

Keeping it in the family

The passion intrinsic in family foundations gives them an edge helping others. Reports by **KAN KWOK LEONG**

EVEN AS family-run philanthropic foundations rely on professionals to run their operations, it is important that they do not lose the personal touch that imbues their activities with the compassion necessary for success.

Such foundations get around this by having at least one family member actively involved in the foundation's operations, said panellists at the Credit Suisse Philanthropists' Forum yesterday.

Wei Sinclair Ngo, for example, is the charities coordinator of her family's foundation, which she declined to name. It hands out funding to non-government organisations, mainly in Kenya, where her husband runs his business.

The foundation, set up by the couple, has given support, for example, to a charity that takes in abandoned babies and looks after them until they are adopted.

She said: "The most important part is the heart, beyond everything else. I don't make the final decisions. I have the task of looking for and evaluating partners, but in the end, I present (what I find) to the foundation's board members."

She added, however, that her role is to oversee the non-government bodies who get the aid, to ensure accountability in how the funds are used.

Long tradition

Affluent Asian families have had a long tradition of donating their money and time to address their home country's social ills, in particular the lack of access to health care and education.

They are arguably better placed than international foundations and aid agencies to execute economic and social development projects because they know the ground and the beneficiaries.

Tahir, the founder, chairman and chief executive officer of Indonesia's Mayapada Group, said his motivation for keeping his philanthropic activities within the family was a personal one: "The objective is to teach my children, to plant in them the compassion



Sharing experiences: (From left) panel moderator, Lito Camacho, managing director and vice-chairman Asia Pacific, Credit Suisse; Serena Kao, board member, San Teh Philanthropic Foundation, founder of GoPurpose.com; Wei Sinclair Ngo, charities coordinator; Tahir, founder, chairman & CEO of Mayapada Group.

and love for others. To be rich or successful is not the end objective. It is a means to another objective, which is to make people happy," he said.

Dr Tahir, who goes by only one name, runs a conglomerate with interests ranging from banking and retail to media and real estate.

Over the years, he has donated almost US\$80 million towards education, primarily in his home country; more recently, he

matched the US\$100 million from the Bill & Melinda Gates Foundation towards the eradication of Third-World diseases.

He noted that their foundation differed from those which fund health-care causes, which beget instant response from beneficiaries when they are healed of their health problems; the Gates, on the other hand, put their money into prevention, so they do not get a direct response or reward.

Perhaps most significantly, it is the passion of family members and their personal in-

spirations that will ensure that their foundation's charitable efforts stay true to its mission.

Serena Kao, the daughter of Kao Shin Ping, the chairman of San Teh Group, is the deputy president of her family's San Teh Philanthropic Foundation.

She said she was inspired to do charitable work when, at age 11, she sold festive greeting cards to raise funds for Singapore's National Kidney Foundation.

She said: "One day, I received a card simi-

lar to the ones I had sold, signed by many people who said thank you for saving their lives. I was touched by that. It gave me the inspiration to help others."

The foundation she runs carries out charity work with schools in Singapore, Taiwan and China to help marginalised children. It hires professionals to carry out its work, but she is fully involved in its running.

"I am in it full time, going around the world to discuss philanthropic issues. I do it because I enjoy it."

Playing the long game

WHILE it is common for philanthropists to focus on health care and education, environmental and sustainability causes have been less of a draw for their charitable dollars.

But growing concerns over climate change, population growth and the need to preserve clean air and water are driving companies and charitable organisations alike to redirect their efforts to these areas. According to speakers at the Credit Suisse Philanthropists Forum yesterday, sustainability is also key to improving livelihoods and communities.

Syngenta, an agri-business committed to sustainable agriculture, has helped small farmers in Bangladesh by teaching them to farm vegetables instead of just subsistence rice. The initiative has helped to improve the lives of the affected farmers and the broader community.

"We went into this village and sat down with a lady and she pointed to a clock on the wall. She said the clock was on the wall because it tells her the time



Discussing sustainability: (From left) moderator of the panel, Ben Ridley, Asia Pacific regional head, sustainability affairs, Credit Suisse; Alexandra Booth, manager of sustainability, palm & rubber divisions, Olam International; Andrew McConville, head of corporate affairs, Syngenta Asia Pacific; Noah Beckwith, development finance consultant, Independent Consultant; Charles Bedford, managing director, Asia Pacific region, The Nature Conservancy.

she had to send her kids to school and pick them up," said Andrew McConville, head of corporate affairs for Syngenta Asia Pacific.

"The reason she could send them to school was because she earned enough money from growing vegetables and the community had enough money to build a school."

Meanwhile, Singapore-listed commodities group Olam works with thousands of farmers in Nigeria on a contract basis, equipping them with skills to help them increase their yields.

"The population is growing, but natural capital is finite. We

need to invest more in research and development to get more from less," said Alexandra Booth, Olam's manager of sustainability, palm and rubber divisions.

For very pragmatic reasons, a culture of sustainability has also embedded itself in the business empire of Indonesian tycoon Teddy Rachmat.

"If we don't share our wealth with our community, we will face disturbances," said Mr Rachmat, founder of the Triputra Group, which is primarily engaged in coal, agribusiness, finance and manufacturing.

The group's timber process-

ing arm sources its raw materials from the country's forests, but it started to distribute seedlings to farmers to ensure that its timber now comes entirely from sustainable sources.

"Cutting trees from the natural forest is not sustainable, so we changed the way we did things. Borneo many years ago was completely green, but today there are many brown patches," he said.

Mr Rachmat also supports the social and economic development of communities in Indonesia through his family foundation Yayasan Pelayanan Kasih A&A Rachmat.

A win-win outcome

Making money while helping others is no longer mutually exclusive

WHILE corporate philanthropy was used in the past to help boost a company's do-gooder reputation with its stakeholders, more businesses are realising that such charitable efforts can also boost the bottom line.

In one example, Thai rice producer Umat's entire business model is built on the twin goals of making money while helping to alleviate poverty. Recognising the growing demand for organic produce, the company works with poor farmers to produce organic versions of rice and eggs, which fetch a higher price in the market.

"There are ways to make money while helping others. Think of things that you can do commercially that can provide long-term earning possibility," said Arvind Narula, the owner and CEO of Umat, the world's largest producer of organic jasmine rice.

Umat has launched or consulted on projects in places like Myanmar, Argentina, Tanzania and more recently, Sierra Leone and Cote d'Ivoire.

His projects pick high-value crops and target the poorest farmers with price guarantees, agronomic farming, training and funding.

And this win-win outcome is not just for the business enterprise. Investors in philanthropic projects can also help others while making a decent return.

For instance, a clean water-bottling facto-

ry in West Africa was set up with an investment of a few hundred thousand dollars, and 10 years later was sold to a global beverages company for over US\$30 million.

Not only did the project make impressive returns for its investors, but provided clean water that helped to prevent deaths due to diarrhoea.

"There's no point in distributing anti-viral medicine, if patients die from diarrhoea because of the water," said Noah Beckwith, an independent development finance consultant who specialises in structuring debt and equity vehicles investing in the social and environmental sectors.

In another African project Mr Beckwith was involved in, investors put their money in a small dairy company that sourced its products from many small farms, some with only two or three farmers. For some of them, this was their only contact with the cash economy.

"By training the farmers in animal husbandry and linking them to the cash economy, it resulted in a radical improvement in their livelihoods. And it returned three to four times the investment to the investors," he said.

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