

## Applying a Social Justice Lens to Your International Grants

**Host:** Ted Hart, President & CEO, CAF America

**Guests:** Gill Bates, CEO CAF Southern Africa | Paula Jancso Fabiani, CEO, IDIS.

**Erika:** Hello, everybody, and welcome to today's webcast Applying a Social Justice Lens to Your International Grants. We're going to wait just a minute for everybody to get into our virtual session and then we will get started. Welcome to those of you that are joining us. Thank you for being here with us today, we'll get started just a couple of minutes past **[00:00:30]** the hour just to give everybody the opportunity to be online with us and up in the system. Thank you to those of you that are with us today, we're excited to get started in just a couple of minutes.

All right, we have people coming into the session, we'll give everybody just another minute or so and then go ahead and get started with our presentation. **[00:01:00]** Thank you for joining the session, again this is Applying a Social Justice Lens to Your International Grants. Glad to be presenting this topic with you today, with our friends from CAF and we'll get started in just one minute.

Right, welcome. Welcome, everybody, thank you for joining us today, this is Applying a Social Justice Lens to Your International Grants. **[00:01:30]** One of our webcast series, thank you for being here today. We're just a couple of minutes past the hour we're going to go ahead and get started to respect everybody's time. Just a few housekeeping notes. Thank you for being with us today, we are engaged on Zoom. I think we are all very familiar with Zoom these days but just in case, you have the ability to chat, you'll find that function and the bottom of your screen.

If you would like to share something with the panelists, you can click **[00:02:00]** all panelists, but if you'd like to share something with the other attendees as well, you can click all panelists and attendees, that will send your note to everybody on the webcast today. If there are resources that you would like to share, if there's information you'd like to share with the whole group, please feel free. We encourage you to go ahead and engage with the panelist and your other attendees, so feel free to click that box and share with the whole group if there's something that you have to add to the conversation.

We will be **[00:02:30]** taking questions at the end of the session today but feel free to enter your question in the Q&A box at any time throughout the session. You'll find that Q&A box also at the bottom of your screen, you can go ahead and type your question

there at any point in time during the session, and then at the end of the session, I'll be sharing the questions with our speakers today. You also have the opportunity to upvote questions. If somebody put a question in the Q&A box [00:03:00] that you also would like answered, just click that thumbs up button and that tells us that you're also interested in the answer when we take the questions at the end we'll take the ones at the top of the list with those upvotes.

If there are questions there that you'd really like us to answer go ahead and click that thumbs up button and then we know that many of you on the line would like for us to answer that, we'll answer it first. With that, I am excited to introduce our panelists today. [00:03:30] Our friends from CAF are with us and they're going to be sharing their screen as we get started. Again this is Applying a Social Justice Lens to Your International Grants for those of you just hopping on the line.

Today we're going to hear from Jessie Krafft who is the senior vice president of external affairs for CAF America. Jessie has been with us before and also at our conference, many of you know Jessie. We're glad to have her back. Presenting with her is Gill Bates who's the CEO of CAF Southern Africa. [00:04:00] Glad to have that international perspective with us today. Also on the panel is Paula Fabianiis who is the CEO of IDIS, the Institute for the Development of Social Investment. We're thrilled that these ladies are with us today to share their expertise and ready to get started. Jessie, with that, I will hand it off to you.

**Jessie:** Great. Thank you so much, Erika. First just to set a little bit of context here, just to tell you a little bit about CAF America. We're a [00:04:30] public charity in the United States. We work with all types of donors that want to give internationally, corporations primarily, but also foundations and individuals. Our work is governed by what we call our three Rs. This is a guarantee on our work that focuses on regulatory compliance, risk management, and reputation protection, and all the grantmaking and charity partnerships that we undertake.

I am joined by two of my colleagues [00:05:00] from the Global Alliance but while CAF America does grants in over 110 countries every year, we do have officers through our Global Alliance in specific countries and I'm thrilled today to be joined by two of those officers who will be speaking a little bit later but this is our global presence in terms of the CAF Global Alliance itself.

Okay, jumping right in because I know that we have a short period and there's much to discuss in this topic. [00:05:30] I want to start by setting the stage a little bit. In terms of helping understand the reason why this is forefront for CAF America and also some of our donors right now. Starting in March we undertook a series of surveys in all of our charity

partners around the world to help us understand the impacts of COVID-19 on their organizations and what their greatest needs were and what kind of support they were continuing to receive from their donors.

Four of these reports, four or five of these reports focused on our charity partner and then the fifth report focused on how this was affecting our corporate relationships. If you haven't seen these reports already there's really a wealth of data. We received responses from many organizations around the world, thousands of organizations in over a hundred countries, well over a hundred countries. These are all for free on our **[00:06:30]** website so please feel free to check that out.

