

Global Philanthropy Information Exchange Newsletter - China Issue No. 1
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Editor: Jeff Ren, Innovation and Exchange Program Manager, Mercy Corps China

jren@cn.mercycorps.org

Translator: Jianqing Wang

1. Gates-Bufferet's Charity Dinner Held in Beijing*The Beijing News*

On the evening of September 29th, a high-profile meeting sponsored by Bill Gates and Warren Buffet was held in Chateau Laffitte Hotel in Changping, a suburban district of Beijing. Bill Gates and Warren Buffet, along with 50 business and charity heavyweights in China attended the dinner. The organizers said it was not true that "half of the invited tycoons refused to attend" and neither were these tycoons urged to donate in the dinner.

According to media reports, the guests include Wang Shi, Chen Guangbiao, Yu Pengnian, Niu Gensheng, Feng Lun, and Cao Dewang who publicly acknowledged that they would attend, as well as Liu Chuanzhi, Zhang Chaoyang, and Jack Ma as speculated by the media. In addition, Jet Li, founder of One Foundation, Minister Li Liguo of Civil Affairs who is in charge of charity issues in the Chinese government, and other senior government officials and heads of state-owned enterprises attended the event as well.

According to press coverage, the dinner started with a discussion chaired by Ms. Yang Lan, a famous Chinese anchorwoman, at 5:20pm. In the discussion, Warren Buffet and Bill Gates shared their charity stories with other guests and briefed them about "the Giving Pledge" they were promoting. Both of them stressed that China should explore charity models in light of its unique national conditions. Warren Buffet believed that China would surpass America in charity and the current successful Chinese entrepreneurs would have opportunities to lead and inspire their followers by making their due contribution. Bill Gates said that his father told me that charity was about making others as well as oneself happy. He hoped to donate all his wealth to charity in his lifetime, because he had enjoyed the happiness of charity. He concluded by saying that he paid close attention to how the money would be spent. His personal focus included vaccine research and education.

There was lively discussion in the dinner about whether one should donate all his wealth in his or her lifetime. Chen Guangbiao, who already made his personal pledge, said his commitment was a "nice-to-meet-you" gift he gave to the American duo. However, most Chinese speakers opposed this practice, arguing it went too far and more money should be spent in their business expansion given China's conditions. It is learned that attitudes towards wealth and donation, how to make donation effective, the influence of charity on family and other issues were covered in the dinner. It is generally agreed that cool-headedness is needed in charity and the rich should also adopt a step-by-step approach in doing charity. Many guests argued that specific legislation is required to improve charity environment.

Summary of some guests' viewpoints:

Warren Buffet: Our charity work transcends national boundaries and racial differences. We work for all humanity.

Bill Gates: Since the beginning of our marriage, my wife and I knew that we would not leave a large legacy to our children. We are always seeking opportunities to transfer our resources to public good.

Jet Li: Charity is not only about the rich, but everyone can participate. He also argued that the rich should not be forced to donate.

Li Bengong (Executive Vice President of China Charity Foundation): We should not copy others' practices in promoting charity in China.

Prof. Yang Guanqiong (China Charity Research Center, Beijing Normal University): More events like this will cultivate Chinese charity culture which in turn will generate more similar events. They will work hand in hand to promote social progress.

Wang Dahai (Director of China Charity Research Center, Beijing Normal University): The dinner, a "strategic charity event" by Warren Buffet and Bill Gates, will promote the development of charity in china.

2. The Second China Private Foundation Forum 2010 Was Held in Beijing

www.cpff.org.cn, qongyi.qq.com

The Second China Private Foundation Forum 2010 was held in Beijing from October 28th to 29th. The forum was sponsored by 12 Chinese private foundations and China Association for the Promotion of Non-governmental Organizations. Over 350 representatives from 91 private foundations, 96 non-profit organizations, the business community and over 70 media organizations attended this event.

