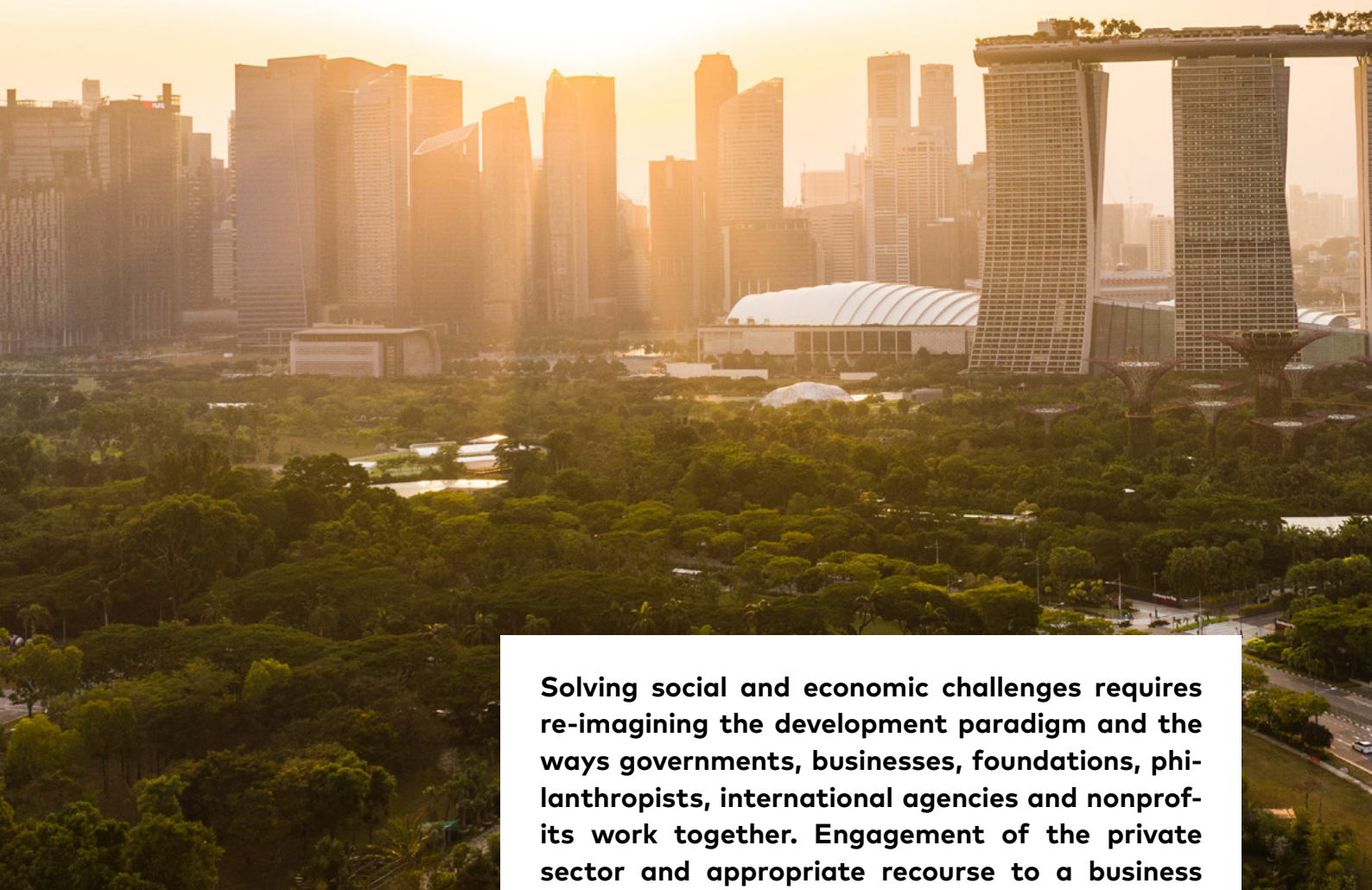
Creating Shared Value = Impact + Scale

Shared value focuses leaders on maximizing the complimentary value of solving social problems at a larger national scale.




When policy & business become a force for change

THE CASE OF SINGAPORE



Solving social and economic challenges requires re-imagining the development paradigm and the ways governments, businesses, foundations, philanthropists, international agencies and nonprofits work together. Engagement of the private sector and appropriate recourse to a business mindset help to build economic resilience, achieve scaled impact and lead to structural change.

