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August 15, 2013

Dear Friends,

The philanthropic world has been abuzz with an article written by Peter Buffett, titled "The Charitable-Industrial Complex." He presents a thought-provoking and wide-ranging critique of the problems inherent in philanthropy, aid, and international development.

Buffett writes: "*There are people working hard at showing examples of other ways to live in a functioning society that truly creates greater prosperity for all . . .*"

Every day we see well-run grassroots organizations, deeply rooted in their communities, offering examples of what can happen when their community comes together. These are the people creating a new, better reality for vulnerable children.

We wrote a blog in response to Peter Buffet's article this week to highlight the role that grassroots organizations are playing in creating a new and better world. We feel that the voices of African CBOs and NGOs are noticeably missing from this debate. If you're able, we encourage you to speak out! Whether on your own Facebook page, or Firelight's, or even by commenting on this blog <http://bit.ly/1bfl09r>, it will enrich and ground the debate.

Sincerely,

The Firelight Team

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(Article) The Charitable-Industrial Complex

By PETER BUFFETT

Published: July 26, 2013 in the New York Times

I HAD spent much of my life writing music for commercials, film and television and knew little about the world of philanthropy as practiced by the very wealthy until what I call the big bang happened in 2006. That year, my father, Warren Buffett, made good on his commitment to give nearly all of his accumulated wealth back to society. In addition to making several large donations, he added generously to the three foundations that my parents had created years earlier, one for each of their children to run.

Early on in our philanthropic journey, my wife and I became aware of something I started to call Philanthropic Colonialism. I noticed that a donor had the urge to “save the day” in some fashion. People (including me) who had very little knowledge of a particular place would think that they could solve a local problem. Whether it involved farming methods, education practices, job training or business development, over and over I would hear people discuss transplanting what worked in one setting directly into another with little regard for culture, geography or societal norms.

Often the results of our decisions had unintended consequences; distributing condoms to stop the spread of AIDS in a brothel area ended up creating a higher price for unprotected sex.

But now I think something even more damaging is going on.

Because of who my father is, I’ve been able to occupy some seats I never expected to sit in. Inside any important philanthropy meeting, you witness heads of state meeting with investment managers and corporate leaders. All are searching for answers with their right hand to problems that others in the room have created with their left. There are plenty of statistics that tell us that inequality is continually rising. At the same time, according to the Urban Institute, the nonprofit sector has been steadily growing. Between 2001 and 2011, the number of nonprofits increased 25 percent. Their growth rate now exceeds that of both the business and government sectors. It’s a massive business, with approximately \$316 billion given away in 2012 in the United States alone and more than 9.4 million employed.

Philanthropy has become the “it” vehicle to level the playing field and has generated a growing number of gatherings, workshops and affinity groups.

As more lives and communities are destroyed by the system that creates vast amounts of wealth for the few, the more heroic it sounds to “give back.” It’s what I would call “conscience laundering” — feeling better about accumulating more than any one person could possibly need to live on by sprinkling a little around as an act of charity.

But this just keeps the existing structure of inequality in place. The rich sleep better at night, while others get just enough to keep the pot from boiling over. Nearly every time someone feels better by doing good, on the other side of the world (or street), someone else is further locked into a system that will not allow the true flourishing of his or her

nature or the opportunity to live a joyful and fulfilled life.

And with more business-minded folks getting into the act, business principles are trumpeted as an important element to add to the philanthropic sector. I now hear people ask, “what’s the R.O.I.?” when it comes to alleviating human suffering, as if return on investment were the only measure of success. Microlending and financial literacy (now I’m going to upset people who are wonderful folks and a few dear friends) — what is this really about? People will certainly learn how to integrate into our system of debt and repayment with interest. People will rise above making \$2 a day to enter our world of goods and services so they can buy more. But doesn’t all this just feed the beast?

I’m really not calling for an end to capitalism; I’m calling for humanism.

Often I hear people say, “if only they had what we have” (clean water, access to health products and free markets, better education, safer living conditions). Yes, these are all important. But no “charitable” (I hate that word) intervention can solve any of these issues. It can only kick the can down the road.