The forum had extensive and in-depth discussion on the three themes of internal management, information disclosure and project effectiveness of private foundations in China. During the forum, a number of reports were released, including *A Report on the Development of Private Foundations in China—Internal Management* by NPO Research Center, Renmin University and China Philanthropy Advisors, a consulting firm in Beijing, *A Guideline on Information Disclosure for Chinese Private Foundation* by Recende, a management consultancy in Beijing, and *Case Studies of Chinese Private Foundation Projects* by China Agriculture University. The authors carried out extensive surveys on relevant government departments, companies and nearly 100 private foundations in China in their preparation. The forum hoped the detailed information as well as in-depth and highly relevant analysis in these reports would help Chinese private foundations as they are exploring and addressing challenges in their operation.

Based on the three themes, the forum provided a number of optional topics for sub-forums decided by participants' on-site voting. This practice made the forum more participatory and more relevant in terms of form and substance to the reality of private foundations in China. The forum was concluded with two sub-forums on "sufficient funding of private foundations and insufficient funding of grassroots NGOs", and "mission and social roles of private foundations".

Yang Yue, Deputy Director General of NPO Department of the Ministry of Civil Affairs, revealed in the forum that Cao Dewang's equity donation had been accepted. Feng Lun, Vice President of Vantone Foundation, argued that Chinese entrepreneurs should adopt a cautious approach in donating all their wealth during their lifetime. Wang Shi, President of Vanke, attended the roundtable discussion on the afternoon of October 29th and shared with the audience his experience in the Gates-Buffet dinner and his insights into such heated issues as the transformation of One Foundation. On October 28th, during an interview with *China Philanthropy Times*, Xu Yongguang, Vice President and Secretary General of Narada Foundation, said among 1,900 foundations in China, only 400 of them had regularly-updated websites and over 1,200 had no website at all.

The forum hopes that through discussion like this more companies and citizens would know charity in China, particularly opportunities and challenges facing private foundation community, and attract more social resources to promote charity in china. As Yang Yue said in the opening remarks, "the general public wants greater development of private foundations who surely have great potentials. The forum, as a platform to conduct exchanges, will boost the development of this community." This is also the mission of the forum.

3. Annual Report On China's Philanthropy Development (2010) Released

Legal Evening News

On the morning of November 2nd, Chinese Academy of Social Sciences released its blue paper *Annual Report on China's Philanthropy Development (2010)* in Beijing. The report reveals that donation from the general public in China increased steadily in 2009 and reached 33.2 billion RMB yuan, up 3.5%. It stresses that compared with the United States, Britain, Brazil and India, donation in China was the smallest in absolute figure as well as in percentage of GDP. In 2009, it accounted for only 0.01% of China's GDP. Experts believe that the irregular donation system is to blame and large implicit donations exist.

During the interview with *Legal Evening News*, Yu Zhiqiu, a contributor to the report who also works for China Charity 100, pointed out a large amount of implicit donation in China. "If we include implicit donation, the total figure for China is quite large", he said. Implicit donation includes construction of roads, bridges and other infrastructure, ancestral halls, temples, churches as well as financial support to associations of the elderly.

The blue paper stressed that donation from the business community declined due to the international financial crisis, but the past year also witnessed the business community's wider and deeper participation in charity. The private sector, in particular, played an increasingly important role in charity and was more enthusiastic and generous. The real estate sector was especially high-profile in this regard.

Non-profit organizations in China increased from 414,000 in 2008 to 431,000 in 2009. Among them, foundations increased from 1,597 to 1,843. Among these foundations, private foundations account for 43.4% (800), public ones 55.8% (1029) and representative offices of overseas foundations 14. In capacity building, charity organizations paid more attention to the development of the whole community and professionalism of their staff. In charity culture, the general public's awareness and knowledge of modern charity was on the rise. The general public was more enthusiastic about charity and charity-friendly environment took shape. International exchanges were also strengthened. Chinese charity organizations played an increasingly active role in international charity endeavor. China Charity Federation and China Red Cross Foundation were involved in the rescue operations in Southeast Asia after earthquakes and tsunamis hit this region at the end of 2004. China Foundation for Poverty Alleviation and China Youth Development Foundation were also active players in international cooperation. This heralds a new era for charity organizations in China. The international strategy of China's charity organizations will not only play a supplementary role as large Chinese corporations are expanding their overseas business market, but also demonstrate the country's soft power and cultural influence.