I want to specifically focus on some of the outcomes of the corporate survey. This was done in partnership with CyberGrants and our partner at ACCP. We collaborated on this particular volume 4 survey to get an understanding of how COVID-19 was affecting corporate philanthropic strategy and their outlook on their future trajectory or for their philanthropy in the next few years. **[00:07:00]** This was a really illuminating report that came out last month and it's also on our website and has a lot of information.

The specific information that brings us to the social justice topic is that within this corporate survey, we were asking, of course, about COVID-19 and how it was affecting their strategy. This is one particular question that really highlighted for us how important social justice and racial justice grantmaking **[00:07:30]** is becoming for our corporate partners.

Within this question we asked, do you foresee any permanent changes to your annual grantmaking strategy based on this experience? As you see here we received many responses on how their strategy would be changing. One thing that we allowed in this question and others on the survey was narrative response from our corporate partners and in many of those narrative responses, **[00:08:00]** even though we didn't directly ask about it here, they brought up how important social justice grantmaking is becoming to their philanthropy and how they're starting to work on planning and building that into their long term strategy.

We've, of course, always known that this is an important area, CAF America has always funded human rights and social justice initiatives but this really highlighted it as this is the topic that our corporate partners are looking into, and of course, they **[00:08:30]** started asking us a lot of questions about it. We felt that this was relevant to bring to the table help understand or to help guide on how you think about these topics globally.

Of course, there are many reasons why there's a surge in social justice grantmaking might be happening. Of course, the Black Lives Matter Movement comes to mind and plays a huge part in this but globally, right now, there are many other strings on human rights due to COVID-19 [00:09:00] and other political factors that are coming into play but COVID-19 is really fueling some of the strategy shift as well.

Just as an example the office of the UN High Commissioner for Human Rights came out recently and said that government responses to COVID-19 are specifically including restrictions on public freedom such as the freedom of expression and the closure of certain civic spaces [00:09:30] which is really having an adverse effect on democracies and social justice movements generally.

There are a lot of factors at play here for why this is becoming more topical for our corporate partners right now. As I said after the survey and some of our just general strategy conversations that we have with our corporate partners, we've been starting to get some really common questions. First I wanted, in talking about these questions, to [00:10:00] tell you about what our definition of social justice, what we mean by this term. There are many that view this as funding, specifically, racial justice initiatives.

Through this webinar, one of the main messages we want to share is that this really changes country to country. The context is so different. When we use the term social justice, we want to look at it more broadly in terms of various equality issues that are faced globally in different realms of society, [00:10:30] so political, economic, social, and racial divides that might be occurring. Social justice grantmaking focuses on structural changes and looking at the root causes of these issues to increase the opportunities of these underserved or discriminated communities. Just to set that stage I think is important to have that definition.

Some of the questions we've been getting is, how do we speak about our [00:11:00] social justice strategy on a global level? Which, of course, is really challenging for the reasons I just described. It's so different in every area that you really need to think about if you're trying to speak about your broad strategy, you need to keep it flexible and show that you understand that they're very different local contexts and that you're considering all those local contexts within the individual country strategies that you're taking. [00:11:30]

Another question is, can you recommend organizations focused on social justice and inclusion in specific countries? Of course, the answer to that is yes. CAF America has a global database of organizations that we work with and we have worked with on these issues. Then, of course, we have local partners on the ground and so we can help our

donors identify organizations that would be most suited to assist with this type of strategy or to be partners on the **[00:12:00]** ground.

Then another question is what issue area should I focus our strategy on within social justice grants? There are so many aspects of our society that are affected by these issues that you could really focus your grantmaking in this area on some of the pillars that you might already be working in. It doesn't need to be necessarily a completely new part of your grantmaking, but what you should also consider is how do you **[00:12:30]** build this into the messaging of your grantmaking as well off the strategy that you already have. These are just some of the common questions that we're getting.

This is just meant to be a short roadmap of some of the really important considerations you need to take when you're starting to think about your strategy globally. This is a starting point to hone your strategy. A key factor you need to **[00:13:00]** raise to a high priority level in each of these levels is, how do you build this strategy in a way where you're positioning your grantees as partners and not just implementing partners for your strategy, but more importantly, as advisors that are guiding and building your approach in a given region.

