



**Engaging Business:
Building Community Capacity**
A gathering of WINGS – Corporate Initiative
Bangkok, Thailand – 15 November 2006

Worldwide Initiatives for Grantmaker Support (WINGS) is a global network of more than 135 membership associations and support organisations serving grantmakers.



McLean Budden has generously sponsored the preparation and dissemination of the WINGS*Forum* 2006 reports.

WINGS – CORPORATE INITIATIVE 2006

Introduction

WINGSForum 2006 brought together participants from grantmaker associations and support organisations from Europe, the Americas, Asia Pacific and Africa. For a full report of WINGSForum, visit: <http://www.wingsweb.org/programmes/forum06.cfm>.

This satellite meeting held on 15 November was the first global gathering of WINGS-CI (corporate initiative), the new constituency of organisations in the WINGS network that are keen to work together on promoting and supporting corporate giving.



Presentations can be found on the WINGS website and the full agenda for the day, including the names and organisations of all speakers and session moderators, can be found at the end of this report.

Opening Plenary

In a long and enthralling presentation, **Mechai Viravaidya, Founder and Chairman of Population and Community Development Association (PDA)**, headquartered in Bangkok, described the aims and methods of PDA in addressing its core mission of “empowerment of the poor”. The title of his presentation, “Thinking out of the box”, summed up PDA’s style and approach – rejecting charity.

The organisation has been working for 32 years. Its initial focus was on the problems created by large families and unsustainably fast population growth. After its first decade, it began to tackle the sudden growth of HIV/AIDS in the country. In its work to encourage acceptance and use of contraception, and in particular condoms, PDA used practical approaches (easy availability through village shopkeepers or the workplace, awareness and understanding through teachers and schoolchildren) and high visibility, popular campaigns.

Measurable success resulted – a drop in family size, a population growth approaching replacement levels, and an HIV infection rate that slowed considerably. In 2005, the World Bank reported that this comprehensive prevention programme resulted in saving the lives of 7.7 million people and in government savings on treatment estimated at US\$18.6 billion.

PDA’s restaurants (Cabbages and Condoms) contribute to awareness-raising and produce profits to be ploughed back into this work. Beyond this work in the last decade or so, the organisation has found ways of using business models and practice to bring skills and resources to villages to tackle the root causes of poverty rather than focus on its consequences.

A series of for-profit businesses (including food and agricultural products, holiday resorts and hotels, and more) use their profits to foster village development. Businesses are linked to individual villages to assist in community needs assessment and village development plans. These plans aim to find opportunities for business development which use existing skills and resources, but enhance them to create more profit.

Starter finance comes from tree planting: villagers (often young people) provide the labour and PDA gives US\$1 per new tree. With opportunities for young trees to be sold to housing estates, hotels, and airports, new village banks begin to amass funds which can be lent for other business development in

the village. Examples shown were pig farming, rice production, textile weaving and motorcycle repair – in every case with the addition of new skills, improved production processes or adding value to products to reach new and higher-end markets.

Emphasis is placed on involving young and elderly people – and in encouraging them to partner with businesses – and on increasing women’s economic independence and productivity. Migration of young people from these villages has decreased; the level of enrolment in, and the quality of, secondary schools has increased. A classic example of a local venture is where the village bank invests (with voluntary local labour) in a water system; users pay for their water and the bank’s profits are used for further local business investment and for improvements to local health care services or education.

Concurrent Workshops

Working with Multi-lateral Corporations

In this session panellists described experiences and differing approaches in corporate grantmaking from various parts of the world. In Central and Eastern Europe, said Pavlína Kalousová, corporate giving has developed rapidly in recent years, with 67% of companies now involved in giving. Around a quarter of the membership of the **Czech Donors Forum (CDF)**, for example, is made up of corporations. CDF also has a substantial number of corporate clients.

In addition to the kind of CSR approaches commonly employed across the world by multinationals, the region is also seeing an emergence of new models specific to Central and Eastern Europe, such as the Donor Message Service in the Czech Republic and Slovakia. There are still obstacles that need to be overcome, however, such as low levels of trust in NGOs and a lack of experience on both sides of the grantmaking relationship. Support organisations and grantmaker association such as CDF have an important role to play in setting standards and generally raising the profile of corporate giving.