My wife and I know we don’t have the answers, but we do know how to listen. As we learn, we will continue to support conditions for systemic change.

It’s time for a new operating system. Not a 2.0 or a 3.0, but something built from the ground up. New code.

What we have is a crisis of imagination. Albert Einstein said that you cannot solve a problem with the same mind-set that created it. Foundation dollars should be the best “risk capital” out there.

There are people working hard at showing examples of other ways to live in a functioning society that truly creates greater prosperity for all (and I don’t mean more people getting to have more stuff).

Money should be spent trying out concepts that shatter current structures and systems that have turned much of the world into one vast market. Is progress really Wi-Fi on every street corner? No. It’s when no 13-year-old girl on the planet gets sold for sex. But as long as most folks are patting themselves on the back for charitable acts, we’ve got a perpetual poverty machine.

It’s an old story; we really need a new one.

*Peter Buffett is a composer and a chairman of the NoVo Foundation. The original article can be found at this link: <http://nyti.ms/19e0WrZ>*

(Firelight Blog) Our Piece of the Charitable-Industrial Complex

I loved Peter Buffett's bold piece in the New York Times. It resonated so much with me, I wished I had written it myself. If you haven't read it yet, it is definitely worth a read: The Charitable-Industrial Complex (<http://nyti.ms/19e0WrZ>)

There has been so much critique and endorsement buzzing in the online groups I'm a part of that I debated whether or not I should add to the clatter. But there are pieces of this article I have not been able to let go of, even more than a week later.

Buffett made a number of different points and I won't even begin to address all of them, but there are a couple of things I want to call out that I think are missing from the debate so far.

Early in the article, Buffett underlines the need to support local solutions:

"People (including me) who had very little knowledge of a particular place would think that they could solve a local problem. Whether it involved farming methods, education practices, job training or business development, over and over I would hear people discuss transplanting what worked in one setting directly into another with little regard for culture, geography or societal norms.

Often the results of our decisions had unintended consequences; distributing condoms to stop the spread of AIDS in a brothel area ended up creating a higher price for unprotected sex."

I have been there, and I have seen this, and that is why I work at Firelight.

We exist to support small organizations that have grown out of the local community. We don't tell our partners what they need to do to best support vulnerable children or stop poverty. We trust them as the experts to design programs that will address the unique assets and unique needs in their community.

By working on multiple fronts, our most successful partners have found ways to strengthen the social fabric of their community, creating a safer and more secure childhood for the children and families they serve. These are the people that I see showing us other ways to create "greater prosperity for all" on a deep and sustainable level.

Buffett's critique could be considered a call for the end of exploitation, whether through capitalism or other means. The one place I depart from Buffett though, is his call for new ideas to shatter the mold. I fear many will hear Buffett's call and, with the best of intentions, think they need to cook up a new idea, in the U.S., that will change lives for the better in developing countries. Are we going to continue to use philanthropic dollars

to export new, untested ideas? Or will we support the organizations that have already figured out how to shatter the mold in their corner of the world?

Every day, small community organizations everywhere are working to build the kind of society that Peter Buffett aspires to. Let's support their solutions.

View and comment on the original blog post here: <http://bit.ly/1bfl09r>

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#### (Resource) Fundraising from Foreign Embassies

When evaluating funding opportunities for your NGO, consider whether foreign embassies have developed tailored programmes to support and strengthen civil society in your country. Embassies play a vital role in the co-ordination of bilateral and multilateral development efforts. Certain embassies organise and directly implement a donor's country bilateral aid (such as the Dutch Embassies). Other donor countries, such as Germany, manage entire grant schemes through their diplomatic offices abroad. Embassies could also provide crucial training schemes to support the managerial and administrative capacity of NGO workers (such as the British Embassy) and they also serve as platforms to get in contact with other local and international NGOs working in your same field of action.

This guide takes into account programmes and strategies of 5 embassies working in developing countries (USA, Canada, Britain, Australia, and Germany). The guide gives you an understanding of strategies these embassies have implemented and gives you ideas on proposing collaborative projects. There is also a listing of the embassies for each of these countries.