If you focus them on them as an implementing partner, then you're not really listening and taking on that localized knowledge that these organizations have and your approach won't be as relevant **[00:13:30]** or flexible. That's a key piece that you need to think of throughout this planning. One of your important considerations is timing. While it might definitely be the right time in the US to focus on these issues, it might not be the right timing elsewhere. For example, in some countries, the needs from the impact of COVID-19 are so great that an initiative like this might fall on deaf ears, or **[00:14:00]** might not be picked up as readily.

However, on the flip side of that, as I've mentioned, COVID-19 is increasing some of these social justice and racial divides or political and economic divides that we already have in some of these countries. It might be the right time. Again, understanding the timing or building an approach in the right timing, you really need to work with those local partners to understand the context. **[00:14:30]**

What topical areas? We've already touched on this a bit. This is key because there's so many pieces that you could focus on that you should hone it a little bit in order to have more impact. Building local knowledge. As corporations, you have so many local resources in your employee base. I think that's something we always advocate for in terms of building that strategy and understanding the importance of **[00:15:00]** what those local employees could bring to the table in terms of that localized knowledge or

understanding of some of the issues and the interplay of those issues on the ground. Really think about how you can build in your local employees into this strategy making and decision making around this field.

Are you open to long-term partnerships in this strategy? Specifically, in the COVID-19 survey that I had referenced, **[00:15:30]** it sounded like corporate partners are really focusing on this as a long-term strategy. In turn, if you can look at long-term partnerships, that can be ideal in many ways because, of course, structural change takes time. If you're thinking about it in terms of that longer-term approach and building those partnerships for the long haul, you could have a lot more impact and then get to really better understand some of those local issues with those **[00:16:00]** advisors that you have on the ground through those charity partners.

Building flexibility into your strategy. Again, you really need to build space in your strategy to listen and be flexible based on the local context and the needs of your partners on the front lines. Clearly, we've seen some of the massive change that can happen with the global pandemic that we're facing. A lot of these social justice movements have changed significantly during these **[00:16:30]** periods. The social movements and the philanthropy around that and the strategy needs to change to follow that as well. You really need to build some flexibility into that strategy to be responsive to the local changes and local needs.

What are the local sensitivities? This is a really tough one. How do those local governments feel about foreign donors that are supporting social justice initiatives in their country? **[00:17:00]** Some of them welcome it, but unfortunately, an increasing number of governments are not very welcoming of that approach. I'll just talk about that a little bit more on this next slide before I turn it over to my colleagues.

Just a few things that you need to consider outside of that roadmap in terms of social justice grantmaking generally is, there, of course, what we call inflow and outflow restrictions for how you can make grants into other **[00:17:30]** countries. Some of these inflow restrictions-- inflow meaning how to get money into that local country. Some of them are really important considerations for what type of social justice work you're doing in that country. For example, some countries require prior approval before grants can go into that country, either on an organizational level or a project level in the case of China, for example.

Then some of these countries have **[00:18:00]** local limits on certain activities, either across the board or specifically related to foreign funders giving to those causes. Unfortunately, human rights tends to be a major topic when they are imposing those

limitations. It tends to be limitations on human rights and social justice issues specifically. That's another local dynamic that you really need to be aware of as you're going into working into a certain country. **[00:18:30]** You might be working in a very sensitive field and you need to be conscious of protecting your grantee partners and then build your strategy around that too. Then even if there are no legal restrictions, there can be social stigmas around it.

Then, of course, we have our good old US outflow restrictions where you have to look at equivalency determination and expenditure responsibility requirements. Then also in US, there are limits on funding advocacy **[00:19:00]** work in a foreign sense, but also generally. Those are some things if you have more questions about that, I'm happy to help answer some of those if you get in touch later.

For now, I would love to turn it over to my colleague, Gill Bates. Gill, if you want to turn on your camera and take over here. Gill is going to present us a case study, what some of the social justice issues that are happening in South Africa. **[00:19:30]** She works with CAF Southern Africa. Gill, I'll turn it over to you to present this case.

**Gill:** Thank you so much, Jessie, and a very good day to you, colleagues, and everybody in the audience. Thank you so much for your very kind invitation. It's an exceptional privilege for me to be joining you in this very critical conversation and for me to share some perspectives and some reflections with you from South Africa, which I hope will add a small amount of value today as we continue with our collective efforts to make this world a better place especially for those most vulnerable and marginalized members of our society. Colleagues, today I'm going to put the case for an enhanced social justice focus in philanthropy, and thank you, Jessie, for driving the slides for me, much appreciated.