The experience and role of Singapore in addressing some of these key issues at home, in Asia and globally is particularly inspiring. How do political strategy and business practice align to achieve sustainability? How does Singapore engage with philanthropy and development agencies to further the cause of human and social development? These were some of the questions addressed by Dr. Beh Swan Gin, Chairman of the Singapore Economic Development Board (EDB). Following are some excerpts from his keynote speech to ERFIP.



The Singapore story is about how we overcame constraints to innovate and transform a colonial backwater into a thriving metropolis. We are about turning possibilities into reality for a better Singapore and a better world.

Today, we are the fourth largest exporter of high tech goods in the world and Singapore is known to be the choice of many global conglomerates to set up their headquarters. For many years, it was mainly about developing industries, attracting investors and global leaders so we could create jobs and strengthen our economy. **Singapore is at an inflection point. We are moving from a primarily investment-driven economy to one which is led by innovation with a focus on sustainability.** We are also adjusting cautiously against globalization, particularly with regard to wealth inequality. **The benefits of globalization have not been distributed fairly.**

We are trying to lift the bottom segment instead of pulling the top ones down. We continue to support intergenerational mobility. We are investing heavily in early childhood development.

What are the driving forces that will shape out the next phase of Singapore's development? Ours is a small country and we have a single level of government. This makes it easier for us to translate the vision and execute it.

We at EDB have also been working to further diversify and help small- and medium-sized enterprises (SMEs) to innovate, think big and find greater success and grow beyond Singapore if we want to sustain our growth and success. We are encouraging large and small businesses to reimagine how they do business and think of technological solutions. Imagine the size of the Indonesian market, only 20 percent are banked. Think of the opportunity scale of such a market.

Is there a role for family philanthropy? Of course, family philanthropy has a key role to play alongside government bodies particularly, as we know that most businesses in Asia are family-owned. Whether we talk about impact investing, social entrepreneurship, or investments in SMEs, all segments of the society have to work together. We cannot work in silos.

Foundations are relatively new to Asia, introduced and growing in popularity over the last few decades as spurred by the growth of Asian economies and the resulting emergence of high-net-worth individuals (HNWIs). More and more wealthy individuals and families are setting up foundations, trusts, and other funds to institutionalize their giving.

The philanthropy ecosystem in Asia can be strengthened with the growth of philanthropy intermediaries and network partners who can build professionalism, facilitate information sharing, and promote best practices. Governments can catalyze philanthropy with supportive policy making.

Private philanthropy can take risks to which most governments would be averse as custodians of taxpayer money. While private philanthropy has the opportunity to innovate and experiment, we will be happy to help scale.