Annual Report on China's Philanthropy Development (2010)

Editor-in-Chief: Yang Tuan

Publisher: Social Sciences Academic Press (China)

Internet link: <http://baike.baidu.com/view/4712965.htm>

4. The first Jingshi Philanthropy Seminar Held in Beijing

www.cnr.cn, *China Philanthropy Times*

On November 6th, the first Jingshi Philanthropy Seminar, sponsored by Beijing Normal University One Foundation Philanthropy Research Institute (hereby referred to as the institute), was held in Beijing. Jet Li, Chairman of the institute, said in the seminar that only by establishing a more scientific training system can we cultivate more professional charity talents and make Chinese charity community more professional, transparent, and sustainable.

With the theme “public participation and professionalism of charity education”, the seminar invited experts, leaders and journalists in the charity community from home and abroad to participate in the discussion. The seminar focused on the challenges in grooming professional talents for charity in today’s China and explores how charity organizations and the general public can cooperate in charity education. In particular, the forum made comparison between international experience and Chinese practices, and put forward the building of globally-oriented charity education system in China based on the adaption of international experience.

Jet Li, Wang Zhenyao, head of the institute, representatives of some foundations and NGOs as well as experts attended the seminar. They briefed the audience of *the Education Report on Philanthropy Development in China* and release *the Five-year Development Plan (draft)* of the institute for discussion. According to the plan, the institute would strive to establish a global charity education and training system in partnership with a number of universities and in five years the institute would have 100 professors or fellows for charity research and teaching. Wang Zhenyao said in the seminar that the enrollment plan and teaching mode of the institute were still under discussion.

In addition, the institute invited former British Prime Minister Tony Blair to participate in the high-level dialogue on cultivating charity leaders. The dialogue was chaired by Luqiu Luwei, anchorwomen of Phoenix TV, and participated by Jet Li, Wang Zhenyao and Associate Professor Chan Kin-man of the Chinese University of Hong Kong.

5. Charity Talents Loss Serious, Training Project to Launch

Labor News

Low salary, high pressure and serious brain drain are a fact of life in China’s charity community today. In the first Jingshi Philanthropy Seminar held in Beijing Normal University on November 6th, Jet Li argued that “in the next twenty years, numerous public and private foundations as well as non-profit organizations will mature. Then who will serve and lead these organizations? We need professional talents rather than just passionate and warm-hearted friends.” In the seminar, Jet Li called on experts in this field to join him in promoting research on charity education and talent cultivation.

As the general public pays more attention to this issue, Partnership for Community Development (PCD) of Hong Kong has worked together with other NGOs to launch “Youth Internship Micro Fund”. As a supporting platform for youth growth, this fund will support young people interested in such social issues as rural development and education to get one-year internship in non-profit organizations in order to encourage their reflection on social issues, improve their execution capabilities, broaden their horizon and find their places in the social development. It also aims to develop networks with non-profit organizations in grooming talents and explore platforms for joint youth training by non-profit organizations and universities. PCD is not alone in this experiment. In September 2010, Narada Foundation launched its Ginkgo Fellow Program, the first financing project to support the growth of charity professionals. The program strives to help charity professionals to enhance their capacities, expand their networks and build publicity platforms so that they will grow faster.

6. Seventeen Organizations Awarded by One Foundation

www.cnr.cn

The Third One Foundation Philanthropy Awards Ceremony was held on November 6th. Seventeen non-profit organizations were rewarded and Jet Li, founder of One Foundation, addressed the audience in the ceremony.