Colleagues, just a couple of comments on the **[00:20:30]** South African landscape. As you all know, South Africa transitioned from an apartheid state into a constitutional democracy in 1994. However, the institutionalized violation of human rights over decades has resulted in an inheritance of poverty, inequality, and unemployment, which sadly continues to endure some 26 years into our democracy. Colleagues, **[00:21:00]** the COVID-19 pandemic likewise, has existed the existing fault lines, I think that Jessie mentioned of poverty, inequality, and particularly those of the poorest of the poor have felt the ripple effects of this pandemic more profoundly.

Jessie, just to move on to some fast facts about South Africa. We currently have a population of 59 million people. Women slightly outnumber men. We are a young population. **[00:21:30]** Our average age in South Africa is 27 years old. Average life expectancy is now 63. We have various ethnic groups in South Africa, as you all know. Our

Black South Africans make up 80.2% of our population. Colored colleagues and South Africans make up 8.8%. White South Africans are 8.4% of the population and our Indian and Asian South African counterparts **[00:22:00]** make up 2.5%.

Colleagues, interestingly, yesterday we announced our unemployment stats issued by Stats South Africa. They named the unemployment rate as 23.3%, but there was an immediate outcry from political analysts and economists who noted that that particular figure was conservative. We are probably more looking at a figure of unemployment at about 42%. **[00:22:30]** Analysts are even predicting that this could rise to 50% as the effects of the pandemic take hold in our country.

The youth unemployment problem is particularly concerning in South Africa. As I mentioned, we have a number of young people and by young people, I mean 15 to 34. That group make up one-third of our total population. Of that group, colleagues, **[00:23:00]** 63.3% are unemployed. Now we are especially worried about this group popularly known in the media as the NEET group, which stands for Not in Education, Employment, or Training. Now this group also are known as a group of young people who are becoming increasingly distressed, despondent, disaffected, and some media have even named this group as a ticking time bomb. That is a group of **[00:23:30]** South Africans that we are particularly concerned about.

Interestingly though, colleagues, quite ironically, South Africa is regarded as a middle-income country. We are one of the strongest economies on the African continent. The strongest economy is Nigeria who comes in at first, second is South Africa, and third is Egypt. I can also share with you, colleagues, that the South African labor market is heavily racialized and it is equally gender-biased. **[00:24:00]** Our stats are also conservatively telling us that about 40% of South Africans live below the poverty line. Of course, a very small amount of very, very wealthy people have vast control over the wealth in South Africa.

Next slide, please, Jessie. Colleagues, I thought it would be relevant for us to reflect on philanthropy during pre and post-democracy days. **[00:24:30]** During the apartheid era, there was a very, very strong and vibrant civil society together with international agencies and friends and colleagues like yourselves in the US and movements who advocated, strongly and successfully for the removal of the unjust apartheid system in South Africa. We are eternally grateful to our friends in the US for the role that you played in helping us change this unjust system.

During this period, international **[00:25:00]** aid funding flowed freely and generously into South Africa. The funding went into the mass democratic movement and into the very,

very vibrant non-profit civil society sector in South Africa who fought tirelessly for democracy, equality, and justice in South Africa. Upon the advent of democracy, international aid was then redirected bilaterally from government to government. This was to have a most **[00:25:30]** profound effect on the South African non-profit and civil society sector, which endures today.

One of the things that government immediately introduced was a broad-based black economic empowerment, or BEE as it's commonly known. This was introduced as a mechanism to address the economic and the social injustices of the past, where black people were systematically and deliberately excluded from the economy. Thanks, Jessie. Next slide, please. **[00:26:00]**

Looking at the challenges and opportunity for local and international philanthropists in preparing for our discussion this evening, I've talked with colleagues who work in the social justice space. The opinion is quite clear that initially, and during the apartheid years, international philanthropy was very easy. It was quite easy to get **[00:26:30]** money into the country and money flowed freely. My colleague, for example, who heads up the Social Justice Initiative in South Africa noted that this initiative was established to ignite and grow funding in the social justice space. However, in her experience, it is really, really much more difficult for local philanthropists to give.

When I asked her why this position should be so, she explained that many South African philanthropists are actually **[00:27:00]** clients and customers and do business obviously legitimately with government. This means that they cannot avoid running into politics. This seems to have added a layer of complexity in respect of local philanthropy. Additionally, I think to your point, Jessie, there was also a time in our country where government regarded both local and international philanthropists with a measure of suspicion, **[00:27:30]** fearing antigovernment agendas, et cetera.

Next page, real quick, Jessie.

Colleagues, in our country in South Africa now more than ever so than before, social justice and philanthropy must be closely aligned. The COVID-19 pandemic has placed into sharp focus the need to restore the human rights and dignity of those most marginalized in South African society. There's overwhelming **[00:28:00]** evidence, colleagues, that a strong and resilient civil society is one of the critical pillars for the sustainability of South Africa's young democracy. Colleagues, if I may, at this point, please allow me to pause and share with you just a couple of really compelling and powerful success stories of social justice advocacy in South Africa.

