

Philanthropy Letter



Celebrating ten years of philanthropy in action

**“The meaning of life is to find your gift.
The purpose of life is to give it away.”**

Pablo Picasso

10 years of Philanthropy in Action. 10 years of promoting philanthropy in the Grand-Duchy and beyond, aimed at inspiring donors to engage themselves for the common good and a more sustainable future. This has been the mission of the Fondation de Luxembourg since its creation in December 2008 by the Luxembourg State and the Œuvre Nationale de Secours Grande-Duchesse Charlotte.

Year after year, we witnessed an increasing interest in philanthropy by donors from very different sectors of society, and since our creation, we have established 78 foundations supporting projects around the world. We are grateful for the trust the founders of these foundations placed in us. Looking ahead, we want to build on what has been achieved and continue to expand our impact.

10 years of Fondation de Luxembourg also means consolidating partnerships with the non-profit sector so as to collaborate effectively in the general interest. For us, philanthropy means acknowledging the urgent needs that still exist in our society and addressing their root causes. It means financing innovative solutions that offer people a better life and a more inclusive society. It means promoting education for all, regardless of gender, religion, or place of birth and empowering the next generations, while building on universal values of respect, tolerance, and human dignity.

In this special edition of the Philanthropy Letter, we are honored to have Jacques Attali, founder of Positive Planet and former adviser to the French Presidency, sharing his vision on the current state of the world and how philanthropists can participate in addressing the most pressing issues.

We also wanted to explore what lies ahead in terms philanthropic giving. In this respect, we organised a dialogue between three experts with different perspectives, who joined us for an inspiring discussion on the future of philanthropy. Finally we invite you to read the article by UNICEF about the fight against Female Genital Mutilation in Ethiopia with the support of Fondation ESPOIR.

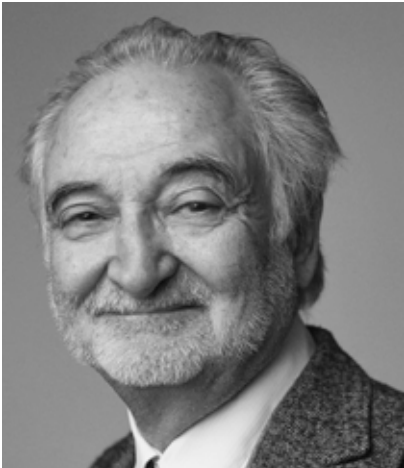
We wish you an inspiring reading,

Tonika Hirdman



- 2 Jacques Attali’s vision for a “positive philanthropy”
- 4 Changing the future of girls and women in Ethiopia together with Fondation ESPOIR
- 6 The Future of Philanthropy: A high-level dialogue between experts
- 8 Retour sur 10 ans de philanthropie dans le Grand-Duché

Pour une philanthropie positive



Jacques Attali

Polytechnicien, énarque et ancien conseiller spécial du président de la République française François Mitterrand, il est le fondateur de quatre institutions internationales : Action contre la faim, Eureka, BERD et Positive Planet. Cette dernière est une institution mondiale majeure de soutien à la microfinance et a apporté son appui à plus de 10 millions de micro-entrepreneurs. Jacques Attali a publié plus de 1 000 éditoriaux dans le magazine de l'Express et est l'auteur de 67 livres vendus à 7 millions d'exemplaires et traduits en 22 langues.

Dans les décennies à venir, le monde va disposer des meilleures technologies possibles, de l'intelligence artificielle au biomimétisme ; presque tous les enfants du monde sauront bientôt lire et écrire ; l'éradication des maladies les plus terribles seront bientôt à la portée de l'humanité toute entière. Au total, nous aurons bientôt, nous avons déjà, tous les moyens de régler les problèmes de l'environnement, de la pauvreté et de faire vivre la démocratie.

Et pourtant, la violence et la frustration sont partout. Le monde va vers le pire, chacun le sait, chacun le voit. Écologiquement, socialement, politiquement, idéologiquement. Dans les démocraties, les hommes politiques sont de moins en moins puissants, et les dictatures s'installent un peu partout. Dans les entreprises, les dirigeants sont de plus en plus obsédés par leurs résultats immédiats.