While corporate giving is increasing in Central and Eastern Europe, in the United Kingdom levels are declining (to 3% of total charity income in 2005) as companies have shifted more towards “corporate social responsibility”. The role of support organisations such as **Charities Aid Foundation**, said Victoria Anderson, is to help ensure that corporate giving programmes are effective and that they are aligned with a company’s business objectives.

Yedwa Simelane of South Africa, and Olga Fedoseeva of Russia, described the corporate philanthropy efforts of the two large mining corporations they represent. In South Africa, where social needs greatly outweigh the resources available, **AngloGold Ashanti** have had to be innovative in their thinking and have shifted their strategy from a more mainstream, or traditional, corporate philanthropy approach to one that is focused around wider issues of sustainable development. **SUAL**, on the other hand, recognises corporate social policy and social partnership as two important elements of corporate social responsibility.

In discussion, it was generally agreed that standards in corporate giving are becoming increasingly better established and recognised at an international level. Another issue that arose concerned the roles and responsibilities of intermediaries in serving corporate donors while at the same time responding to the needs of the community and of local non-profits.

Getting Started in Corporate Philanthropy

In this session participants heard from representatives of three organisations that provide services to corporate donors.

GIFE

In Brazil, said Fernando Rossetti, 90% of GIFE's (*Grupo de Institutos Fundações e Empresas*) members are from the corporate sector, and the majority of them are more inclined towards developing their own projects rather than making grants. In its work, GIFE aims to provide its members with more strategic and systematic ways of working which represent a departure from traditional "charity".

CEENERGI

Central and Eastern European Network for Responsible Giving (CEENERGI) was founded less than a year ago and works across eight countries in Central and Eastern Europe developing corporate giving. Its partners are the donors forums in the Czech Republic, Bulgaria, Hungary, Poland, Russia, Slovak Republic, and the Ukraine.

LCF

Since it was founded 15 years ago, the *League of Corporate Foundations* (LCF) in the Philippines has built up its membership from a group of six founders to almost 80.

Both Lenka Ilanovska (CEENERGI) and Marge Barro (LCF) stressed the importance of creative personnel and good leadership in developing strong organisations able to serve corporate members. Peer support from similar organisations can be enormously important in developing an agenda to bring members together. Of course, this can be a challenge particularly when members are at very different levels of development in their corporate social responsibility work.

When asked about what work their organisations were most proud of, each saw that they had filled a particular niche in their own specific context: GIFE has set the standards of strategic philanthropy in Brazil over the last 11 years; CEENERGI has played an important role in raising the profile and influence of the **Slovak Donors Forum** (and others); and the LCF's most recent Annual CSR Expo attracted over 6,000 participants and 60 exhibitors.

When it came to challenges faced by support organisations, a number of common areas came to light. Factors such as financial sustainability, low public awareness of CSR, competing interests among members, and a distrust of a corporate philanthropy agenda within a broader based association were also identified.

The Value of Multi-sectoral Partnerships and the Role of Associations/Support Organisations

This session looked at two different examples of cross-sectoral cooperation from the United States and the Philippines.

Corporate giving in Minnesota, said Bill King, dates back many years (particularly funding of the arts, libraries, education etc.), and levels of civic corporate engagement continue to be high to this day. He described multi-sectoral partnerships as happening at three different levels:

“Co-operation” - informal networks between different organisations operating independently

“Co-ordination” - formal structures and possibly some joint activities, and at the highest level of engagement

“Collaboration” - some kind of joint structure, high-level planning, and the shared contribution of effort and resources.

The resulting total was “greater than its parts”.

The **Minnesota Council on Foundations** has worked at all three levels, playing a variety of roles. At the “co-ordination” level, it is important to ensure that various agendas are balanced and that a consensus exists surrounding the goals of a particular project. At this level, partnerships normally require some staffing to ensure that the process is effectively managed. Associations and support organisations can find themselves playing a wide variety of roles which require different levels of engagement, ranging from taking a position of leadership or motivating force, to connecting different people and interests, to providing a “neutral space” within which common interests can be allowed to emerge.

