

SPECIAL REPORT: PHILANTHROPY

Mixing hearts and minds

'New philanthropists' attempt to measure and maximise their impact. Reports by Nora Tong

Philanthropy around the world is evolving, as the "new philanthropists" seek to understand the problem they want to focus on, research ways to tackle it, and try to measure and maximise the impact of their contribution.

Strategic giving is becoming a trend in Hong Kong, albeit slowly, says Edwin Lee, philanthropy adviser at the Hong Kong Council of Social Service (HKCSS). Borrowing from a quote by American philanthropist Peter Karoff, Lee says philanthropy is a combination of the heart and the mind.

"Giving often starts with our passions or the issues that touch us, which is where the 'heart' comes in. The 'mind' part involves being as well-informed as possible, such as by studying each grant proposal carefully

and doing your due diligence thoroughly," he says.

Lining up all the available resources towards an end goal is at the core of strategic giving, Lee says. So is evaluating a programme's effectiveness. Where donors are reluctant to apply rigorous standards – some may not want to be too harsh on NGOs – Lee would explain to them that defining and articulating the impact helps them understand in what ways they have made a difference.

Set up in 2010 by a private donor to put poor children on an equal footing with others, the Rang SS Foundation, a client of HKCSS, is committed to giving strategically.

The foundation supports after-school tutorials in four primary schools in Hong Kong. Working closely with the principals and the teachers, it has developed a regular

reporting mechanism and a benchmark to assess students' progress.

"We give our beneficiaries the freedom to run the programme in a way that fits their needs. But we standardise the benchmark assessment where it is relevant. We then draw insights from the different experiences and determine what is effective and how the programme can be modified," says Josephine Lau, a director of the foundation.

She has learned that common sense is crucial to making sound judgment. "We considered working with NGOs but decided against it. It would be difficult to make sure the students would go to the NGO after school or ensure the quality of teaching. We have also learnt to say 'no' to good proposals that are not in line with our mission."

In 2010 and 2011, donations

from individuals and companies in Hong Kong to charitable organisations approved by the government under Section 88 of the Inland Revenue Ordinance amounted to HK\$9.23 billion, up from HK\$8.77 billion the previous year.

While philanthropy tends to be associated with providing financial support in the form of grants, some donors are offering non-financial support – such as expertise – to charities and socially driven businesses, says Maya Prabhu, head of philanthropy services at Coutts. Others offer alternative forms of finance, including the provision of loans, equity or patient capital, an approach known as social investment or impact investing.

One of the pioneers of social investing in Hong Kong is Annie Chen, founder of the RS Group that operates under the theme of

sustainability. The organisation makes responsible investments by avoiding companies associated with products such as tobacco, invests in firms with social and environmental principles incorporated into their business process, and injects money into funds that raise capital for social enterprises.

Giving strategically entails engaging others and leveraging resources to create a greater impact, Chen says. To promote social entrepreneurship and its eco-system, the RS Group funds studies and surveys, organises gatherings and sponsors conferences to help raise awareness and bring people together to share their vision and strategy.

Chen is also a member of the grants committee of ZeShan Foundation, a family foundation that walks the talk of strategic

giving. Since making the eradication of hepatitis B on the mainland its goal in 2006, ZeShan has formed a strategy that included funding pilot programmes to immunise youngsters against the virus and carry out screening and interventions to prevent the transmission of hepatitis B, HIV and syphilis from pregnant women to their children, using the Integrated Prevention from Mother To Child Transmission (iPMTCT) approach.

As the programmes scaled up and their results began to show, ZeShan took steps to form a global alliance against viral hepatitis among like-minded funders, international organisations and government entities.

Weaving an extensive network with major players has enabled ZeShan to lobby effectively for the application of

the iPMTCT model on the mainland, using data collected from the organisation's frontline programmes. In 2010, the central government announced the application of the iPMTCT approach across the nation.

ZeShan also helps to build the capacity of the groups that it supports. For example, it has funded a few positions in the Asia and Pacific Alliance to Eliminate Viral Hepatitis, a global initiative co-founded by organisations including the World Health Organisation and the United States Centers for Disease Control and Prevention.

"People give strategically because they want to achieve a long-term impact," Chen says. "Funding organisations – and not just the programmes – enables the organisation to build scale, develop its leadership and staff and be more effective in what it does."



Rang SS Foundation, a client of the Hong Kong Council of Social Service, supports extra tutorials for underprivileged children in Hong Kong.