La raison profonde en est simple : chacun, dans l'entreprise comme dans l'Etat, ne vit que pour l'instant, et pour lui-même. Nous sommes dans la dictature du narcissisme de l'immédiat, au détriment des autres, vivants et à venir. Cela ne peut conduire qu'au pire. Politiquement, socialement, écologiquement.

Pour y répondre, une action rationnelle exigerait un état de droit planétaire, dans lequel chacun aurait des droits équivalents, et où une démocratie planétaire s'installerait.

Naturellement, c'est hors de portée, pour au moins un siècle, sans doute. Personne n'acceptera une fiscalité mondiale, ou des règles uniformes de mouvements des personnes et des capitaux. Personne n'acceptera des règles uniformes de protection de l'environnement.

En attendant, on ne peut laisser s'aggraver le climat, se creuser les inégalités, se multiplier les violations des droits de l'homme. **Et si l'on veut éviter le pire, il faut que tous ceux qui le peuvent, à leur place, travaillent dans l'intérêt de l'avenir, dans l'intérêt des générations futures. C'est ce que nous appelons « l'économie positive ».**

Les gouvernements ont évidemment un rôle central à jouer. Et les entreprises aussi. Ils doivent, les uns et les autres,

autant qu'il leur est possible, travailler dans l'intérêt des générations futures. Certains commencent à le faire, comprenant que leur altruisme est la condition de leur survie ! Plus un gouvernement démocratique travaille pour les générations futures, plus il conforte les bases des libertés publiques. Plus une entreprise est positive, mieux elle prépare son avenir, mieux elle se protège des dangers qui la menacent. *Positive Planet* mesure la positivité des entreprises et des Etats. Et ces mesures montrent que plus une entité est positive, mieux elle est capable de répondre aux exigences de sa survie.

Mais les gouvernements sont à court de ressources, et l'épargne privée doit prendre le relais. La philanthropie est l'arme de cet altruisme intelligent, de cette prise de conscience des entreprises, des fonds d'investissements et des particuliers pour participer à mettre en place cette économie positive. Elle doit aider à développer tout ce qui est utile à l'avenir. Elle doit agir pour améliorer la positivité des pays, des communautés, des villes, des plus démunis, de la planète. C'est ce que je nomme « **la philanthropie positive** ».

Cela permet de définir simplement les domaines prioritaires : ceux qui aident à préparer un avenir meilleur. Trois au moins : l'amélioration du climat, la réduction de la pauvreté, (en particulier en matière éducative et sanitaire) et la protection des libertés et des droits humains. Ces trois domaines ne sont pas contradictoires. L'un aide à la réalisation de l'autre.

Pour mettre en œuvre une telle stratégie, pour promouvoir une philanthropie positive, il serait utile que les philanthropes s'appuient sur des mesures objectives d'impact de leurs

Jacques Attali lors du lancement du Global Positive Forum, organisé par Positive Planet à l'intention des dirigeants qui ont le pouvoir de construire un monde meilleur, Paris, 2017



actions : en quoi tel programme philanthropique améliore-t-il la positivité de la communauté qui en bénéficie ? En quoi l'aide-t-il à mieux affronter l'avenir écologiquement, socialement, démocratiquement.

Des réponses objectives à ces questions existent. Il est impératif

aujourd'hui que les divers acteurs positifs qui existent déjà et agissent à travers le monde puissent se faire entendre par des plateformes ouvertes et démocratiques. Chacun étant dès lors en mesure de prendre connaissance des sujets urgents, et d'agir en prenant exemple, voire même en s'appuyant sur lesdits acteurs, locaux et inter-

nationaux. Les citoyens du monde entier méritent également aujourd'hui la parole pour proposer leurs idées et prendre part à la révolution positive d'un monde en perpétuelle construction pour les générations à venir.

Ouvrons la discussion à tous, et avançons ensemble.



En Afrique, l'ONG Positive Planet International développe des formations à destination des femmes

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Jacques Attali

Changing the future of girls and women in Ethiopia together with Fondation ESPOIR



Sandra Visscher

Ms Visscher is the Executive Director of UNICEF Luxembourg since 2003. Prior to her work for UNICEF, Ms Visscher worked for different NGOs in Mozambique and Brazil. She holds a BA/BSc in Communication Studies and Sociology from the London Guildhall University and an MA in Communication, Culture and Society from Goldsmiths' College, University of London. Ms Visscher serves on the Board of Governors of the University of Luxembourg.