I think the first one relates to the issue of hunger. It's in South Africa **[00:28:30]** that, in fact, COVID-19 pandemic will kill less people than hunger will. Consequently, back in July 2020, a social justice advocacy group called SECTION27 brought and won a legal challenge in the courts to compel the local department of basic education to continue with the school's nutrition program which was suspended during the COVID-19 lockdown. In South Africa, the vast majority of our children are poverty-stricken and the only single meal that they get is at school. When schools were shut down those meals and those feedings stopped. SECTION27 took the government to court and thankfully won, and consequently, 9 million children now receive a meal every single day, whether they are at school or not.

The second example relates to a little boy by the name of Michael Komape **[00:29:30]** aged five, who drowned in a pit toilet at his school in Limpopo during the year 2014. The matter was heard in the Supreme Court of Appeal in 2019, and judgment was found in favor of the family, and that was delivered in 2019. Colleagues, aside from obviously damages being paid to the family, the courts demanded a structural order for a sanitation plan in our schools, which is now especially relevant as our schools are slowly **[00:30:00]** reopening and our children are returning to school.

The third example relates to the delivery of textbooks in our schools. In May 2012, SECTION27 again, made an urgent application to the High Court in South Africa when the government failed to deliver textbooks to schools throughout Limpopo. The court ordered the Department of Basic Education to urgently deliver the textbooks to Limpopo schools. Unfortunately, SECTION27 had to approach the court **[00:30:30]** twice more to ensure compliance with the order. The court also confirmed the right to basic education as an unqualified socio-economic right.

Colleagues, the last example and probably the most shameful and tragic in our post-democracy history relates to the Life Esidimeni tragedy, which many of you must have heard of. In October 2015, the Gauteng Department of Health informed the Life Esidimeni Pty Limited Company **[00:31:00]** that they were terminating the contract in respect of providing care to over 2000 mental health care users requiring long-term and specialized psychiatric care. Patients were transferred to various ill-equipped nonprofit organizations, despite the warnings and pleas of nonprofit organizations, and families, and lobby groups in the country. The result, colleagues, was a tragedy where 143 psychiatric patients died as a consequence.

Colleagues, this is just to show you how powerful civil society lobbying and advocacy has been in our country. Civil society, as my slide is arguing, can highlight gaps in policy in legislative and implementation frameworks in order to effect impactful and sustainable change. As we've shown tonight, successful litigation **[00:32:00]** has enabled millions of

South Africans to gain access to antiretroviral drugs, sanitation, and clean water, education, and textbooks, amongst others. Next slide please, Jessie.

I've just mentioned a few of our social justice actors in the country. I won't dwell on this, the slides and the information are available for you. It is an extremely vibrant section and sector. Colleagues, **[00:32:30]** notwithstanding this, in South Africa, we have an annual publication of Corporate Social Development activities in the country. It really tracks the CSR spend of corporates in the country. During 2019, of the R10.2 billion that was spent in the CSR space, only 1% of this funding **[00:33:00]** went to social justice initiatives.

I think it's abundantly clear that we need to be changing this ratio completely. Moving to my last slide, because I'm conscious of time and needing to give my colleague, Paula, space.

We also have to note, colleagues, that pretty much like Brazil, South Africa has one of the highest Gini coefficients in the world, which means that we have the dubious distinction of being one of the most unequal societies in the world, **[00:33:30]** in spite of having a very strong Corporate Social Responsibility programs, high net worth individuals, et cetera. It's absolutely abundantly clear that South Africa must commit to the longer-term struggle for social justice and continue to advocate for the dignity of all South Africans.

Colleagues, we in the country and indeed, internationally, all of us actors, whether we are government, the **[00:34:00]** corporate sector, civil society, or philanthropy, we must put social justice at the heart, not only of our COVID-19 pandemic efforts but way beyond as we navigate a world forever changed, where vulnerable people have become even more marginalized.

The **[unintelligible 00:34:18]**, colleagues, requires our very best thinking, skill sets, and resources, as well as good governance coupled with agility and deep commitment to effect lasting, impactful **[00:34:30]** societal change. We need to work together to enhance the quality of human life and to restore, protect, and promote the human rights of those most vulnerable in all of our societies. Colleagues, thank you very much for your kind attention.

**Jessie:** Thank you so much, Gill. I would like to invite Paula to speak about the situation in Brazil **[00:35:00]** on behalf of IDIS. Paula.