The Chi Heng Foundation (Shanghai), Zhejiang Xinhua Compassion Education Foundation, Shanghai Charity Education and Training Center, Handa Rehabilitation and Welfare Association, Guangzhou Huiling Care Center, and

北京办公室

北京市海淀区北三环西路
48号3号楼12B 100086
电话: 010-51626320
传真: 010-51626321

成都项目办公室

四川成都市高新区桐梓林东路9号
华苑16幢2单元9楼3号 610041
电话: 028-85123456
传真: 028-85156505

Shanshui Conservation Center (Beijing) were awarded “One Foundation Model Prize” for their outstanding contribution in rural education, rural poverty reduction, capacity building for non-profit organization, rehabilitation services for leprosy patients, care services for people with mental disabilities and environmental protection.

Heart to Hear Community Care (Yunnan), Friends of New Citizens, Institute for Environment and Development, China-dolls Care and Support Association and Shanghai Hand in Hand Care Center were awarded “One Foundation Tencent One Thousand Mile Model Prize” for their outstanding performance in providing community services for migrant population, education for children of migrant workers and hospice.

Two new awards “Appeal Prize” and “Innovation Prize” were set up to promote new non-profit organizations and encourage others to follow their suit. The winners were Beijing One Plus One Cultural Exchange Center, Lanzhou Xingbang Consulting Service Center, Senior Citizen Cooperative (Beijing), Save Minqin Volunteers Association, and Yunnan Youth Development Foundation Runtu Mutual Assistance Working Group.

The screening process for winners was formally started in mid-May this year. A panel composed of experts from philanthropy, law, media, finance and economics, management consulting and other sectors was set up to review the candidates in primary selection, second selection and oral examination as well as field visits. Online voting was also factored into the process before the winners were confirmed.

7. News in Brief

1) Directors of China Foundation for Poverty Alleviation Made a Study Trip to Mercy Corps in US

On October 10th, 2010, a delegation of directors of China Foundation for Poverty Alleviation (CFPA) led by assistant secretary general Chen Hong returned to Beijing after a 15-day study trip in the United States. This trip came six years after a high-level CFPA delegation visited the US headquarters of Mercy Corps in 2004, demonstrating the strategic partnership between these two institutions. At the CFPA’s request, Mercy Corps worked out the detailed program of this trip which aimed to learn from Mercy Corps and other American NGOs on their operation models and practices so that CFPA will become an international organization committed to well-being of all humanity. In an important council meeting in 2006, CFPA decided to adopt a strategy to transform itself from an operational NGO to financing, fund-raising and international foundation.

The delegation traveled to Portland, Washington DC, and New York and visited many well-know American institutions. At the same time, senior managers of Mercy Corps provided trainings in mission strategy and organizational structure, teamwork and communication, project design monitoring and assessment management system, headquarters support and management system, social innovation, corporate social responsibility, procurement and logistics management, resource mobilization, human resources management and effective learning organization as well as application of information technology.

<http://meici.org.cn/modules/article/view.article.php/314>

2) Jeff Raikes, CEO of Bill and Melinda Gates Foundation, Visited China

On October 26th, Jeff Raikes, CEO of Bill and Melinda Gates Foundation, held a breakfast discussion on strategic philanthropy in its Beijing representative office. He briefed the participants of the foundation’s dual strategy to promote operation philanthropy and catalytic philanthropy. He also learned from the participants about the development of philanthropy and corporate social responsibility in China. About 40 people, including Xu Yongguang, Wang Zhenyao

and other heads of some Chinese foundations and supporting institutions as well as general managers and CSR directors of multinational in China such as Bayer, Citibank, Intel, Microsoft and Wal-Mart, attended this event.

3) Rockefeller Philanthropy Advisors Came to China

On October 27th, Melissa Berman, President of Rockefeller Philanthropy Advisors (RPA), Mae Hong, director of RPA Chicago office, and Guo Shenyu, director of its China Southern Project, visited Mercy Corps' Beijing office. They talked with Ms. Chen Yimei, Mercy Corps' country director in China and Jeff Ren, innovation and exchange manager in its Beijing office, on the operation of RPA, Mercy Corps projects and development of philanthropy in China.