**Dr. Beh Swan Gin, Chairman
Singapore Economic Development Board**

HEALTHCARE FOR ALL

The role of private philanthropy in building health systems

The case of Hôpital Fondation Adolphe de Rothschild

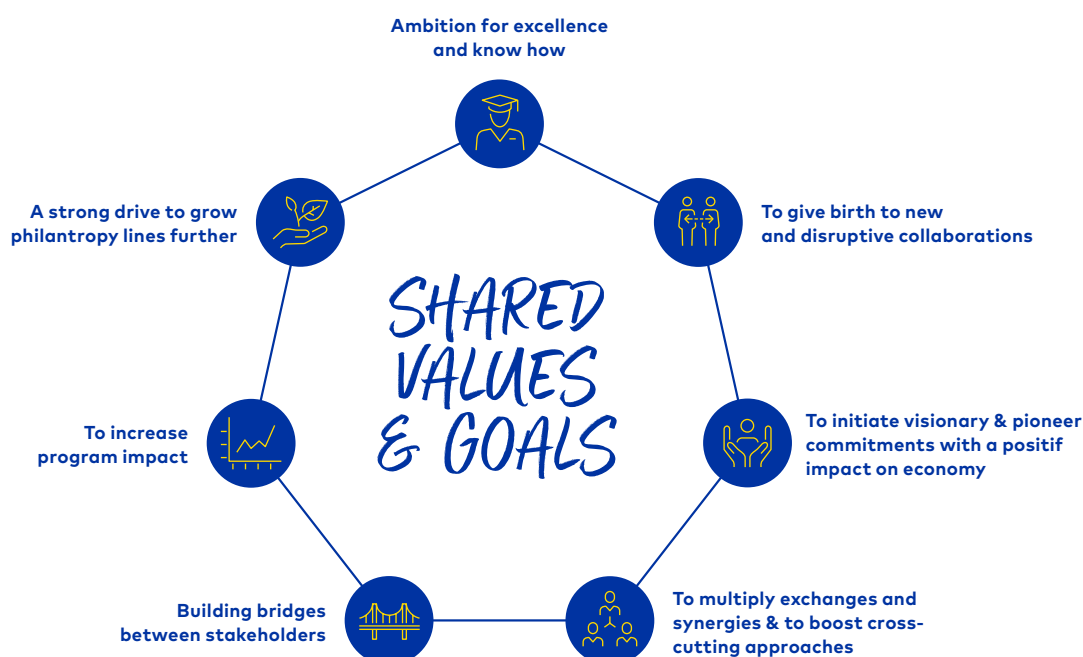
Multiple UN resolutions consider healthcare access a basic human right. Yet the urgent need for accessible, quality-driven and sustainable healthcare systems continues worldwide, including in some of the most developed economies like the United States. In many emerging markets, the need has reached a critical stage, with fast-growing populations in Africa and the Middle East and an increasing elderly population in parts of Asia and Latin America. Demands for better healthcare multiply. At the same time, most national governments are struggling to provide facilities and services to their citizens.

Can the private sector and philanthropists impact the broader health system? Through innovation, management and systems, can they provide economic and social alternatives to the prevailing disaster in public hospitals? What characterizes models of successful partnerships with governments capable of mobilizing an entire ecosystem? What are the limits of such collaboration?

In response to these questions, the case of the Hôpital Fondation Adolphe de Rothschild in Paris illustrates how a leading private, nonprofit university hospital has developed a complex but successful co-operation with the French government. The hospital also applies its know-how by partnering and advising health agencies and government ministries, particularly in North Africa and the Middle East. 'We are not only committed to excellence in medical research and patient care', explains Julien Gottsmann, CEO of the hospital. 'Our focus is to transfer and share knowledge with partners who may not be as advanced as we are in research and hospital management, and simply do not have the resources.'

Regarding philanthropy, Gottsmann added that "The Rothschilds in France are an example of how a philanthropic family offered money to create and develop a specialized hospital for the eye and brain that is accessible to all, and then invited the state to become a partner after World War II."

He concludes that 'Partnering with a government has its own set of challenges. Healthcare is a right and should be accessible to everyone. Private capital can take you far but you will have more impact and greater scale by partnering with governments to deliver services.'



NO ONE SHOULD BE LEFT BEHIND

From local impact to global advocacy

The vast majority of people living in developing countries have no access to vision correction. Thirty percent of children globally and an equal percentage of the world's working population struggle with poor vision. This includes thousands of near-sighted truck drivers in Nigeria, tea pickers in India or coffee farmers in Bolivia.

At the same time, poverty is worsened worldwide by lack of access to medication still in the hands of global majors. A new law in Thailand now allows for research and development of medical cannabis to provide relief for multiple ailments. Despite an ongoing stigma, the country is blazing an unprecedented path for monitored crop production and opening new economic opportunities.

Beyond money and medical skills, drastic policy changes often remain the missing link in global health discourse. The stories of two philanthro-entrepreneurs highlight how blending business acumen with global advocacy can provide meaningful solutions for millions of people.

2.5

billion people with no access to vision correction

James Chen, founder of Clearly, introduced an astounding figure: **2.5 billion people have no access to vision correction, by far the most frequent untreated health problem globally.** Yet the world tends to overlook vision, including in the SDGs. As Chen points out,

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

About twelve years ago, I stumbled upon adjustable glasses. Although they were technically good, these glasses were heavy and uncomfortable. We continue to refine design and use better technology. We have also worked out a fruitful 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 two thousand 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 for further treatment. This is the first time in history that this service is available to everybody in a country! 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. We could manage without government, but their blessing is required for scale.

This has truly been a journey that links to my own. 'Without glasses, I would not be where I am today. It is said that the best philanthropists are the ones that are themselves affected. 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 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 reach targeted populations at scale and achieve more product development and research. However, this has been too elusive so far.

