



**THE HOWARD G. BUFFETT FOUNDATION**

2 0 1 6   A N N U A L   R E P O R T





## STATEMENT OF PURPOSE

*“We see the Foundation’s resources as rare risk capital that can be deployed to create change in the most difficult circumstances and geographies.”*





Migrants from many different countries use freight trains to travel north from southern Mexico to the United States border. It is a dangerous trip and a deadly way to travel, especially for children.

Established in 1999, the primary mission of the Howard G. Buffett Foundation is to catalyze transformational change, particularly for the world's most impoverished and marginalized populations. We see the Foundation's resources as rare risk capital that can be deployed to improve conditions and create change in the most difficult circumstances and geographies. We invest our funding in three main areas:

1. Food Security
2. Conflict Mitigation
3. Public Safety

Our support for global food security is directed toward agricultural resource development and management for smallholder farmers in the developing world. We support a range of investments in agriculture including research, conservation-based production practices, water resource management and advocacy to promote the best ideas that will have the broadest impact on the most vulnerable and under-resourced farmers.

In the United States, we work to raise awareness about the scale and scope of hunger in our local communities and the critical role American farmers play in meeting the world's growing demands for food while sustaining our natural resources through better production practices.

Conflict remains a key barrier to achieving global food security and economic prosperity. We seek out investments to mitigate conflict in two ways: through opportunities to bring an end to active conflict or improve the conditions that fuel conflict; and through opportunities to support communities that have been affected by conflict. We consider the pervasive gang-related violence affecting communities in Central America to be a form of conflict and are working on investments to address and mitigate these circumstances.

Public safety is a strategic priority that influences our community grantmaking in Illinois and Arizona where we have operations and employees.

We partner with local sheriffs' offices to identify and address key community public safety concerns, and we support volunteer fire departments where resources are scarce for rural areas.

The Foundation continues to make smaller investments in areas where we have historical knowledge and relationships including initiatives with cheetah and mountain gorilla conservation.

**The Foundation does not accept unsolicited proposals, and we typically do not provide general operating support.** December 31, 2045, is the final dissolution of the Foundation's assets.

## TRUSTEES

Howard G. Buffett, Chairman and CEO  
Devon G. Buffett, Secretary  
Trisha A. Cook, Treasurer  
Howard W. Buffett

Erin M. Morgan  
Michael D. Walter  
Chelsea M. Zillmer





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## LETTER FROM THE CHAIRMAN

*“Over the years, we have learned a great deal that informs our direction and priorities today. Through the process of learning by doing, we have narrowed our focus geographically and topically with the goal of concentrating our resources to take on bigger ideas that better address the root causes undermining development.”*

Effective philanthropy doesn't happen by accident. The old saying “the road to hell is paved with good intentions” is a good summary of the grantmaking process: an overwhelming need attracts well-meaning people with lots of ideas on how to improve the human condition. Not all of these ideas turn out to achieve their original goals, or worse yet, they result in negative unintended consequences. Therefore, we believe it is incumbent upon us to take our 16 years' of grantmaking experience, use what we have learned and separate the good intentions from the really great ideas. A decade ago my dad gave us this advice: “You can bat a thousand in this game if you want to do nothing important. Or you'll bat something less than that if you take on the really tough problems.”



We are striving to be home run hitters, not base hitters. We also believe that as a private foundation our capital should have the highest tolerance for risk-taking, allowing us to swing at less than perfect pitches.

We are definitely batting less than a thousand—in fact, I would say we have struck out more often than we’ve succeeded—but over the years, we have learned a great deal that informs our direction and priorities today.

Through the process of learning by doing, we have narrowed our focus geographically and topically with the goal of concentrating our resources to take on bigger ideas that better address the root causes undermining development. It is why in the last five years we have prioritized conflict mitigation and public safety in addition to food security: we have learned that food security is only possible when there is peace and rule of law.

We did not come to those conclusions through some complicated or long analytical strategic planning process. Most of my “strategic plans” have been scribbled on napkins over lunch or jotted on spare pieces of paper on an airplane on the way home from a field visit. Sometimes our strategies are created by looking backward at the evolution of our grantmaking. You simply cannot work in the high-risk areas where we work and on issues such as conflict and rule of law and have any hope of developing a forward-looking plan that stays relevant. By its nature, conflict brings chaos and an ever-changing landscape. It’s why many who work on conflict issues focus on humanitarian relief rather than development. We prefer to operate in the space where few others will because it creates important opportunities for new ideas and the chance to swing for the fences.