In 2015, the Fondation Espoir, under the aegis of the Fondation de Luxembourg, joined forces with UNICEF to speed up the process of abolishing female genital mutilation (FGM) in the Afar and Somali regions by focussing its efforts on prevention and medical care. Both are crucial to eradicate FGM and bring about lasting change, while helping women suffering from the consequences of FGM.

UNICEF, in its efforts to ensure every child has a safe and healthy childhood, has long been active in the fight against FGM. In Ethiopia, the government has made the practice illegal and has vowed to abolish it until 2025. With the Fondation ESPOIR, they found a new ally in this fight and the first results speak for themselves.

“For a long time, there was no progress in the fight against FGM, but now things are starting to move. Today is like a birthday for the girls, as they know that you are supporting them.”

These are the words of Asrat, a trained social worker who is based in the Afar Region, a region 27 times bigger than the Grand-Duchy in the northeast of Ethiopia. Known for its rough climate, it has one of the highest prevalence rates of FGM in the world, with 91% of women who have been cut, positioning it in second place after the Somali region (98%).

Asrat has been engaged in FGM prevention work for almost 15 years. During that time, she has guided many girls in their efforts to prevent and abolish the cruel practice of partially or fully removing female genitals, a procedure which has cost many girls and women their lives and many more their health and future.

However, she is not alone in the monumental task of providing a healthier future to millions of Ethiopian girls and women.

The Fondation de Luxembourg played an important part in this by bringing together various actors for change: on the one hand the Fondation Espoir with its wish to introduce a care component to the programme, represented by the foundation's founders as well as its members of the Management Committee, Dr. Wirtgen and Prof. Mann, both gynaecologists and on the other hand UNICEF-Luxembourg representatives, an Ethiopian gynaecologist from the field, an FGM expert from the University of Zurich with their long-standing expertise in the matter at hand.

The introduction and establishment of the care component as an additional tool in the fight against FGM represents a remarkable achievement and a most welcome addition to create a better future for the girls and women of Ethiopia, as before there had not been an infrastructure capable of helping the girls and women who had been FGM victims. The focus had merely been on the prevention and on cultural behaviour changes, which in itself was and still is an enormous challenge.

In fact, over the last 4 years, UNICEF and Fondation ESPOIR have managed to bolster the capacity of health facilities and have helped finance the training of health workers to increase their competencies in treating FGM victims. Together they have not only procured and distributed the necessary medical equipment to 12 hospitals, 170 health centres and 158 health posts allowing girls and women to receive the care they need, but have also managed to set up a team of 6 gynaecologists to carry out surgical interventions for FGM victims.



Dr. Hatesy, gynaecologist active in the programme showing the prevention material on FGM

Dr. Hatesy, who is one of the programme's gynaecologists, is confident regarding the impact of the project:

“The local population was not aware that FGM-related complications can be treated. We had to reach out, teach and convince communities before we embarked on the treatment. Since then, more and more communities have become aware that the women and girls can be treated to ease their health problems. However, while those care services are an integral part of the project, it is crucial to actually prevent FGM in the first place.”

Through the generous support of the Fondation ESPOIR, UNICEF is able to do both at the same time: prevent new cases by raising awareness and provide care services to thousands of girls and women. Together they have provided care services to over 209.000 girls and women, reached 3,2 million people with awareness raising campaigns and mobilised more than 364.000 community members to advocate for lasting change against FGM.

An example illustrating the success of the prevention efforts, are the girls' clubs that have been set up and which are composed of both FGM victims and those who belong to an FGM-free generation. Going from door to door to raise awareness about the dangers of girls getting cut. They are proof that the girls and women no longer want to be seen as mere victims, but that they can bring about lasting change themselves. Following their example, their brothers and husbands have now started to join the fight against the harmful practice.

Fatima, who is an FGM victim herself, says that she does not need outside motivation to advocate against FGM, as being a victim is motivation enough. "Anyone who has experienced that kind of pain is motivated to act", she explains.

Changing cultural behaviour is the hard part, but Fatima and her friends have shown how quickly that can happen. All that was needed was the support of someone who believed it could be done. Someone willing to break with the old, to create a better tomorrow for the Afar and Somali girls and women.