The World Bank is open to dialogue and we could explore potential partnership avenues. Considering that the World Bank works on issues including access to healthcare, they should support more actively private philanthropy that has tested successful models.

James Chen launched Clearly to advocate for the eradication of poor vision and access to basic eye care. To achieve systemic change, Clearly campaigns globally to educate the public and world leaders, such as the Commonwealth Heads of Government Meeting, championing innovation and spreading best practices to make vision tests and affordable glasses available across sectors and in different countries. **James Chen has made it his personal mission that if a human is to set foot on Mars in the years ahead, everyone should be able to see it happen!**

Iqbal Survé, chairman of the Survé Family Foundation in South Africa, presented a social business that he describes as a blend of philanthropy and business. The foundation leverages IT innovation to increase efficiency and save costs in government hospitals and health services in Africa. Initially, the foundation provides financial support for roll-out. The rapid gains in efficiency allow for an almost immediate return to full government-based sustainability.

Survé is a trained medical doctor. The Cape Town hospital where he once worked had historic expertise, and was even the site of the first-ever heart transplant. Yet patients from poor communities had little access to this scientific expertise, especially during apartheid. Today, diagnoses are often lost in the system and significant government spending is wasted through inefficiency.

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 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 turnaround 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.

A feel-good aspiration for dreamers, a market opportunity for cynics

If supporting local entrepreneurs is part of the solution to unemployment, can compassionate investment help those at the bottom of the pyramid while still delivering returns? Are business practices and patient capital a viable match? Or is mixing revenue and social impact simply a theoretical posture?

Much is said about the importance of building coherence between philanthropic values and portfolio investments. During the ERFIP gathering, sustainable investing spaces and the challenges faced by the philanthropic sector in addressing opportunities from the asset management industry were important subjects of exchange.

Many foundations have traditionally kept their endowment strategy separate from their grant-making programmes. The primary concern for most foundations is to generate sufficient returns to cover operational costs and existing grants while providing resources for future programs. However, many foundations today are using their capital as a powerful tool to maximize social good.

As a result, the sustainable investment market – otherwise known as ESG (Economic, Social, Governance) – reached 22.9 trillion USD worldwide in 2016, up from 18.3 trillion in 2014, with sustainable investment representing 26 percent of all professionally-managed assets globally. Evidence shows that an increasing number of

institutional and private players are re-aligning their investments to match their value systems. The Rockefeller Brothers Fund, for instance, committed to fighting climate change by exiting fossil fuels. It invested 40 percent of its endowment in mission-aligned investments with climate-friendly solutions, while making no compromise on expected returns. Some foundations have joined the “Divest-Invest” movement against oil and gas while others deploy an incremental approach towards greater ESG exposure in portfolio management. Still, placing a large proportion of a foundation’s endowment in pure impact investing remains the exception.

Sustainable investment is carried out through a variety of approaches:

EXCLUSIONARY SCREENING: AVOID investing in companies or sectors that do not align with investor values or meet other norms or standards

