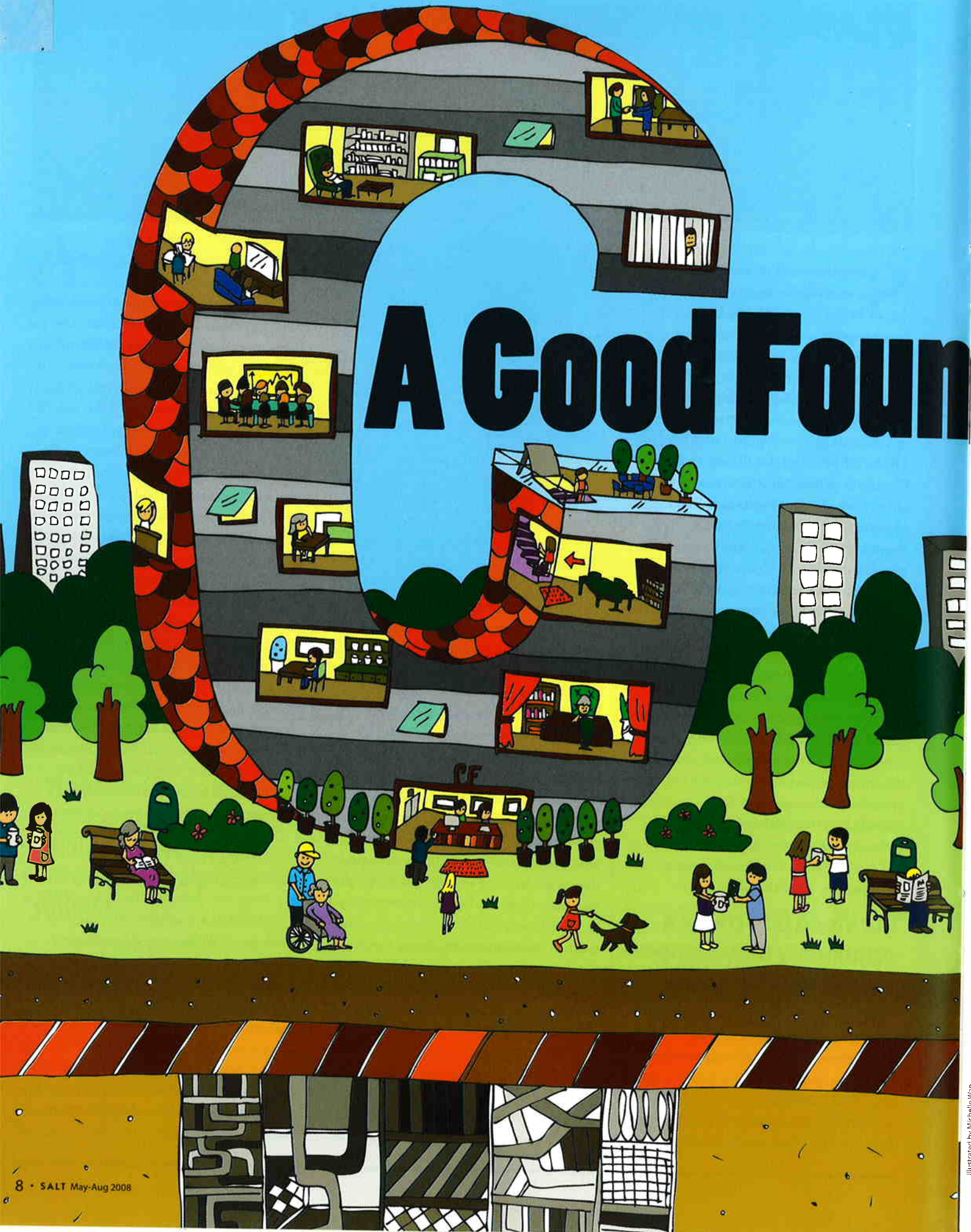


A Good Foun



Foundation

The newest buzzwords on the philanthropy scene are corporate foundations, especially those that were set up over the last few years to give back to communities both here and in the Asian region. Why does this new generation of foundations do what they do, and how are they different from family-linked ones? MICHELLE BONG finds out more.