In fact, the financial support of the Fondation ESPOIR has allowed to scale up UNICEF's help, to dream bigger and to not only engage in prevention, but to also provide medical care for FGM victims who are now becoming ambassadors in the fight against this harmful traditional practice.

Together, as partners we have reached a milestone and set up a programme that is helping tens of thousands of girls and women, while protecting future generations of girls from genital mutilation.



Visit of the founder of Fondation ESPOIR and UNICEF Luxembourg to the gynaecologists involved in the project in Ethiopia

A dialogue on the Future of Philanthropy

What will philanthropy look like in the coming 10 years and what are the challenges that lie ahead? What will be the future roles of foundations in relation to governments and the private sector and in terms of social innovation and technology? To explore this theme, we organized a dialogue between three experts with different perspectives. Growth, internationalisation, skills, partnerships with government initiatives, tax incentives, political stability, new generation, innovation and technologies are among the key topics of this dialogue. Below Anne-Claire Pache, holder of the Philanthropy Chair at ESSEC business school, Silvia Bastante, Managing Director of Co-Impact and Laurent Probst, Partner & Innovation Leader at PwC Luxembourg share their thoughtful views on the Future of Philanthropy.

Philanthropic giving has grown substantially in the last 20 years. Do you expect this growth to continue and where will it come from?

Silvia Bastante: The philanthropic landscape is changing. The largest growth today comes from self-made wealth in particular from emerging countries. In Europe, increase in philanthropy is mainly related to the current wealth transfer from one generation to the next.

Anne-Claire Pache: I would add that in Europe, uncertainty about the evolution of taxes, such as removal of wealth taxes, worries some philanthropic actors, as this could lead

to lower contributions. The future growth of philanthropy in Europe therefore also depends on regulatory and fiscal stability.

Laurent Probst: I agree, political stability is a key factor. For companies, we are experiencing a paradigm shift. New generations of employees are concerned about social issues and how companies are addressing them. In order to retain their talent, companies need to address these issues.

What are according to you the key challenges that philanthropy should address in the near future?

ACP: The question of the legitimacy of philanthropic giving is a significant topic in the USA. It is surprising to see that this issue is not yet being addressed in Europe, where philanthropy is still in an almost euphoric stage. However, I am convinced that questions around the transparency of

philanthropy and the ways funds are allocated will increasingly be raised.

SB: In my view, legitimacy issues are only relevant for very large foundations, especially with the progressive withdrawal of public funding of social matters. Other challenges include how to demonstrate impact and how to deal with the issue of fragmentation, considering that more than half of the existing foundations have less than a million in assets.

LP: Let me state that, philanthropy is legitimate and brings a lot of value. In particular, its agility and capacity for innovation need to be protected. It should however be framed and supervised. In terms of challenges, I would add: the ability to engage in meaningful collaborations, and ensuring the continuity and scalability of the projects supported. Transparency and governance of foundations are also important.



Generosity,
acrylique,
80x80cm.
Artiste:
Chantal
Blasen,
2018



Anne-Claire Pache



Silvia Bastante de Unverhau



Laurent Probst

Talking about governance, what are the main governance-related issues that need to be taken into account to strengthen philanthropy?

ACP: We need to reflect on how beneficiaries of foundations can be given a voice in the decision-making processes of foundations. No one has the answer alone, therefore building partnerships is very important.

SB: I fully agree, to create transparency we need to see more collaboration with other actors. It is fundamental to listen to the views of the beneficiaries and to consider also their experience and knowledge. Another issue is how non-profit organizations can contribute to transforming the social context if they are dependent on yearly commitments. Very few founders today give long-term grants.

LP: The role of government is to create an enabling environment for philanthropy and I believe that governments in Europe have the capacity to push forward a revised framework for philanthropy that is adapted to today's needs.

You mentioned the need for more collaboration to create impact. How can collaboration between philanthropists be promoted further and how do you achieve scale in philanthropic support?

SB: Philanthropy is still a very personal and emotional pursuit and col-

laboration requires giving up some of your influence. Concerning scaling up, there is a general presumption that if something works well, it will automatically be scaled up. But it is not often the case. It requires intervention by either governments or the private sector to add the volumes that are necessary in order to be able to replicate successful projects and achieve scale.

LP: I agree, a governmental framework should be deployed in order to promote and enhance scale up of projects.