In the Philippines, said Gil Salazar, there have been some notable successes in tri-sectoral partnerships. The Step-Up programme brought together several partners including the *Japan Fund for Poverty Reduction*, the *Asian Development Bank*, local NGOs, homeowner associations and member companies of his organisation, the **Philippine Business for Social Progress** (PBSP). All the partners were involved in programme planning and implementation – each with a specific area of engagement – while PBSP assumed the responsibility of advocate and role model, facilitator, and broker. An important lesson learned from this process was about understanding the true nature of partnership, i.e. involving independent equal partners, each with a stake in a common goal. For such a partnership to emerge, however, transparency and accountability are absolutely crucial factors.

In discussion, one issue that emerged was the need for an association to balance its role in specific partnerships within its broader mission and the needs of its members. A question was raised about how such cross-sectoral partnerships can really engage with issues of structural change. The response: if you can keep everyone engaged, collectively determine the goals, and establish the means of achieving those goals, you can begin to touch on these kinds of issues.

Practical Examples of Making the Business Case for Corporate Giving

This session explored corporate social responsibility (CSR) as a strategy that goes beyond the perspective of philanthropy and is, in fact, part of core business strategy.

Increasingly, corporations have to recognise the connection between achieving business objectives and the need to contribute to societal well-being. For example, according to the **Donors Forum of Chicago**, 95% of Americans think that corporations should have more than the single purpose of profit and that they owe something to the communities in which they operate. Thus, as consumers become more socially aware, the giving record of a corporation becomes an important factor in influencing purchasing decisions and increasing customer loyalty (particularly among the 18-25 age range).

The integration of CSR into overall business operations can also result in financial and social benefits, such as heightened brand awareness - for example, Nike’s “LiveStrong” bracelets, increased employee loyalty, and opportunities for entering new markets.

In Brazil, *Cause-Related Marketing* (CRM), which uses the power of a brand to benefit both companies and civil society, has become increasingly common. According to the **Institute for the Development of Social Investment**, over a quarter of corporations are already engaged in some kind of CRM activities

and an additional 37% plan to introduce CRM in the next three years. Marcos Kisil cited the partnership between a sandal manufacturer, Havaianas, and the environmental group, IPE, who launched a new product and re-branded themselves as a joint venture. This novel approach, which combined attractive design and a strong environmental message, sold over two million pairs of sandals.

Closing Plenary

In her plenary speech, *Beyond Coca Cola: Philanthropy Leadership Moving East*, Olga Alexeeva of **Charities Aid Foundation (CAF) Global Trustees** described a changed world - from global markets dominated by US and Western companies and their brands, to “recipient” countries of the East and South associated with poverty and authoritarian rule.

Today, new global players, including Russia, Brazil, India and China are emerging to challenge the old scenario. Western values find themselves under scrutiny and alternative answers are sought through religion. However, new wealth in these countries is treated with suspicion rather than hope.

In this altered global background, philanthropy is changing. It is no longer just about resources flowing from the West to the East and South, or old wealth, or independence, or operating in favourable legal and fiscal regimes. In this new scenario, Corporate Social Responsibility is emerging in many countries.

Private philanthropy is often driven by emotions, faith, and guilt. Although it is often neither strategic nor institutionalized, this new philanthropy can be generous, proactive and creative. When it comes to strategies, there has been a perceptible shift towards programmes rather than grantmaking and to spending today rather than creating endowments for tomorrow. The *scale* of this new philanthropy is huge, amounting to billions of dollars from Russian, Chinese, Indian, and Mexican philanthropists.

The new philanthropic landscape that is emerging, Ms. Alexeeva asserted, raises new issues and dilemmas for support organisations:

- In non-Western cultures and contexts, what are the models for best practice?
- Are we seeing the emergence of “philanthro-patriotism”?
- At what point does a desire for transparency have to give way to a hard-headed realism about local political contexts?
- How can support organisations become involved in donor education?
- How can we avoid stereotyping what is “Western” and what is “Eastern” or “Southern”?
- Where new wealth is concerned, what kind of due diligence is feasible and appropriate?
- How do we address issues around faith-based philanthropy and the international funding that support terrorism?

At the same time, this new landscape represents unlimited new opportunities. Support organisations must believe in the potential represented by new wealth. There is a crucial role for support organisations to play in building bridges between new philanthropists and the non-profit sector, and in advising on strategy and objectives. Most importantly, support organisations can serve as important mentors and motivators in moving these new donors forward to a philanthropy that is based on values, rather than guilt, religion and tradition.