**Paula Fabianiis:** Thank you very much, Jessie. Thank you very much CAF America for bringing us this opportunity. Thank you very much to The Association of Corporate Citizenship Professionals holding this webinar. I see you too, my friend from CAF Southern

Africa. It's a pleasure to be here with you today. I'd like to welcome all the people who are attending **[00:35:30]** this webinar.

Our numbers are a little bit different from what you presented about South Africa. A little bit better if we can say that. Brazil is a very unequal country. Please, the next slide. As you can see, in this picture, we have-- This is a very common picture in Brazil, where you have very wealthy, the richest, 5% **[00:36:00]** of the Brazilian population, living next to the rest of the 95%. It's a very unequal society.

We have around 200 million people in Brazil. Just mentioning a little bit about the pandemic, we are actually the second country in the number of deaths just behind the US. We are the third in the number of cases behind **[00:36:30]** the US and India. Our unemployment rate is 13% and it's rising due to the pandemic. Poverty stands at 22%. After Southern Africa, it seems like we're doing good check but it's not the reality. Actually, when we talk about gender inequality is when-- all these numbers came from an Oxfam report about inequalities in Brazil.

As we can see, when **[00:37:00]** we talk about one to one and a half minimum wages, the majority are women. When we move towards higher income, these numbers invert. We have-- when we talk about the over 10, minimum wages, we see that women are half of the number of men in such a wage range. **[00:37:30]** Next slide. When we look into racial inequality it is a similar picture, as you can see. When we move towards the higher-income people we see that it's 1:4. For four whites we have one black that has a salary of over 10 minimum wages. It's a very unequal society. If nothing **[00:38:00]** is done, we can expect that wage equality will only be reached in 2089. We need to do something to change this reality if we want wage equality to be reached sooner.

Also talking about racial inequality, and it's important to mention that as happened in the US, with Black lives matter. In Brazil, **[00:38:30]** we also have, in the last years, a rising debate about racial inequality. In many, many years, the discussion about racial equity was not so strong, because the perception was that we have such a social inequality, that it was not a racial issue but as we can see, it is a racial issue. We're going to show that **[00:39:00]** in the next numbers.

The racial inequality is very linked to education, as you can see in this slide, twice as much of the white population has many years of study. That's reflected in the numbers of employment, especially when you talk about higher wages and higher positions in employment. **[00:39:30]** Actually, it's not only because of the education level, it's much more than that. There is racial discrimination when we look into the numbers about employment. Next slide.

When we look into income, for example, we see that 76%-- among the 10% of the poorest **[00:40:00]** are black. As I mentioned, more than half of our population is black or dark-skinned. We have the majority of the poorest within the black and dark-skinned community. We have only 17.4% of the black and dark-skinned people are among the 1% of the richest. **[00:40:30]** This is where we're standing. We really think we should focus on equity and not equality, where everyone has the same level of opportunities. We actually have to provide better opportunities for the ones that are more vulnerable. We have to increase progress and increase funding to focus on racial equity, gender equity, **[00:41:00]**, and other human rights aspects because the reality is really that, the ones that receive, the more they have the better opportunities in life.

We're not going to change this if we don't have different policies and different positioning of corporations because corporations can do a lot in terms of changing the reality of courses and topics. It's important to mention that Brazil has **[00:41:30]** recently implemented a quota system in the public universities. We know that even though in the US, there's enormous challenges around racial equity, many universities have quotas, focusing on this topic for many years, but in Brazil, this is something recent in terms of public policy. Private schools, most of them don't even have that. **[00:42:00]** I have three teenagers. I can see that this debate started last year only in this private school they go to. It's a very recent movement to debate racial equity in Brazil.

The next slide. Then I wanted to share with you some examples of organizations. Actually, I'd like to mention that Brazilian philanthropic institutions and corporations, they **[00:42:30]** have focused on education programs in the past 20 years. Enormous amounts of funding was invested in educational programs, but they never focused on racial or black and dark-skinned groups, or even on gender. This debate started 10 to five years ago, in the investments of **[00:43:00]** companies, and also philanthropic institutions in Brazil. It's a very recent movement. Most of the philanthropic capital would go to education.