ACP: Collaboration in philanthropy could start with sharing failures, experiences and learning from each other. That would help philanthropists identify relevant approaches to the issues they wish to tackle.

Innovation is essential for the future development of our societies. How can philanthropy foster innovation?

ACP: Philanthropy has a unique ability to react rapidly to emergency situations, not least in view of its capacity for fast decision-making. There is however a balance to find between being rigorous in the procedures, while at the same time remaining a risk-taker able to promote social innovation.

LP: Nevertheless, with the exception of emergency situations (e.g. natural disasters), decisions involving innovative actions to tackle social problems are rare. There is a real

need for philanthropy to focus more on cultivating innovation in addressing major social problems.

What do you think will be the impact of technology on philanthropy?

LP: Technology will help increase transparency and accountability. It is interesting to note that technology, with its shared language goes beyond borders and in this perspective, it may provide new opportunities for collaborations.

How do you see the future role of Luxembourg in relation to the development of philanthropy in Europe?

SB: Luxembourg has a reputation and capacity of convening others. It would be interesting to see how to combine the for-profit financial vehicles that exist here with non-for-profit aims and for that, Luxembourg has a clear advantage.

ACP: I would add that, as a rather small country, Luxembourg has the capacity of being a laboratory for innovative solutions.

LP: The Grand-Duchy is perceived as a champion of soft power and could in this regard play an important role in promoting a collaborative approach to philanthropy, e.g. through public-private partnerships from which it has a long experience.

Que représente la Philanthropie pour le Grand-Duché depuis la création de la Fondation de Luxembourg?

Pierre Gramegna
Ministre des Finances



La philanthropie joue un rôle important dans notre pays et de nombreuses personnes, ONG et organismes y ont recours pour s'engager. Elle est complémentaire à l'action de l'État. On peut dire que la Fondation de Luxembourg est une *success story* dans la mesure où elle a suscité un intérêt et a répondu à une attente tout en réussissant le pari de rassembler autour d'elle de nombreux acteurs du monde de la philanthropie. Ainsi, des projets qui n'auraient probablement pas pu être réalisés dans d'autres conditions, ont pu être concrétisés.

Sophie Glesener
Directrice SOS Villages d'Enfants Monde



La Fondation de Luxembourg est une passerelle importante entre les ONGs et les donateurs et elle encadre les deux acteurs d'une manière professionnelle. Ce que j'apprécie est que le travail est fait avec beaucoup de cœur. Nous sommes ainsi très reconnaissants pour le soutien précieux que nous avons reçu de la Fondation de Luxembourg et ses fondations abritées. Grâce aux soutiens pluriannuels et à travers 10 projets, nous avons pu venir en aide à 20.000 bénéficiaires, des enfants, leurs familles et leurs communautés dans différents pays comme l'Ouzbékistan, le Libéria, le Niger et le Sénégal où nous avons notamment eu l'occasion d'effectuer une visite conjointe des projets.

Nicolas Mackel
CEO Luxembourg for Finance



When we go on a mission abroad, it is important for us to show the full spectrum of what Luxembourg has to offer and of course the Fondation de Luxembourg and the work it is doing is a very important part of what we call the *toolbox* of Luxembourg's financial services industry. The Fondation de Luxembourg and its young and dynamic team of experts can help donors achieve their philanthropic objectives. Together with the foundation, we can show that the financial center is not only about multiplying returns but also about trying to have an impact through finance. It therefore helps Luxembourg in reaching its goal to be a sustainable finance center.

Pierre Etienne
Head of ABBL Private Banking Group



La philanthropie fait partie d'une dimension patrimoniale globale pour de nombreux clients fortunés. Depuis sa création en 2008, notre collaboration avec la Fondation de Luxembourg a été excellente en terme de communication et de coordination. Elle a d'une certaine manière anticipé l'évolution de la Place financière de Luxembourg et fait aujourd'hui pleinement partie de l'écosystème luxembourgeois. De plus, avec la nouvelle typologie de clients que nous connaissons, elle est aujourd'hui un outil essentiel au développement de la Place. Enfin, à l'instar d'autres grandes fondations européennes telles que la Fondation de France ou la Fondation Roi Baudoin, la Fondation de Luxembourg est un atout essentiel dans le cadre du *Nation Branding*.