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FOCUS ON BULGARIA – The State of the Non-profit Sector in 2006



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CAF India: A Little Goes a Long Way in India

India is a land of contrasts. On one hand the number of millionaires in the country is increasing at nearly 20% each year, second only to China. Yet in the face of this increasing wealth there are 700 million people mired in poverty, earning less than a couple of dollars a day.⁽¹⁾ Given these numbers it is not surprising, therefore, that the country also has some of the most compelling social needs. To help meet these, CAF India was established in 1998 to facilitate the flow of funds and resources from the corporate sector and high net worth individuals to some of the 100,000 registered charities in India.

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FOCUS ON NIGER – Médecins Sans Frontières: Fighting malnutrition in Niger - the poorest country in the world

Niger in Central West Africa is the world's poorest ⁽¹⁾ country. Sixty three percent of its population live on less than a dollar a day and life expectancy is 44.7 years. The literacy rate is 17% and only 52.4% of primary school aged children are enrolled in school. And according to a recent study by the Oakland Institute ⁽²⁾, 40% of the children in Niger suffer from chronic malnutrition. That's over 1 million children.



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SEASONS GREETINGS

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'Tis the season to be merry and remember loved ones through the giving of gifts; so I encourage all donors to do good,

and feel good this holiday by using CAF America to support your favorite charities around the world. If you don't have an overseas charity in mind you can easily identify one through [our website](#). You can also donate online or download a gift form and send it to us.

CAF America's mission is a vital one; to raise the level and quality of global giving. This means so much more than simply receiving tax-deductible donations from U.S. taxpayers and making grants to overseas charities. Increasingly we provide advice and information about effective international philanthropy to individuals and corporations. We also endeavor to advance the case for international philanthropy and inspire donors to make a lasting commitment to charitable giving.

Philanthropy is about investing in people, environment, culture and infrastructure to improve quality of life. International philanthropy should be an integral part of any developed society. Global giving helps us define who we are, express our vision, and demonstrate our values. When you 'engage' or 'invest' in philanthropy you become part of...

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CAFAmerica also works with many non-U.S. charities helping them to raise the funds they need from American donors. Our donors use CAFAmerica to make grants to charities in more than 75 countries around the world. Phew! And these charities are involved in some wonderful and inspiring activities, helping people and communities in need.

Our aim in this newsletter is to highlight issues of poverty and children, and share some of the success stories of charities and CAF offices we work with. In this issue we profile the poorest country in the world, Niger, and take a look at the work of Médecins Sans Frontières, a CAFAmerica grantee in a region fighting widespread malnutrition. We report on ten years of growth at BCAF and its efforts to build a civil society in Bulgaria; we also look at how one donor engaged in philanthropy with the help of CAF India and helped disadvantaged children in New Delhi.

My thanks go to all those donors who have worked with CAFAmerica in 2006, enabling us to support thousands of charities around the world. My thanks also go to everyone involved in these charities; without your efforts so much good work would be left undone.

Susan Saxon-Harrold
Chief Executive Officer.

FOCUS ON BULGARIA – The State of the Non-profit Sector in 2006

In 1996 the newly formed Bulgarian Charities Aid Foundation (BCAF) was charged with developing philanthropy in a country that was very much in transition.

The task before those early pioneers must have seemed immense and not a little daunting. Bulgaria had only recently emerged from behind the Iron Curtain and it was a time of great political and economic instability, not the most fertile of ground in which to plant the seeds of a fledgling philanthropic movement. Moreover, research at the time suggested a deep-rooted mistrust of philanthropy and NGOs; fewer than 2% of people gave money to philanthropic causes and many saw this as simply some sort of swindle.

So when CAF International Directors met in Bulgaria in September 2006 it seemed an ideal opportunity for a brief review of the progress made and the state of the nonprofit sector in Bulgaria.

10 Years on

Since those uncertain days in 1996 much has changed; the political situation has stabilized considerably and the country's new market economy has started to grow. And this process is likely to accelerate when Bulgaria joins the EU in 2007.