In discussion and questions, Ms. Alexeeva provided some insights into the mindset of the new rich and their relationship with philanthropy. Many newly rich people had known poverty and the pressure of immediate need and in their philanthropic endeavours they wanted to see an immediate impact. Although it was their knowledge of the non-profit sector (i.e., the end recipients) that support organisations bring to the table, the newly wealthy are likely to have a keen understanding of “the rules of the game”.

Negative perceptions frequently linger around the newly rich, especially when they shy away from acts of public giving, which can present a challenge when it comes to managing relations with other sectors. New donors need to be “incubated” and encouraged to approach the early stages of philanthropy gently.

It is important to respect anonymity but also to understand the complex motivations behind the philanthropy of the newly rich; they want to be “anonymous and famous at the same time”. Thus respect for their philanthropic efforts should be cast as a first step in obtaining respect for themselves. In this respect, philanthropy is a way of obtaining personal achievement and a network such as WINGS is in a prime position to leverage this type of personal ambition on an international scale.

In closing, Ms. Alexeeva described her personal dream. “*I want my clients,*” she said, “*to sit in the audience of the **Carnegie Medals of Philanthropy** desperately wishing that they had won.*”

New Trends and Moving Forward: Plans for WINGS-CI

This session gathered participants’ ideas to effectively address two key questions, noted below. It was facilitated by Bill King of the **Minnesota Council on Foundations** (US) and Rory Tolentino of the **Asia Pacific Philanthropy Consortium** (Philippines).

The Questions

What issues and questions do you struggle with in your work with corporations?
How can a global network like WINGS be helpful to you in engaging corporations and promoting corporate social responsibility?

The Answers

1. WINGS

- WINGS is the “magic ingredient”
- Main WINGS role is to be a resource centre with info from different organisations/regions

2. Corporate

- Write policies and procedures, establish membership criteria, determine corporate eligibility
- Corporations are not doing as much as they should or could.
- Are companies responsible in other parts of their work?
- Mobilizing more champions for CSR and corporate citizenship to strengthen the network and increasing its influence

- Multinational corporations – helping them build their global citizenship strategy
- Relationship between corporate giving/social investment and CSR – lots of variations
- Dealing with companies that stop giving because of budget constraints
- Connect companies around the world
- Have a different strategy in working with corporations, we have to help them do good in a better way (no preaching...)
- Could be the answer to make corporate giving more sustainable

3. **Governance, Accountability, Standards, Best Practice**

- We should be armed with practices that should be respected (UN, GRI, other organisations that have set a global CSR standard)
- Governance/accountability, global reporting standards and tools
- Share best practices and gather us in more meetings, more conferences for easier dissemination of information and best practices
- Continue to focus on how best to advance the business case for CSR
- Have information on these standards and share them

4. **Networking, Information, Sharing**

- Make this network more engaged; how?
- Information; gather pertinent information and compare with info from other countries
- Research trends on global issues, compare research, share data
- Write up success stories - and not-quite-success stories - distribute case studies as lessons learned
- Establish more effective links with major players
- Co-convene with others on issues
- Get agreements between sectors
- What can “I” do, what can we do together
- Contacts

5. **Media**

- Work with the media (developing relationship)

- Establish a global media partner to promote CSR?

6. **Education**

- Educate the public and our partners
- Introduce CSR courses into school curricula
- Keep up with the impact of arising trends (Buffet, google.org)
- Build capacity, peer learning, educating each other

7. **Leadership**

- Leadership gap – prevent “systemic amnesia”

8. **Governments**

- Dealing with taxes and legal issues; relating with government
- Step in the right direction, people are doing something, efforts are being made

9. **Capacity**

- Build capacity, peer learning, educate each other

Social Evening

On the same day there was a joint dinner for participants in the two satellite meetings for WINGS-CF and WINGS-CI. The highlight was probably the journey to Bussaracum Restaurant when a parade of tuk-tuks carried participants, masked against diesel fumes, two by two through the city. Despite all fears about Bangkok’s heavy traffic, and perhaps thanks to a discreet Police escort, the tuk-tuks proved a fast and efficient method of transport.