RPA is a nonprofit organization that currently advises on and manages more than \$200 million in annual giving. Headquartered in New York City with offices in Los Angeles, Chicago and San Francisco, it traces its antecedents to John D. Rockefeller, Sr., who in 1891 began to professionally manage his philanthropy. With thoughtful and effective philanthropy as its only mission, RPA has grown into one of the world's largest and best known philanthropic service organizations and as a whole has facilitated more than \$3 billion in grant making.

The RPA delegation also visited some other Chinese institutions and active individuals in charity. Their visit was to deepen understanding of charity in China with the hope to expand their operation in the country.

4) Global Forum of Art Foundations 2010 Held in Beijing

www.wuzuoren.org, www.xinhuanet.com

Global Forum of Art Foundations 2010, a global high-level forum and platform dedicated to the development of art foundations, was held in Beijing from October 28 to 30. Sponsored by Wuzuoren International Foundation of Fine Arts (WIFA) and co-sponsored by the Palace Museum, Peking University and China National Gallery, the forum focused on the theme of communication and cooperation in the era of globalization and discussed issues of common interest such as sources of art sponsorship, effective models of cross-regional cooperation, and how foundations can promote art.

About 60 Chinese and 20 overseas speakers from North America, Europe and Asia addressed the audience as representatives of well-known art foundations.

Art foundation is a new phenomenon in China. The forum came as WIFA celebrated 20 anniversary of its establishment and would help Chinese art foundations review their past experience, build platforms for international exchanges, and improve their management and operation to live up to the needs of the time and the general public.

5) CECP Executive Director Visited China

Charles Moore, executive director of the Committee Encouraging Corporate Philanthropy (CECP), visited Beijing on November 8th at the invitation of Business for Social Responsibility (BSR). During his stay in China, Mr. Moore had a seminar with representatives from One Foundation Social Business Center, Vantone Foundation, Sunshine Culture Foundation, US Chamber of Commerce in China, Give2Asia, Bill and Melinda Gates Foundation, Mercy Corps, China Entrepreneurs Forum, JPMorgan Chase and Bayer etc. He also made a presentation on latest trends and best practices of effective business charity.

CECP is an international forum of business CEOs and chairpersons focused exclusively on CSR and corporate philanthropy. CECP has since grown to include more than 175 CEO members with headquarters in 12 countries and more than 40% of reported corporate giving in the United States. Its 6th Annual Board of Boards CEO Conference will

held in New York next February with the theme “Business at its Best: Maximizing Long-Term Profitability and Societal Impact”. Mr. Moore said he was looking forward to seeing Chinese entrepreneurs in the conference.

6) Ministry of Civil Affairs Study Tour in the US

From Oct. 30th to Nov. 19th, the delegation with 14 officials from the Ministry of Civil Affairs and local NGO administrative departments took lectures on NGO management and operation at University of Pennsylvania. They also visited some NGOs in Philadelphia and New York. This trip helped them understand the US NGO administration policies as well as NGO operation models, management experiences & the challenges.

7) Mercy Corps Awarded by Ford Foundation for Continued Philanthropy Leadership Exchanges

Supported by the Ford Foundation, Mercy Corps has launched China-US Foundation Leadership Exchange Program 2010-2012. This is built on the success of the pilot – the Chinese private philanthropy leadership US visit in the fall of 2009. The central theme of the three year Exchange Program is "Strategic Philanthropy". The group will be composed of up to 15 people from China including foundation funders, its board members and senior executives or those who are in the process of registration as a foundation; and some influential academic and regulatory individuals who are active in philanthropy field. They will visit 2-4 places in the US on a different focus for each visit. The first US visit in this program will take place in the first half of year 2011. As part of the program, Mercy Corps will also arrange learning and sharing activities in China for US foundation representatives and Chinese counterparts.

Information about pilot study tour project in 2009 can be found at:

http://meici.org.cn/uploads/article/file/MC_No_01,%202010_EN_China%20Private%20Philanthropy%20Leadership%20Visit%20to%20the%20US%20Program.pdf

Thank you for your patience in reading. And we look forward to your feedback!