Since 2002, Bulgaria has a regulatory framework in place for the sector in the shape of the NGO Act, thanks in large part to the development role played by BCAF. However, as Elitsa Barakova, BCAF's Executive Director, says:

“Putting the right laws in place was necessary but it is not enough. The quantity of giving, especially tax-effective giving, has not increased with the tax breaks available.”



Dr Susan Saxon Harrold addressing charities at BCAF 10th Anniversary Conference in Sofia.

Indeed a recent report from the [Bulgarian Center for Not-for-Profit Law](#) stated that individual giving accounts for only 6% of NGO income and giving from companies around 8%. This suggests that attitudes to giving within Bulgaria are still some way short of where they should be if a sustainable nonprofit sector is to thrive. It also suggests that trust is still a major issue, and Barakova acknowledges that national and international commentators are still concerned about levels of corruption and the lack of competitiveness of Bulgarian enterprises.

However, one way in which this issue in particular can be addressed and attitudes changed is to offer a range of secure and easy giving mechanisms to donors. All employees in Bulgaria can now make tax-effective donations – BCAF launched a payroll giving program in 2001. Donors can also give while shopping (via products that offer discounts for charity) and on the web.

In the business community, attitudes to philanthropy have also changed for the better. A report from BCAF in 2000 entitled *Corporate Community Involvement* was instrumental in introducing to Bulgaria the concept of 'philanthropy of mutual benefit'. And since then more business people have become aware of the value of corporate social responsibility and increasingly look to integrate it into their business plans. Maxim Behar, Chairman of the Bulgarian Business Leaders' Forum, has noted the trend and comments:

"Only 10 years ago, any mention of 'business ethics' would have been met with complete incomprehension. Now, thanks to the activities of groups like BCAF, life in Bulgaria has changed and many business people now contribute to society."

Where more needs to be done

Much has been achieved to further the cause of philanthropy in a relatively short space of time but BCAF would be the first to admit that there are a number of key areas where more needs to be done.

Key among these is the need to "clarify the roles of civil society and the state" according to Barakova. There is a standing parliamentary committee on civil society but the state still seems to see the NPS as simply a resource. And it has yet to formulate a policy for supporting the sector. The competition process for accessing state funds is seen by many as poorly organized and inequitable. At present state-owned health and arts institutions enjoy preferential tax treatment and this does little to foster the impression that the state has the sector's best interests at heart.

Donka Mihaylova, a Member of Parliament and someone who has worked in an NGO, sees this as a strong reason to keep up the pressure for change. She says:

“The dialogue between the state and NGOs for improvements of the legal base for giving has to be continued.”

Capacity building is another critical issue. In order to grow, the NPS needs structures in place that can give real assistance to that growth. This includes think tanks to explore ways to forge stronger links between the business community and NGOs. Businesses may be savvier about the value of corporate social responsibility (CSR), but dialogue between the sectors is still patchy at best. It also includes effective umbrella organizations to provide a raft of support resources for NGOs. Mihaylova acknowledges this and goes on to say:

“The more difficult task is to win stronger public trust and respect for donors, and to build capacities of civil society structures to manage the process.”

The last 10 years have seen substantive changes and there is cause for much optimism; but if philanthropy is to reach all aspects of life in Bulgaria three things need to happen. First and foremost, those championing the cause of philanthropy need more time to change attitudes and educate business and the state about the real benefits of a civil society. Secondly, they need the resources to enable them to do this; so long-term social investment is needed in order to put in place the structures that will support the growth of the nonprofit sector.

And lastly, NGOs themselves need to engage more with donors, especially international ones, in order to encourage long-term strategic giving. Long-term giving, especially for core costs, is vital if NGOs are to be able to meet their objectives and develop sustainable projects. BCAAF plays a vital supporting role in this process; advising international donors about suitable NGOs and projects; helping them to engage more with the causes they support and achieve the maximum impact with their charitable giving; and developing imaginative funding schemes to increase resources available to NGOs.