Acknowledgements

The meeting was planned and guided by a group consisting of:

- Marion Amartey, **Charities Aid Foundation**, United Kingdom
- Mary Margaret M. Barro, **League of Corporate Foundations**, Philippines
- Pavlína Kalousová, **Czech Donors Forum**
- Bill King, **Minnesota Council on Foundations**, United States
- Nancy Roberts, **Connecticut Council for Philanthropy**, United States

- Fernando Rossetti, **Grupo de Institutos, Fundações e Empresas (GIFE)**, Brazil
- Gil Salazar, **Philippine Business for Social Progress**
- Rory Francisco-Tolentino, **Asia Pacific Philanthropy Consortium**, Philippines

WINGSForum 2006 was supported by many donors but two in particular gave generously towards this day on corporate giving:

- **American Express Company** – Georgie Shields, Vice President, spoke briefly at the event and expressed her pleasure that WINGS is developing this network of organisations supporting the development of corporate giving, globally.
- **Charities Aid Foundation** had offered a great deal of help in the planning of the day and sponsored the evening event and dinner which followed. During the evening, participants in this gathering met those who had attended the WINGS-Community Foundations satellite meeting (also held on 15 November 2006).

WINGS-CI Meeting Agenda and Presenters

Working with Multinational Corporations

This interactive session will engage participants in an exploration of the various models of international corporate grantmaking and social responsibility and how grantmaker associations and support organisations can work with these companies to the benefit of all. Four speakers will describe their experiences and the lessons they have learned in doing this work. Participants will engage in an interactive dialogue on how grantmaker associations and support organisations can work with multinational corporations to help them achieve their goals, while at the same time gaining benefits for the local community or country and the grantmaker association or support organisation.

Moderator: Marion Amartey, Charities Aid Foundation, UK

Presenters:

Yedwa Simelane, AngloGold Ashanti, South Africa

Victoria Anderson, Charities Aid Foundation, UK

Olga Fedoseeva, SUAL Holding Management Company, Russia

Pavĺina Kalousová, Czech Donors Forum

Getting Started in Corporate Philanthropy

Working with the business community can be challenging whether local businesses or multinational corporations. Network colleagues from Australia, Brazil, the Philippines and the Slovak Republic will share successful practices of working with businesses in support of their corporate social investment.

Participants will be exposed to new ideas and examples of ways to improve outreach to the businesses in their respective countries as technical assistance providers, convenors and better connectors. Attendees will also leave with contacts for future questions in this work.

Moderator: Gina Anderson, Philanthropy Australia

Presenters:

Lenka Ilanovska, Central and Eastern European Network for Responsible Giving (CEENERGI)

Marge Barro, League of Corporate Foundations, Philippines

Fernando Rossetti, Grupo de Institutos, Fundações e Empresas (GIFE), Brazil

The Value of Multi-sectoral Partnerships and the Role of Associations/Support Organisations

The session will showcase the respective experiences of the Minnesota Council on Foundations, USA and the Philippine Business for Social Progress (PBSP) in the implementation of cross-sector programs/projects. The presentations will establish the efficacy of multi-sectoral initiatives and show the role(s) of associations/support organizations that help ensure successful program implementation. The session will not recommend the “one-size-fits all” syndrome; instead it will demonstrate what works and what does not in certain conditions.

Moderator: Carolina Langan, Grupo de Fundaciones, Argentina

Presenters:

Gil Salazar, Philippine Business for Social Progress

Bill King, Minnesota Council on Foundations

Practical Examples of Making the Business Case for Corporate Giving

“Beyond Giving... Integrating”: This session will discuss Corporate Social Responsibility (CSR) that goes beyond the perspective of philanthropy and instead focuses on long-term sustainability. It will present CSR as part of the core business strategy and as part of a corporation’s long-term commitment to address social issues.

In order to achieve sustainability, businesses must accept that the achievement of its corporate goals and the need to contribute to societal well-being are inexorably linked. The key is to align corporate goals with the social agenda. The integration of CSR into the overall business operations offers the promise of gaining financial and social benefits through new business opportunities, the strengthening of brands and corporate reputation, a highly reliable workforce, and public trust and acceptance. The key question that will be asked is: Is there a business case for CSR?

Moderator: Marge Barro, League of Corporate Foundations, Philippines

Presenters:

Valerie S. Lies, Donors Forum of Chicago, USA

Chit Juan, League of Corporate Foundations, Philippines

Marcos Kisil, Institute for the Development of Social Investment (IDIS), Brazil



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