What many of the education programs like **[unintelligible 00:43:11]** are now focusing on having different strategy to focus on racial equity, to improve the quality of education for black or dark-skinned people in Brazil. We also have programs for income generation, like **[unintelligible 00:43:30]** **[00:43:30]** is a private-public institution, that focuses on intrapreneurship, income generation, capacity building programs, to improve the possibilities of the population, especially the vulnerable populations. Now, with the pandemic, this became a big issue because unemployment rates are increasing in the country. Most of the people that participate in the program are dark-skinned or black. **[00:44:00]**

Baobá is an important initiative. It was funded by the Kellogg Foundation in the first place, an American institution, and it's the only racial equity fund that exists in Brazil. They are a great vehicle for any corporation that wants to invest in racial equity in the country because they search for the best projects that address this issue. [00:44:30]

[unintelligible 00:44:31] is a civil society organization that focuses on youth empowerment, and they have programs all over the country, trying to accelerate other civil society organizations that work with young people, which are most black or dark skin, but mostly focusing on vulnerable populations.

[unintelligible 00:44:56] focus on poverty relief and income generation. [00:45:00] We have the LS fund, which is a nice example of gender focus. It is a fund that supports initiatives that can promote women empowerment. Next slide is about examples of corporate activities in that regard. On racial-oriented hiring, Magazine Luiza is one of the largest retail [00:45:30] companies in Brazil. They just launched a training program only for black or dark-skinned people. Bayer has done a similar hiring process recently. This happened all this year. It's very, very recent.

Woman Focus Giving has happened for many, many years. Avon had a very good program for focusing on women in breast cancer. Natura has also [00:46:00] some initiatives, and now they focus on combating violence against women. [unintelligible 00:46:06] is also one activity from one company from Brazil. They're focusing on women empowerment. Last but not least important entrepreneurship and income generation is Chimuelo 2020, it's an initiative that came after the pandemic, to stimulate small companies, to provide credit to [00:46:30] small companies, and many of them started by people on vulnerable communities. [unintelligible 00:46:40] is an initiative from Liberty company that also supports women that are starting a company and entrepreneurships.

As I've shown, Brazil has had a very [00:47:00] unequal country, with many, many issues, but what I like to highlight is that the ESG trend has come to Brazil very strongly. This has become a very important topic to CEOs, and to CFOs, and the top-level management of companies. What we see is that most of the companies don't [00:47:30] have policies, and also initiatives for the S, the social. This is an important opportunity for corporations. If we improve the communication about the S of the ESG, and bring these possibilities of social investments, and also philanthropic activities for companies, I think we have a path to evolve corporations in solving [00:48:00] these important human rights issues of our countries and our societies. Thank you very much.

[silence]

**Erika:** Thank you, all, so much for presenting. I think we have some time for questions, which is great. Go ahead and put your questions in the Q&A box. We have a few already that have come in while you were talking. For those of you on the line **[00:48:30]** if you have additional questions, go ahead and put those in the Q&A box. I wanted to start with the first one, which is at the beginning. It's a good question. Do you have any strategies for getting senior leaders comfortable with addressing social justice issues globally?

**Jessie:** Yes, that's a great question. Actually, Paula, I know that you've been doing a bit of work with few companies locally in Brazil on this. You might have other insights. Yes, **[00:49:00]** One of the strategies might be, as I was talking about earlier, to frame it in the context of some of the pillars that you already work in. To share how social justice issues are embedded within those pillars, and that it's not a complete deviation necessary, particularly if they're uncomfortable with it. To show that it's not a complete deviation, but that you can fit it within those pillars because, of course, social injustices affect many parts of our lives and economies **[00:49:30]** and politics and things like that. I would say that as a starting point is one key way that you could look into building that conversation.

**Erika:** Great. Thank you.

**Paula:** Can I mention the project that Jessie-- Thank you very much, Jessie. I was running out of time and I didn't mention that and it's also in the initial thinking. **[00:50:00]** It's a very promising initiative. What we're doing is trying to identify how we can measure the gaps of the Brazilian companies around racial equity and transform this gap into a measure that indicates how much philanthropic initiatives or social investments we need to fill this gap. Also, compromising the company with some measures to reduce the gap over the years, **[00:50:30]** so that we don't need to reach 2089 to get to wage equality and also bring more black and dark-skinned people to higher positioning in the Brazilian companies. So it's a very promising initiative because we made globally.

**Erika:** Thank you. Thank you. The next question that we have, how are companies evaluating international partners to ensure they're not only the right fit but also accurately **[00:51:00]** representing local needs?

**Jessie:** That's a great and difficult question. I would say, and again, it's based on the local context. I would say one of the ways that they're approaching this question is one by using their local employees as resource or by working with groups-- well, CAF America we have a network of local partners that we could reach out to and **[00:51:30]** start that conversation and help them identify local ways some of those organizations that might be a good fit. I think that the answer there relies on some of that localization of your

approach in terms of deciding which are the best partners and what you should be focusing on.

I think you first need to understand the local issues and sometimes you need a partner to do that, but then from there you can, once you understand those issues, decide how **[00:52:00]** you want to focus your approach, and then you can start your selection process after you have these understandings in place.

