

Doing good is good, but doing it well is better

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“To give away money is an easy matter and in any man’s power, but to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy and noble.”

Aristotle

“Philanthropy” stems from the Greek: “love of humanity,” and takes many forms. However, over the last two decades, donors’ new expectations and the ever-increasing number of organizations in this field have greatly modified both how philanthropy is viewed and how it is practiced. In fact, philanthropy is a rapidly expanding sector. In Germany, 40% of philanthropic foundations were set up over the last decade, with over 850 foundations created each year. France and Switzerland also recorded major growth whilst recently American donations were close to US\$ 250 billion (1.85% of GNP) per year recently.

These developments also affect the practice of giving. Motivations that feed philanthropy, such as a donor’s emotions and subjectivity remain the same. However, there is a growing recognition of the value of foundations that consistently apply rigorous procedures. Today’s donors, individuals or foundation trustees, want generosity to go hand in hand with real opportunities and concrete, sustainable achievements. They no longer wish to only provide aid for a problem, but to rather finance genuine solutions and be assisted in this approach by independent specialists who help them to better understand the challenges and to undertake evaluations of the social or environmental impact of their donations. The professionalism of giving is increasing as donors also realize they have a direct responsibility to create wealth in a sustainable manner.

On the financing side, foundations’ agendas are increasingly exploring a more coherent strategy in their investments. The rapidly emerging concept of mission-related investment will challenge the financial community to create innovative products or asset classes to reflect the values of donors.

We expect to see a strengthening of the following trends:

- Philanthropy will continue to become more professionalized and strategic, with clear impact targets
- There will be an increasing need for independent sources of information to support decision making

- There will be a sharing of experience and information between donors,
- Donors will take on a stronger personal involvement
- There will be an increasing role for advice on aligning values and investments

The opportunity that arises for Geneva as a financial centre goes hand in hand with its strong legitimacy to take a leadership role in philanthropy. For many decades Geneva has been at a unique crossroads: it has hosted numerous regional and international civil society organizations; at the same time it is recognized as the birthplace of private banking, serving private clients over numerous generations of professionals.

Donors will expect such a competitive financial centre to both anticipate and satisfy a more sophisticated demand with the right services and products. Creating a platform such as Sustainable Finance Geneva that brings together sustainable finance professionals, including those with expertise on philanthropy or microfinance, is a timely move that will give Geneva the profile it deserves on the issue.