U.S. donors wishing to support charitable projects in Bulgaria tax-effectively should contact CAFAmerica. Our [searchable database](#) contains details of all projects and NGOs in Bulgaria that are already eligible to receive grants from CAFAmerica. But should you need more information please [contact us](#) or [click here](#).

CAF India: A Little Goes a Long Way in India

India is a land of contrasts. On one hand the number of millionaires in the country is increasing at nearly 20% each year, second only to China. Yet in the face of this increasing wealth there are 700 million people mired in poverty, earning less than a couple of dollars a day.⁽¹⁾ Given these numbers it is not surprising, therefore, that the country also has some of the most compelling social needs. To help meet these, CAF India was established in 1998 to facilitate the flow of funds and resources from the corporate sector and high net worth individuals to some of the 100,000 registered charities in India.

As Priya Viswanath, Director of CAF India, says with something of an understatement:

“Given the size and diversity of the country, there is a rather large need.”

The primary interests for donors are education and children, particularly from companies who often see an investment in education as an investment in future human resources. And even relatively small amounts can have a significant and lasting impact as Viswanath points out:

“Panalpina, a large Swiss company, approached us wanting to fund a project in India. They were very nervous about putting their money into the wrong thing. They wanted to give to a cause that helped women or children in the state of Bihar, or anywhere else in India.

“We advised the company to give to a cause in New Delhi. Here, they would be able to visit the project, send out volunteers and above all, stay connected. They chose to install a computer lab for the Salambala Trust, a charity which takes children off the streets and provides them with the skills and training needed to be placed in a formal employment programme.”

In this instance, the Swiss company’s grant of \$6000 was used to provide vocational training in the use of computers for children in New Delhi. The funding lasted for 18 months and was sufficient to kick start the project, which has now secured future funding from other sources.

Viswanath continued:

“\$6000 is a small amount by international standards, but it goes very far in the Indian or Asian context. A relatively small amount makes a huge impact in Asia. To me what was fascinating was that children who did not know how to read and write, through this program, a year and a half later, were sending me Powerpoint presentations. I think those are the things that really strike you as having made a difference in somebody’s life.”

It is clear that Viswanath would have preferred this funding to have been more long-term in nature, giving the project a greater measure of sustainability. And in this context she highlighted the annual donation of between \$30,000 and \$40,000 from Glaxo-Smith-Klein. This funding commitment is long-term and regular, which enables CAF India to fund the development of six or seven projects. Viswanath went on to say:

“Giving an annual gift for three years, which doesn’t have to be a huge sum, can really help a project in India.”

U.S. donors wishing to similarly support projects in India can do so through CAFAmerica. Indian NGOs and charities that are already eligible to receive grants from CAFAmerica are listed on [our searchable database](#). If you’d like assistance in selecting a suitable project though, please [contact us](#) by email. We will then work closely with CAF India to identify projects or NGOs for you to consider.

(1) Annual World Wealth Report 2006.

FOCUS ON NIGER – Médecins Sans Frontières: Fighting malnutrition in Niger - the poorest country in the world

Niger in Central West Africa is the world's poorest ⁽¹⁾ country. Sixty three percent of its population live on less than a dollar a day and life expectancy is 44.7 years. The literacy rate is 17% and only 52.4% of primary school aged children are enrolled in school. And according to a recent study by the Oakland Institute ⁽²⁾ . 40% of the children in Niger suffer from chronic malnutrition. That’s over 1 million children.

Niger is a vast country and in 2005 its poverty and food crisis hit the headlines. Drought and a locust invasion were seen as the main causes but in reality this crisis was not an isolated event. Every year sees a similar pattern develop right across this part of West Africa. U.N. Aid workers indicate that it is among the most dangerous of places for children, with approximately 300,000 children under the age of 5 at risk of death from malnutrition ever year in the Sahel - which includes Senegal, Mauritania, Mali, Niger, Chad, and Burkino Faso. The Oakland Institute report recognizes that food insecurity is a complex issue. However it also notes that “the failure of the international community to respond effectively and in time to avert the crisis demonstrates that foreign countries have come to see endemic hunger in poor countries like Niger as inevitable and somewhat ‘normal’.”