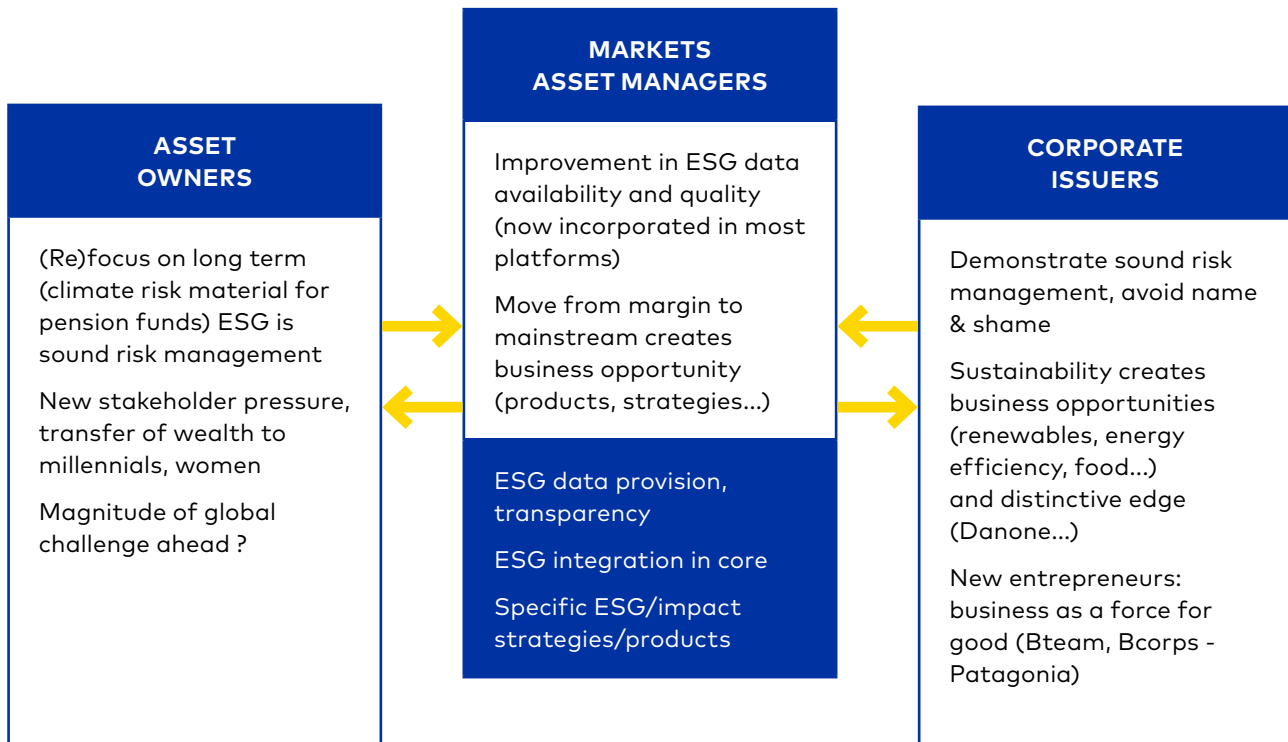
POSITIVE SCREENING: ACTIVELY SEEK OUT companies deemed high-performing on certain ESG measures

THEMATIC: FOCUS on investments according to interest in special environmental or social themes, i.e. clean energy, water, education or healthcare

IMPACT INVESTING: INVEST in companies or funds with the intention of generating positive, measurable social and/or environmental impact alongside a financial return

ESG INTEGRATION: INTEGRATE environmental, social and governance principles into investment due diligence and financial analysis

UNDERLYING (SUSTAINABLE) MEGA-TRENDS



KEY TAKE-AWAYS AND QUESTIONS

The clear change seen over the past 24 months is fueled by investor demand, particularly strong in the United States. Signatories of Divest-Invest campaigns now account for 3.4 trillion USD in assets, up from 1.8 billion in 2014.

While socially responsible investing (SRI) is not new, it still lacks focus and credibility. Investment strategies such as negative screening and exclusion have also been in practice for a while and were mostly adopted by "values-based" investors, i.e. faith-based organizations and religious institutions. Moving beyond exclusion and taking a more proactive ESG approach has long been limited for many foundations' endowments. ESG strategies do not offer sufficiently compelling returns and are still perceived as hindrances to financial performance.

Impact investing and mission-aligned investments remain a relatively new field, with limited data available when compared to traditional investments. This situation, however, is evolving rapidly. In wealth/fund management, there is an increasing trend to shift business models when endowment investments do not align with mission and values. As for family philanthropy, there is an incentive to prepare the next generation. Many family members want to move more actively toward change.

Sustainable investment in food systems

Despite record growth in some frontier economies, food insecurity resulting from poverty, recurrent drought, overpopulation and the degradation of land and soil remains a major challenge. According to the FAO, an estimated 842 million people suffer from chronic hunger and lack the nourishment essential for an active life. The vast majority live in the Global South and China. One hundred sixty-two million children are physically underdeveloped and one-third of the population in the developing world suffers from micronutrient deficiencies leading to blindness, mental retardation and early death.

Growing pressure on global food systems constitutes a critical development challenge and a massive risk for businesses, governments, communities and the environment worldwide. In this context, business is becoming a critical partner for governments and other stakeholders to design and deliver effective, scalable and practical solutions to achieve secure and sustainable food and agriculture systems.

In this context, how do private investors and entrepreneurs implement sustainable practices and work in partnership with other actors throughout the agricultural value chain? What does sustainable investment look like in food and agro-business?