**Erika:** Jessie, this is probably a question for you. Do you see the US and other countries loosening grant restrictions specifically around the inner section, between social justice and COVID-19 relief because of the nature of that being a global emergency?

**Jessie:** Yes. Unfortunately, no. **[00:52:30]** We haven't seen any loosening of the standard, expenditure responsibility in equivalency see determination requirements. All of these still stand and are very much the same, there hasn't been any change on our end around that. I would say fortunately those tools are actually **[inaudible 00:52:48]** even though they do sometimes seem like barriers, they actually provide us with a lot of opportunity. I that coming from-- we have an office in Canada **[00:53:00]** and it's much more difficult to get money out of Canada, actually.

Just knowing that we have those tools can be good. I think they're not loosening-- related to this, they have loosened restrictions around funding advocacy or political activity around these causes. Unfortunately, that's still a sensitive area, but advocacy is a broad term that can encompass a lot of things. If you're focusing on educational **[00:53:30]** activities and not specifically lobby and particular law or things like that, those are all allowable as long as you're not pushing a specific piece of legislation or something like that.

It's actually quite broad in terms of what we are able to deliver from the United States.

**Erika:** Right. Thank you. Then, the last question that we have-- so, if anybody has another question, go ahead and pop it in. This is probably for Paula and Gill. Can you share some examples of programs that have been **[00:54:00]** successful in addressing income inequality in South Africa or Brazil?

**Gill:** I'll jump in first. Certainly in the South African context, I think I mentioned briefly black economic empowerment initiatives that have been introduced by the government aimed specifically at trying to address the vast disparity in respect of income, in respect of access to **[00:54:30]** opportunity, et cetera. Our government introduced what is called a BEE Scorecard for our corporates. It's pretty much like a report card that you would get at

the end of your school term. It measures each of our corporates on a variety of pillars and this kind of put us-- changing ownership of companies which have traditionally been held in white ends, growing black management, also [00:55:00] we're measuring on employment equity, preferential procurement and enterprise development is a huge initiative in South Africa because obviously, our economy cannot sustain another formal job seekers that are seeking to enter the job economy.

Enterprise development is a huge issue and really the principle is that corporate, instead of procuring from large other corporates should actually procure from small black companies. [00:55:30] That's how we are helping young, small, black companies gain access into the economy. Then, of course, they are social-economic development programs that corporates are having to run to reduce the gaps. Much like Brazil, we have initiatives that are aimed at empowering our youth, those have been very successful.

Again, just empowering and helping the youth to become entrepreneurs [00:56:00] and give them those skills to only earn their own incomes, but give jobs and opportunities to others.

I think we as CAF are trying to help our clients not to see this as a [unintelligible 00:56:16] but that this is really an opportunity to impact powerfully on the economic developments of our country. For us, black economic empowerment is a very powerful [00:56:30] and impactful too in South Africa.

**Erika:** Thank you. Paula, do you have anything to add?

**Paula:** Yes. I mentioned a couple of-- in my slides but-- For example, this [unintelligible 00:56:43] program which focuses on capacity building for young entrepreneurs and also try to promote income generation activities in vulnerable areas. It is an important example. [00:57:00] The other one is this Chimuelo 2020 we is credit to new entrepreneurs, so that's also very important because now we have a low interest rates in Brazil, but until two years ago, our interest rates were one of the highest in the world. It was really hard to have credits to be an entrepreneur. Also, some projects that focus [00:57:30] on favela, the slums people, the [unintelligible 00:57:35], it's a hub, it's a black hub, for black entrepreneurs and so it's also a very interesting initiative. Also, there's another one, it's called Favela. They also help young entrepreneurs to start their businesses in slums.

Finally, one trend that is coming up in Brazil is the [00:58:00] blended finance concept. There are some blended finance initiatives that are being developed that focuses on creating cooperatives of artisans and people in vulnerable communities to help them

create initiatives that can generate income locally, so they don't have to leave these areas in search for income in other areas. **[00:58:30]** These are some examples that we have in Brazil.

**Erika:** Wonderful. Thank you. Well, we're just about at time. I want to thank Jessie and Gill and Paula for being with us today and for bringing your perspectives. Such an important conversation and really appreciate you sharing your expertise with the group here. For everybody on the line, you will be getting a follow-up email that has the materials and a link to the recording and you can see the contact information for the panelists there. We can point you **[00:59:00]** in their direction if you have any other questions or need additional information. Thank the three of you so much again and CAF for being such a great partner with ACCP. We really appreciate it. Thank you for your time today.