MSF's intensive nutritional recovery center in Zinder: An MSF doctor examines a two year old girl.
Photo © Raphael Weber / MSF

The report goes on to praise the intervention of Médecins Sans Frontières (MSF) for bringing this nutritional crisis in Niger to the world's attention. MSF is a humanitarian organization that delivers emergency aid and has been working in Niger on food insecurity issues. It maintains that malnutrition remains pervasive despite good harvests.



Dr. Isabelle Defourny, assistant program manager for MSF's projects in Niger said "...the vast majority of children under five do not have access to foods that meet their nutritional needs. Indeed, Niger experiences an annual demographic catastrophe among infants and children, with one child out of every five dying before the age of five."

A malnutrition examination at an MSF clinic, Niger.
Photo © Anne Yzebe / MSF

In 2006 MSF has been working to reduce mortality due to acute malnutrition among the high-risk population of children between the ages of six months and five years. Its teams work in various locations around the regions of Zinder, Maradi, and Tahoua to treat both severe and moderate cases of malnutrition. And at the height of this year's crisis around 2,000 children were being admitted to its nutritional programs each week.

MSF is a recipient of CAFAmerica grants. U.S. donors interested in supporting their work can structure a program of grantmaking through CAFAmerica. [Contact us](#) for more information.

References

- (1) United Nations Development Program's Human Development Index in 2005.
- (2) Sahel: A Prisoner of Starvation? A case study of the 2005 Food Crisis in Niger by Frederic Mousseau with Anurahha Mittal. Published by the Oakland Institute, October 2006.

Tips for Success in Giving Globally

- **Do your research and don't pick a project at random.** Decide on a country and then visit it to gather as much information as you can. Identify and partner with local, trustworthy organizations; use their experience. Realize that initiatives that have been funded in America or where you are based are not necessarily effective elsewhere.
- **Local communities have much to contribute.** Talk to community representatives and get the local community on your side. Identify what they can do, and get them involved in any initiative you decide to fund. Get their advice and help on the best approach to develop and deliver your initiative or project.

- **You can't solve all of the world's problems on your own.** Pick a charity or an initiative in one field of interest and in one geographic area and stick to it. For example, instead of reducing poverty globally, consider working to reduce child poverty in country x or in towns x & y.
- **Consider getting personally involved with the project or charity you support.** If you instill interest and passion into the charity you support then the impact on the outcome of the project is likely to increase dramatically.
- **Build in sustainability issues during the planning stages, not when the project is almost complete.** Consider how the improvements you want to make can be sustained after you have finished funding a project.
- **Get involved; giving globally is rewarding.** Donors returning from projects they have funded in countries like China, Africa or India are rarely unchanged. Giving money can be a simple task for those who can afford it, but developing a comprehensive mission and getting engaged in an initiative and its outcome is even better.
- **Start your project and don't waste years evaluating and analyzing.** You can adjust your plans to support an initiative as you go forward, but each year you don't take action is a missed opportunity.

NEWS IN BRIEF – Trends in International giving by U.S. Foundations; Evelina Children's Hospital; WingsForum 2006; AIDS Epidemic Spreading

Trends in international giving by U.S. Foundations

International giving by U.S. Foundations has been growing faster than overall giving according to a recent update from the Foundation Centre. The report, a snap shot of [U.S. Foundation Trends](#), has been prepared in cooperation with the Council of Foundations and estimates that total international giving by U.S Foundations topped \$3.8 billion in 2005. Over a third of international grantmakers (35.4%) in 2004 made grants to overseas recipients.