In boardrooms, around water coolers and at dinner tables across the island, casual talk or intense discussions about foundations invariably throw up names like Lee, Shaw or Lien. These family foundations that have consistently made the news when it comes to helping their various beneficiaries ranging from undergraduates of educational institutions like the National University of Singapore to local elderly hospice care patients – will probably continue to be top-of-mind for the average Singaporean asked to name a foundation.

But now, the likes of Temasek Foundation, NTUC FairPrice Foundation and CapitaLand Hope Foundation are also part of a changing philanthropic landscape.

These corporate foundations are linked to Temasek Holdings, home-grown supermarket retailer NTUC FairPrice and real estate multinational corporation CapitaLand Group respectively. Over the last two years or so, they have been steadily involved in various projects and initiatives, in Singapore or overseas, to do their philanthropic part in a world where communities big and small could do with a little help.

OPTIONS APLENTY

In Singapore, the different foundations have various mandates, structures and agendas. Perhaps most recognisable are foundations like the Lee Foundation and Shaw Foundations; they are family-run and fund a range of initiatives related to education, welfare, the arts, and medicine. Meanwhile, the Lien and Tsao Foundations, also family-linked ones headed by a board comprising at least one family member, proactively seek partners and disburse monies to launch programmes and use donations made to run programmes respectively.

Meanwhile, another family foundation, the Tan Chin Tuan Foundation (TCTF), the first family-run foundation to have a full-time CEO Eric Teng, who is not a blood relation. TCTF has a specialist team (with programme director, and operations director) dedicated to look into appeals, monitor outcomes, conceive and execute programmes involving beneficiary groups, share best practices with the sector and run the operations of TCT mansion, which functions as a “hub”, a platform for philanthropic activities, such as gatherings involving our supported charities, scholars and alumni scholars.

Then there are foundations like the Singapore International Foundation and the Singapore Labour Foundation; the latter runs programmes like education and grant-making schemes to benefit lower-income union members and their families, while the former carries out international networking and international volunteerism efforts via capacity-building projects funded by corporate partners such as Asia Pacific Breweries. For these foundations, funds also come from the government via the Ministry of Information, Communication and the Arts or the Ministry of Home Affairs.

And finally, there are the corporate foundations like Temasek, CapitaLand Hope and NTUC FairPrice that are reaching out to communities both locally and regionally as a way of giving back based on economic success or a track record of philanthropy. Part of a new generation of foundations, their mandates run the gamut of education provision, improving the lot of the socially disadvantaged, and raising the standards of bilateral policy-making. CapitaLand Hope and NTUC FairPrice are funded by a percentage of net profits while the Temasek Foundation is funded by the Temasek Trust which independently oversees the management of and gives approval for the disbursement of funds received from Temasek Holdings, which in turn are culled from business profits. All three foundations have carried out many programmes both in Singapore and as far away as in China.

SAME SAME BUT DIFFERENT

Whatever their parentage, foundations start from a common point: determining a sustainable mandate. But for family foundations and corporate foundations in particular, that's where the similarities stop and differences begin to emerge in terms of funding and even communications strategies.

Says Benedict Cheong, Temasek Foundation's CEO, “In terms of funding for corporate foundations, the principal corporate organisation or other corporate organisations are the donors who set aside money, so spending is accountable to shareholders. Corporate foundations are also accountable to the organisation and the board, who may act not in the direct interests of the organisation, but in terms of sustainability. In contrast, family foundations may face less complexity; accountability is to key family members, rather than an institution or shareholders.

“In terms of communication strategies, I think there is a slight difference as well. Corporate foundations are tied to business strategy and may or may not want to give too much information about what they are doing. Meanwhile, my sense is that appreciation and acknowledgement is expressed by the recipient beneficiaries of family foundations.”

Laurence Lien, one of five board governors of the Lien Foundation and the grandson of founder Dr Lien Ying Chow believes speed and flexibility are inherent advantages of family foundations. "I'd like to think that in a family foundation, things are a little more simply structured when it comes to decision-making, and there is very little hierarchy and bureaucracy, so we can change directions or move very quickly. I would imagine that for a corporate foundation, flexibility is limited because its mission has to be somewhat aligned to the corporate agenda for accountability to the shareholders."