Read the article here: <http://bit.ly/18dFKhb>

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#### (Open for Proposals) Global Fund for Children

The Global Fund for Children selects grantee partners based on their demonstrated potential to produce sustainable improvement in the lives of vulnerable children and youth and to serve as a resource or model for other organizations.

Prospective grantee partners must meet the following eligibility criteria to be considered for our support.

##### **Appropriate size and stage of development**

With rare exceptions, a prospective grantee partner's annual budget should not exceed \$200,000. In most cases, new grantee partners have budgets in the \$25,000 to \$75,000 range. Our aim is to identify organizations at a relatively early stage in their

development.

### **Direct involvement with children and youth**

Prospective grantee partners must work directly with children and youth. We do not support groups engaged exclusively in advocacy or research. (We do, however, support organizations that perform both advocacy and direct service.)

### **Capable management**

Prospective grantee partners must have systems and processes for ensuring responsible management of funds. At a minimum, an organization must have basic accounting and reporting systems as well as phone and email access.

### **Local leadership**

Prospective grantee partners must be led by individuals who live and work in the community. We prioritize organizations whose leaders were born and raised in the community. We do not fund the local offices or affiliates of national or international organizations.

### **Legal status**

A prospective grantee partner must be registered with the local or national government as a nonprofit organization. If the political context makes legal registration unfeasible, the organization must demonstrate nonprofit equivalency. We do not provide start-up funding for the creation of new organizations.

### **Selection Guidelines**

Beyond these basic eligibility criteria, we use the following selection guidelines in identifying organizations that are truly exceptional.

#### **A focus on the most vulnerable**

Our grantee partners reach the children of “the last mile”—those who are economically and socially outside the reach of mainstream services and support, including street children, child laborers, AIDS orphans, sex workers, hard-to-reach rural populations, and other vulnerable or marginalized groups.

#### **Community involvement**

We prioritize organizations that are rooted in their community and operate with community input, involvement, and investment, embracing the community as an integral part of their success.

#### **Effectiveness**

We prioritize organizations that can demonstrate sustained, meaningful improvement in the lives of the children and youth they serve.

#### **Empowerment**

We prioritize organizations that engage children and youth as active participants in their own growth and development, rather than as passive recipients of services.

**Innovation and creativity**

We prioritize organizations that tackle old problems in new ways, demonstrating innovation and creativity in their program strategies and approaches.

**Strong leadership**

We prioritize organizations that have committed, respected, and dynamic leadership with a vision for change.

**Adaptability**

We prioritize organizations that generate models, methodologies, and practices that can be adapted and applied to similar issues and challenges in other communities.

**Potential for sustainability**

We prioritize organizations that have a strategy for ensuring the long-term sustainability of their programs, through donor diversification, mobilization of government funding, community investment, income-generating activities, and other creative measures.

**Reputation**

We prioritize organizations that are recognized and trusted in their communities.

Organizations that believe they meet these criteria can submit a letter of inquiry at any time. If a letter of inquiry falls within our priorities, we will follow up with the organization to solicit a full proposal. Please do not contact us by phone or by email to ask about the status of your letter of inquiry. Due to the volume of inquiries, we cannot respond individually to those not selected for further consideration.

Find the the on-line Letter of Inquiry application form here: <http://bit.ly/13mxyYD>

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**Welcome to our new subscribers this week!**

Centre for Disadvantaged Girls, Kenya  
Expanding Opportunities, Kenya  
Forever Angels Baby Home, Tanzania  
Future Development Agency, Tanzania  
Life Concern, Malawi  
Twavwane Community for Children, Tanzania  
Shauri Yako Community Youth Support Centre, Kenya

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As part of the Firelight Foundation’s Capacity Building Program, Firelight provides

“Newsflashes” to share relevant resources and information with our active grantee-partners via weekly emails and via post on a monthly basis. We hope that by facilitating access to information for grassroots, community-focused organizations, programming for children and families, as well as organizational development, is enhanced. Past editions of the Firelight Newsflash can be found on our website:

<http://www.firelightfoundation.org/resources/newsflash/>.

We welcome your comments, feedback and ideas for upcoming Newsflashes at [newsletter@firelightfoundation.org](mailto:newsletter@firelightfoundation.org).

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