

"Building islands of hope"

The Fundación Avina in Brazil

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The very fact that a major entrepreneur should appear on a philosophy show on television is in itself unusual. Even more so, is what he had to say: *"When you are rich, sooner or later you reach the point where less becomes more."* The entrepreneur in question is Stephan Schmidheiny, and the broadcast was Swiss TV's "Sternstunde Philosophie" on May 16, 2004. In fact, everything that was said there struck me as so unusual that the most arresting sentences are still lodged in my memory eight years later.

Back then, the scarcely believable rumor was circulating that Stephan Schmidheiny, scion of Switzerland's most powerful business dynasty, had "given away" 1.5 billion francs of his personal fortune "to charitable causes." And in this broadcast he was impressively convinced of having done the right thing at the right time. "It was a highpoint in my life. It marked the culmination of a process that had taken years." Any suspicions that he might subsequently have come to regret what had perhaps been done inadvertently, in an unthinking moment, were drowned out as he explained that his decisions were the result of many years of experience and of visions that had accompanied him throughout all his actions. With impressive boldness, he described his step as *"a huge experiment, the greatest I will ever make – and can make – in my life."* Schmidheiny, whose companies extended across almost every country in South America, consolidated these into the Grupo Nueva. In 2003, he then transferred his shares in the holding, worth over one billion dollars, into the newly founded Viva Trust. The income from this trust is used to finance the activities of the *Fundación Avina* that runs philanthropic programs throughout almost all of Latin America. It was set up in 2001 as the sister foundation of the Swiss *Avina Stiftung*, which has been devoted to the promotion of innovative projects in the areas of the environment, social issues, education and culture since 1994. The efforts of the South American branch are directed toward nothing less than "the creation and implementation of a new concept of philanthropy, combining the essentials of philanthropic practice with measures and instruments from the business world." The aim is to set development processes in motion by providing start-up financing and to enable growth through accompanying support. This is the practical side, the 'practical application', if you like, of the Avina philosophy, which has proven to have a broader basis of ideas behind it. That is why Schmidheiny has warned time and again – both in writing and verbally – not to simply put blind faith in the markets, leaving them to regulate all potentially threatening situations. Since one particular pronouncement from the Sternstunde broadcast struck me as affirmatory, relativizing the implied skepticism regarding the market, I had made a note of Schmidheiny's statement that there were many things in life which go beyond the principle of supply and demand, things you cannot put a price on and which, for that reason, often come off worst in society. Only later did it become clear to me that such explanations do not amount to a rejection of market forces, but are actually attempts *"to get the market to respect and help to promote other values."* So, not a negation of the market, but a call for a different kind of market, as *"the market is blind to values which cannot be expressed in economic terms."* And those values that will help us to save our planet for centuries to come cannot be measured in economic terms and certainly cannot have a number put on them.

It was views of this kind – which appear almost revolutionary – that made Stephan Schmidheiny such a dominant figure when he took part in the UNO Earth Summit in Rio in 1992, where he propagated the ideas of the *World Business Council for Sustainable Development WBCSD*, an organization he had co-founded in 1990. Schmidheiny found himself at the center of a conference buzzing with the promise of change, and he has described it as the occasion on which the governments and companies of this world "*lost their ecopolitical innocence.*" It was in Rio, through his World Business Council, that he brought the self-coined term "*eco-efficiency*" to a wider audience. A phrase he took up again in his book "*Changing Course,*" published in the same year (1992), where he explained the meaning behind this – at the time unfamiliar – term: that we stop consuming ever more raw materials to produce the useful things in life, that we recycle them whenever possible and in so doing contribute to reducing waste and harmful substances. This ominous expression "*eco-efficiency*" has lingered on in the world of production, supply and demand as a form of gentle provocation ever since. One of Schmidheiny's more courageous sentences has stuck in my mind as his credo. It summarizes everything he stood for in Rio: "As long as nature does not have a price and cannot be expressed in the market, the market will not work in favor of nature but probably against nature." Like a stone dropped into water, this attitude has since cast wider circles; it also provided the basis for the ideas and financial commitment behind the *Alliance for Global Sustainability*, established in 1996 as a partnership between the Swiss Federal Institute of Technology and the Massachusetts Institute of Technology.

And if we now take note of the way in which the WBCSD has defined its task, namely as influencing international policies in such a way as to contribute to the creation of framework conditions that allow businesses to "make a positive and effective contribution to sustainable development," then it becomes clear to us what force and potential for impact both the Avina Stiftung and the Fundación Avina ascribe to the programmatic term "sustainability." Each project that reaches the realization phase first has to have proved its sustainability. *Sean McKaughan*, Chief Executive Director of the Latin American Fundación Avina confirms that its founder entrusted to him his vision of sustainable development in Latin America, a vision that now has to be applied to value-oriented partnerships in cross-sectoral areas such as business / citizenship and society / government.

Fundación Avina's activities extend across 15 South American countries. One hundred staff are located throughout the entire region, as close as possible to the projects being supported. However, the foundation's headquarters are in Panama. Fundación Avina has been present in Brazil since 1999, with offices in Rio, Belo Horizonte, Manaus, Salvador and Curitiba, from where the five principal project areas are handled. These are, first: preserving the Amazonian eco-system, second: the main water project, devoted to the right to access to clean water, a goal that can only be achieved by improving the water supply. Avina thus took part in the large-scale project "*One Million Reservoirs*" aimed at helping the residents of Sertão, an area persistently threatened by drought, to gain access to the coveted commodity. Third, great efforts are being invested in establishing a recycling system which, above all, should also improve the working conditions of unpaid "*Catadores do Lixo,*" or garbage collectors, without whom the separation of materials for recycling and reuse would never happen. They deliver 125,000 tons of waste material each year to recycling facilities; one in every thousand Brazilians works as a catador. In recent years – and with support from Avina – these poor waste pickers, who you see on the streets of Brazil pulling their carts piled high with garbage, have come together to form a professional organization, the MNCR. Meantime they have developed something akin to a newly awakened pride in their profession, gaining new self-confidence and helping restore the reputation of a previously despised activity. Not to mention their own standing within society.

The fourth group of projects is sustainable urban development, and these are beginning to have a beneficial impact in Brazil's megacities in particular. The "green city" receives assistance in making poor districts more homely, in the fight against water pollution, in reducing greenhouse gas emissions, in strengthening an often unstable traffic network and through many other forms of relief that make life in the concrete labyrinths of the sprawling metropolises more livable – none of which would be possible without first boosting the awareness of who is responsible for what, and increasing civil participation in the decisions of the city government.

Through socially and ecologically responsible initiatives, the fifth key area aims to give people from the lowest income groups the assurance that they are a reliable link in the value chain. Embedded in this *mercado inclusivo*, it should become possible for them to increase their quality of life from their own earnings rather than relying on state or charitable handouts.

A very different form of participation in Brazilian development was support for the *Ficha Limpa* anti-corruption campaign, which translates into English as "clean record."

Initiated by the civil rights movement, this campaign called for a tightening of electoral law, including banning candidates previously sentenced for various crimes from standing for public office for eight years. With the support of Avina, an amazing 1.6 million signatures were gathered from voters who wanted to put an end to corruption among elected politicians. The petition became law, signed by President Lula da Silva on June 4, 2010.

This initiative against corruption in Brazil especially demonstrates the interaction between economic aid and political enlightenment, how the one promotes the other, thus generating new stimuli for development. A point that is also proven by Stephan Schmidheiny's avowal: *"My foundation is engaged in building islands of hope, and it does so in the hope that these islands will expand and, some day, grow together to become a continent."*