ROOM TO MOVE

How do family foundations feel about the entry of their corporate-linked peers into the world of philanthropy? Lien says that while these new foundations are very young and it is uncertain how they will change the landscape, "there is room for all. I think the level of philanthropy in Singapore still can increase quite a bit. If you look at the United States for example, the number of foundations they have is about 2000; that's 24 per 100,000 people. I think in Singapore right now, it's only 1 or 2 per 100,000 people.

"The entry of corporate foundations, I think, will create a vibrant system; with more organisations and foundations in the field, you will have more talent and more ideas generated. We certainly welcome them and Singapore can only be a philanthropy hub, as outlined by the government, if there is a good critical mass of foundations."

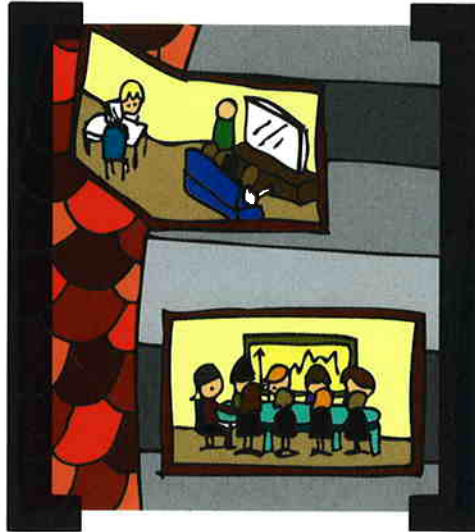
And while several CEOs SALT spoke to agree that all foundations have a general objective of providing aid to the community and are viable avenues for charity organisations to obtain funding, Tan Chin Tuan Foundation CEO Eric Teng offers a slightly different take.

"The addition of corporate-based philanthropic organisations is certainly good for the sector," Tan says, "but this does not mean more choices or options for NPOs to approach for help as these foundations are quite clear and defined in the nature or type of community projects they would support. An NPO project or programme must still be aligned to the

foundation's philanthropic objectives which are usually an extension of their corporate social responsibilities. The landscape is therefore not necessarily enlarged, and NPOs cannot take for granted that their work or causes is cut out for them."

MAKING A DIFFERENCE

Today's corporate foundations, be they grant-makers or a vehicle for community outreach, have already been involved in commendable projects qualitatively and quantitatively.



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Notably, over the last two and a half years since its inception, CapitaLand Hope Foundation, which is a public company limited by guarantee, has donated over S\$3 million to more than 30 children's charities and helped more than 4,000 children in Singapore and overseas. It also proactively designs programmes that create opportunities for CapitaLand staff, family members, business partners, tenants, shoppers and other stakeholders to be involved in helping underprivileged children, whether financially or in kind, while encouraging the spirit of volunteerism among staff by allowing up to three days of annual

voluntary service leave.

Temasek Foundation also spent some \$16 million over 14 programmes last year – with the bulk of it dedicated to developing people through healthcare, education and research – and it is busy with plans to embark on more projects in the pipeline. The foundation has also just started to fund and build up a Centre for Trade and Negotiations, which will be housed at Nanyang Technological University's Rajaratnam School of International Studies. A variety of long and short courses will be available to officials who lead trade ministries and trade departments or senior officials, to help them fine-tune the art of negotiating bilateral trade agreements and even agreements at World Trade Organisation level, so that their communities can enjoy more benefits.

ALL FOR MULTIPLICATION

Most foundations SALT spoke to for this article also mentioned the "multiplier effect", a long standing economic phenomenon that refers the effect that an increase in spending produces, specifically, an increase in income. In the case of foundations, this term generally signifies the snowballing of positive outcomes via a single form of action.

Tan Chin Tuan Foundation's programme director Yap Su-Yin speaks of how such an effect was triggered by the foundation's presentation of their Centennial Concert, featuring the Singapore Symphony Orchestra and held at ACS' Mrs Lee Choon Guan Concert Hall this past May. Over 600 people, including more than 500 elderly folks and caregivers from charities supported by the foundation charities, were treated to a one-hour performance by some 70 musicians, led by the renowned Lim Yau, from all over the world. This was followed by a Thank You tea reception for the musicians and volunteers.

Says Yap: "It was an extremely meaningful partnership, and there was multiplier effect in that the Tan Chin Tuan Foundation organised, paid for transporting old folks, and sponsored the event. ACS Barker Road provided the venue; charities transported their old folks (who would otherwise be bored and lonely in the homes) to the concert venue for an unforgettable