Activist investor Sebastiano Cossia Castiglioni set the stage when he heralded a coming 'food revolution'. His investment activity bears witness to the magnitude of protein disruption

underway. Our consumption habits – particularly our reliance on animal protein diets – and agri-food production patterns have hit the wall, posing direct threats to health, climate and nature, food security, not to mention the equity and ethics questions raised by vegan and animal rights activists such as Castiglioni himself.

Yet, this is not a mere marginal effect driven by heightened consumption consciousness in the North. There is a serious underlying economic rationale. Precision fermentation (PF) protein production is making huge progress and is destined to disrupt agri-food value chains at an unseen magnitude, particularly in the feedstock industry, starting with beef and milk production. Much as is happening in the renewables industry today, lower production costs makes food value chain disruption a very likely mega-trend.

Policy & family governance

The ERFIP 2019 Global Summit concluded with a special session facilitated by Erdal Yildirim, president of Vehbi Koç Foundation. The following principles were discussed in depth:

Policy Governance is a comprehensive governance methodology introduced by John Carver. It redefines the board's job as 'Ownership one step down rather than management one step up!'. First developed in the 1970s, it evolved into a mature methodology in the 1990s. Carver's methodology is based on ten principles, used exclusively or in combination to create more effective ways of governing family businesses and foundations.

1. **The Trust in Trusteeship.** This means the Board should be a steward or trustee of the organization, not just financially or in the interest of those with a legal stake in the organisation, but all stakeholders, including clients or others to whom the Board has a moral responsibility.
2. **The Board speaks with 'one voice' or not at all.** A Board should never be fragmented. Reaching collective decisions ensures that the board will be able to carry out its mission effectively and consistently. A single voice provides true leadership and avoids politics.
4. **Boards should formulate policy by determining the broadest values before progressing to the more narrow ones.** This means that policies should be developed from the broad (such as a policy statement setting forth the need for evaluation) down to the narrow (such as a policy surrounding the use of Key Performance Indicators). The result is that policy flows logically from the general to the specific.
5. **A Board should define and delegate rather than react and ratify.** This principle means that the Board should create policies that delegate tasks to the CEO and then respect such delegation. If situations are covered in existing policies, those policies will kick into effect when situations arise, rather than requiring the Board to write new policies.
6. **Ends determination is the pivotal duty of governance.** The Board should always keep in mind the outcomes of the organisation. The goal should be to monitor outcomes and delegate the achievement of those outcomes to the CEO or Executive Director. The Board should remain strategic.
7. **The Board's best control over staff is to limit, not prescribe.** This means that the Board should indicate (as in Principle 3, 'Executive Limitations') what the Executive is not permitted to do. The Board should not give instructions to the Executive. This subtle difference allows the Executive Director the latitude to achieve the goals set out by the Board.

8. **A Board must explicitly design its own products and services.** This means the board should write its own policies rather than merely adopting policy templates that may not be relevant to its specific needs.
9. **Board Decisions should predominantly be policy decisions.** Rather than intervening in operational or day-to-day decisions, the board should restrict itself to setting out formal written policies. The Carver Model defines four types of policies⁷ that the board should concern itself with:
 - a. **Governance Process.** These policies set out the actions of the Board, such as its responsibility to perform visioning and accountability.
 - b. **Board-Staff Linkage.** These policies govern the relationship between the Board and the Executive. Examples of these policies include how staff is monitored by the board and who is responsible for making which decisions (operational vs. governance).
 - c. **Executive Limitations.** These policies set out what the Executive (e.g. Executive Director or CEO) cannot do. For instance, in some organisations, the disposal of real estate may only be carried out with the consent of the Board. This could be codified in an Executive Limitations Policy.
 - d. **Ends Policies.** These policies set out the goal of the organisation, the reason for its existence. This may be codified in a mission or vision statement in addition to an Ends Policy.
10. **A Board must forge a linkage with management that is both empowering and safe.** The CEO must feel that the board will honor its commitment to policy governance while the board has trust in the CEO or executive's ability to manage. If this trust breaks down, leadership will falter.
11. **Performance of the CEO must be monitored rigorously, but only in reference to policy criteria.** Objective measurement criteria for the Executive is important, but this must be measured in relation to the Ends Policies.





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.

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