This equates to 14% of foundation grant dollars being given to overseas causes. And the increase represents a nearly 12 percent inflation-adjusted gain over 2002—far surpassing the 2 percent rise in overall giving in the same period.

The report also highlights that more foundations were involved in international grantmaking, with those that been established since 1990 accounting for over one third of the giving.

Overseas giving primarily benefited sub-Saharan Africa (19.3%); Asia and the Pacific (18.1%); and Latin America (11%).

Health grantmaking accounted for 32% of international support and saw the fastest growth between 1998 and 2002 due to the Gates Foundation's dominance as a global health funder. Environment, civil society affairs, science and technology and religion all gained from increased levels of U.S. Foundation support. Despite economic uncertainty grantmakers report increasing their work in all regions, and believe that the prospects for future funding will remain good. They also reported the need for greater urgency to address global concerns, particularly in the areas of health and the environment.

WingsForum 2006

In November Susan Saxon-Harrold and other CAF International Directors attended the third World Wide Initiatives for Grant Maker Support (WINGS) Forum in Bangkok. WINGS is the only truly global network that focuses on philanthropy support and this forum is held once every four years. This year's event was entitled Making a Difference in Philanthropy, and brought together representatives of more than 120 associations of grant makers, as well as other organizations supporting philanthropy in 50 countries. For more information about the event, and to read some of the speeches and presentations [click here](#). Family and Community foundations in particular may find Anuradha Mittal speech of interest and corporate donors may wish to read Jaime Augusto Zobel de Ayala II's speech.

Evelina Children's Hospital – 2006 Contender for the Royal Institute of British Architects (Riba) Stirling Prize



Congratulations to the Evelina Children's Hospital, whose stunning new building next to St. Thomas Hospital, London was a contender for the prestigious Royal Institute of British Architects (Riba) Stirling Prize. CAFAmerica made several grants supporting its construction and we had the enjoyable task of making a site visit to the hospital before it opened in 2005.

The Stirling prize is awarded to architects for the building that has made the greatest contribution to British architecture in the past year. Evelina Children's Hospital in south London is said to be "where the patient, not the institution, is given priority." The prize, named after Scots-born architect Sir James Stirling and now in its 11th year, was awarded at the Roundhouse in Camden, north London. To read more about this year's Stirling Prize winner [click here](#).

AIDS Epidemic Spreading

According to new figures released recently by UNAIDS and the World Health Organisation (WHO), the global HIV/AIDS epidemic is expanding; with sub-Saharan Africa still carrying the heaviest burden. Of the estimated 4.3 million new infections in 2006, 65 percent occurred in this region. Despite a major scale-up in antiretroviral treatment, which reached more than one million people in sub-Saharan Africa by June 2006, the area accounted for almost three-quarters of AIDS-related deaths. Overall, the region is now home to an estimated 24.7 million HIV-infected people, up from 22.6 million two years ago.

The '2006 AIDS Epidemic Update', compiled from the most recent worldwide HIV/AIDS surveillance, records alarming evidence of a resurgence of HIV infection in countries that previously had some success in stabilizing or reducing prevalence.

For more information, [click here](#).

CAFAMERICA NEWS & UPDATES

- The deadline for submitting 2005/06 Grantee Reports was July 31, 2006. If you have yet to complete a report, I urge you to do so quickly; otherwise we cannot make grants to you. Please contact CAFAmerica if you have questions about completing your report.
- Our office will be closed from noon Friday, December 22 through Monday, January 1st to allow CAFAmerica staff to spend time with friends and family over the holidays. All donations post-marked on or before December 31, 2006 will be counted as tax-deductible in 2006.
- As of March 15, 2006 CAFAmerica is only able to accept single gifts of \$500 or more. This does not apply to 'Friends of' Charity Funds or Donor Advised Funds. For a list of exemptions from the minimum donation amount [click here](#).
- Just a reminder, our office hours are from Monday through Friday, 9:00am to 5:00pm EST. If you need to reach us outside of these hours, please leave a voicemail message or [send an email](#).