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PROCESS | A diversified model

In order to keep giving, a focus on ways to keep earning

Chung To created the Chi Heng Foundation in 1998 to fight HIV/AIDS among vulnerable populations, including the gay community and sex workers, in Hong Kong. But by 2002, when he quit his job as a banker to devote himself full time to the foundation, its scope and direction had changed radically. Now most of its resources are devoted to educating AIDS orphans in Central China.

To has never taken a salary for his work with the foundation and lives off his savings, investments and occasional outside jobs. The foundation, which has a budget of €1 million (\$1.2 million), now has 40 paid employees and around 200 active volunteers.

Funds come from a variety of sources, with 20 percent to 30 percent from big international organizations like the Global Fund, Unesco, the Clinton Foundation and the Gates Foundation, and 60 percent to 70 percent from private and corporate donors, mostly in Hong Kong.

The cost of sending children to school depends on the level, ranging from \$20 to \$30

a year for primary school to \$600-\$700 for university. Extra money is given to very needy students. While schooling is free in China for the first nine years, there are still costs for books and fees.

To is making a concentrated effort to find innovative ways to raise money

Since donations have dropped by 30 percent because of the financial crisis, To is making a concentrated effort to find innovative ways to raise money. Fund-raising events like film premieres and gala dinners can be time-consuming. "In the past," he says, "we had supporters who gave annually even without events, but now we have to do them. It takes a lot of effort. We don't want to divert our energy from helping the children."

Another solution To is looking at is running social enterprises that would provide employment opportunities and build capacity. The summer camps run by the foundation used to be open only to its own children but now accept fee-paying overseas students. "We are commercializing our summer camp program," says To. Each of the overseas children, most of whom come from Hong Kong

or North America, becomes the "buddy" of one of the foundation's children. "They are also learning and developing a sense of social responsibility," he says. "We focus on art or music to break the language barrier."

For another program, sponsored by the Accor Group, mothers of children in the program make reusable shopping bags, which are sold in the group's hotels. The profits go toward their children's education. "It's better than giving them welfare," says To, "and it makes the HIV-positive mothers feel useful." Another partner, the Carrefour Foundation, funds a French bakery in China where students can study baking.

A microfinance program offers another way to create employment. "Some of our students are going home and starting organic farms or chicken farms or other businesses, taking resources back to their villages," To says. He adds that he wants to get more involved in microfinance and is sending some of the foundation's graduates to entrepreneurial training courses.

Ecotourism offers other fund-raising opportunities. To is currently working on a project that would include a hostel for paying guests and "voluntourists" (people who pay

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to help out on a project during their vacation). Another possibility is an after-school tutoring program.

The foundation is registered as a tax-exempt charity in Hong Kong, where it is subject to strict rules similar to those for U.K. charities, and it has legal status in China. There is also a registered charity in Canada called Chi Heng Foundation Canada.

The Chi Heng Foundation's AIDS-awareness program for the gay community and sex workers is active in six Chinese cities and now takes up 20 percent to 25 percent of its resources. Volunteers visit gay bars and parks to educate male sex workers and others about safe sex. "It's a challenge to do this on a continuous basis, and getting funding is very difficult," says To.

To's experience as a banker has influenced the way he runs the foundation. "Accountability is very important to us," he says. "The foundation is helping people, but it is run efficiently and professionally. Many of our volunteers are professionals, and we have an information-technology person and lots of expertise that most charities couldn't afford, since some work for free." The foundation publishes audited accounts and is



One of the foundation's partners funds a French bakery, where students can study baking with a master.

committed to good governance. It keeps a database for monitoring and evaluation purposes covering every child it supports.

Like many of those who create foundations, To has to think about what will happen when he is no longer around to run it. He has already started training younger leaders to

take over many projects so that he can focus on developing social enterprises to provide sustainable funding sources. "We want to diversify our income and develop revenue-generating skills," he says of the future. "In terms of human resources, I'm not worried, but I am worried about funding." ■