

My Park in Africa

or why Philanthropy
often fails us

by Silvia Bastante de Unverhau



It was a rainy autumn morning in Zurich's Paradeplatz, when I met with a wealthy philanthropist to talk about rhinos. The gentleman, in his early sixties, had just sold one of his companies and indicated that he wanted to deploy some 50 million dollars to help save his favourite animal: the majestic, yet severely threatened, black rhinoceros.

After the usual niceties and introductions to his family and advisors, I began presenting the work my team had prepared. Our main finding, supported by previous successful conservation initiatives, was that important work was needed to reduce the demand for rhino horn – numerous people around the world, especially in some parts of Asia, believe that rhino horn has magical powers. In reality, powder from rhino horn is chemically identical to toe nail clippings; yet it sells for tens of thousands of dollars per kilo on the black market. We concluded that “as long as a kilo of rhino horn is worth more than a kilo of gold, simply protecting the animals is not going to achieve significant results.” The entrepreneur thought about this for a moment and then responded: “Silvia, I get what you are saying, and it makes a lot of sense... but I still want my park in Africa!”

At first, I was taken aback by the reaction, which flew in the face of the clearest evidence. How could someone as experienced and well-intentioned, somebody who had managed to create an entrepreneurial fortune of such magnitude, and who so clearly was a smart businessperson, not see that their strategy was simply not the most effective way to address what they described as “an issue so close to their heart”?

But I also understood the personal component, where pride – and possibly a bit of ego and vanity – come in. When you are having après-ski drinks with friends in Courchevel, would you want to say you just invested tens of millions of dollars working with non-profit organizations in Asia to set up an awareness campaign to decrease demand for black rhinoceros horn...? Or would you rather say, “why don't you come to Kenya with us next summer – we have a little lodge and a park where we are protecting black rhinos...”?

So why is giving going wrong even though all the right intentions are there? It's a question I have been asking myself throughout the twenty years I have now worked in philanthropy. Time and again I have observed that the motivation to engage in philanthropy across cultures comes from a deeply noble

place. For some of us, it's a sense that we've somehow been lucky or blessed in life in some way or another, and want to give back, or it has always been a family value to help others. For others it can be a religious or moral imperative that compels them to give.

I know that more than 90% of wealthy individuals want to engage in philanthropy. And philanthropy is really growing – there is increased wealth creation, especially self-made wealth, and entrepreneurs have a higher propensity to give back to society. Thanks to technology, the world has also become a smaller and more connected place, and it has become

more difficult to ignore the many problems humanity faces including extreme poverty, mass migrations of refugees and the damage we are all doing to our environment. Many are calling this the second “golden era” of philanthropy. And with philanthropy great things can be accomplished. Think, for example, of the near eradication of certain diseases like polio through vaccinations in developing countries, driven largely by the Bill and Melinda Gates Foundation working with many



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others, or the creation of public libraries, supported by Andrew Carnegie around the turn of the century, or the support for the arts, which, over the centuries, has been largely funded by philanthropy.

Unfortunately, all of this heartfelt giving has not yet added up to something that could be described as “value for money” in terms of significant impact and lasting change. As the rhino example shows, good intentions and passion are not enough to change the underlying systems at play. Given that philanthropy and its outcomes are sometimes hard to measure, it tends to be the tangible things – what we can immediately see, touch or personally experience – that win out over things that could, in the longer-term, lead to more impact.

Most philanthropists also want to start their own effort. According to recent research, more than 50% of foundations around the world have less than 1 million dollars in assets – this means they give even less per year given low interest rates in the developed world. If you wanted to improve kids’ education in one country – how far would your 1 million dollars go? If we wanted to achieve the Sustainable Development Goals (SDGs) that everyone talks about – would small bits and pieces of well-intentioned funding do the job?

Another philanthropist I met, a very successful hedge fund manager in New York, told me about his orphanage for 600 kids in Uganda, which he and his wife supported generously. He told me “I don’t trust the UN or big non-profits at all – I’ve seen what they do on the ground, so I help this orphanage directly and go there at least once a year”. And of course, the philanthropist believes that for those 600 kids, their lives are undoubtedly better because of his generosity. But at the same time - in what way does his support for that orphanage tackle any of the root causes so there will be less orphans in the country? And are orphanages really the best way to take care of children without parents? Research has actually shown that in many countries, children in orphanages are not really orphans – in some cases up to 80% of them have parents or other close living family who give them up because they can’t afford to keep them. Studies have also proven that being in an institution, no matter how well run and caring, has detrimental effects for children.

And I know things are not that simple either – it is a different proposition to give 100 dollars or even 1000 dollars to sponsor a friend of yours running the Boston marathon for a cancer research charity, or even to give 10,000 dollars at a gala dinner for an

organization which helps educate girls. But when you are deciding how to spend 100,000 dollars or even 10 or 100 million dollars of your own money to do something good in the world, things become more complicated, as it's not obvious who you can trust and how to do it right.

In my own life, I have spent much time trying to figure out where I can make a significant contribution to humanity. I was born in Lima, Peru and my mother loves to recount the story of how at age 5 I asked: "Mummy, what is the meaning of justice?". From Lima I went to London for studies and then moved to Washington DC to work for some of the largest international development organizations. As an idealistic 20-year-old I believed that I would find others there who also wanted to "change the world". Sadly, I was disappointed – I don't doubt the world is somewhat better because these large international organizations exist, but I wasn't convinced that for the amount of resources they controlled they were having sufficient impact. So, I moved again to work for a leading global NGO in human rights. There, I found very passionate people indeed. But what I felt I was missing were the business skills, such as strategic planning and good management, which you need in order to have real impact on

the world. Thus I moved again and spent many years working for a global strategy consulting firm.

I then put my skills and experience to work in advising wealthy individuals on how they could have impact with their wealth, and in the process created one of the largest networks of philanthropists and social impact investors in the world. I, very naively, thought that if you bring them together, collaboration would



be a natural outcome. And while this happened in some cases, I didn't see it often enough. I came away with the conviction that philanthropy needed bigger ambitions and more combined efforts to attempt to target root causes rather than tinkering around the edges on alleviating symptoms. Today, I am working directly with a growing group of philanthropists and foundations, including some of the most recognized

names in the world of philanthropy, to actively promote more collaboration in this space and more focus on truly significant and sustainable improvements in the areas of health, education and economic opportunity in low- and middle-income countries around the world. It is still early days – true collaboration is still surprisingly rare – but I am now convinced that this is a place where philanthropists have the opportunity for significant and enduring impact.

Engaging in philanthropy can be a really fulfilling experience. And if you are smart about it and are willing to work with others, you might get your wildlife park in Africa and, at the same time, help to change the system to save the rhinos. H EDITION



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