### *Evolving Our Strategy*

We didn’t start out operating our Foundation with this approach. Sixteen years ago, 90 percent of our Foundation’s grants supported conservation.

It took me five years’ of grantmaking and hundreds of days of field visits to some of the most impoverished places on the planet to internalize something a friend once told me back in 1992: “No one will starve to save a tree.”

Ten years ago we shifted our Foundation’s resources away from wildlife and habitats to focus on human survival and development, especially food security, with the belief that without successful human development, conservation could not be sustained.

Five years later we had shifted yet again, to also prioritize conflict mitigation and rule of law. This was because of the presence of conflict in the countries where we focus; partly this was the unavoidable realization that peace and rule of law are fundamental building blocks of any kind of sustained human development. We simply cannot focus on agriculture without addressing the issues undermining our projects.

That was obvious in places like the Democratic Republic of the Congo (DRC) in Africa. In the last few years, it has become more obvious—in a much more surprising way—in our work in Central America and the United States.

### *An Escalation of Violence*

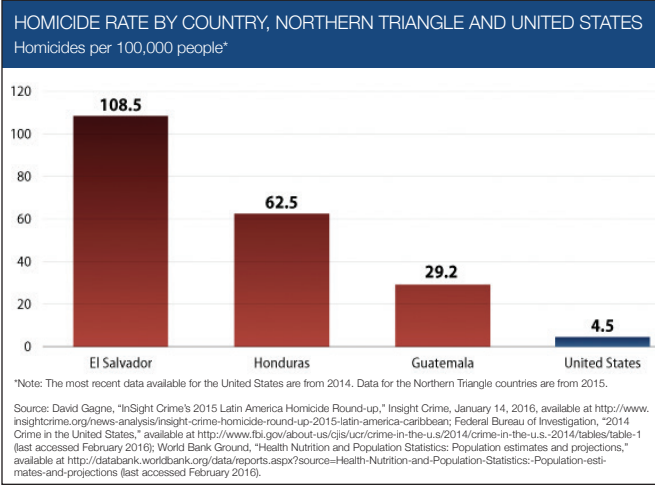
We have been working with smallholder farmers in Central America and southern Mexico for well over the last decade. Agricultural development for smallholder farmers takes time and patience.

Farming is an inherently unpredictable profession. Most farmers in Central America don’t have regular access to improved inputs or training in better practices, and they are frequently disconnected from a marketplace to sell their excess production, assuming they have any produce to sell after meeting their families’ needs. These farmers face drought and flooding that destroy their harvests and experience small signs of progress punctuated by frequent setbacks.



Young gang members in El Salvador are held in *bartolinas*, or holding cells, in horribly overcrowded conditions at local police stations. Required by law to be charged or released within 72 hours, many stay there for much longer due to El Salvador’s overwhelmed justice system. El Salvador’s Attorney General and its Police Commissioner are working on reforms to the system to improve due process.





Mara Salvatrucha, or MS-13, is the most prevalent gang in El Salvador; however, Barrio 18, or 18th Street, and other local gangs also threaten and extort community members and businesses on a regular basis.

Economic migration away from home and often to the United States has long been a destabilizing element of working with farmers in these countries. In the last two years, however, the setbacks have taken on a more violent nature. El Salvador, Guatemala and Honduras have long faced problems with gangs. The history of gangs in this region was exacerbated by U.S. deportation policies. In the 1990s, the U.S. returned hardened gang members to their countries of origin who were trained on the streets of Los Angeles. They brought their violent culture with them.

Once isolated to each country's urban areas, the effects of gangs are now seen among the rural farmers with whom we work. Extortion and death threats have led to stolen harvests and have forced cooperatives we support to disband and farmers to abandon their livelihoods; it is devastating. People who are already working daily to survive through agriculture are losing the little they have to the gangs. In addition, they face the reality that their children are recruited by gangs, often facing death threats and extortion.

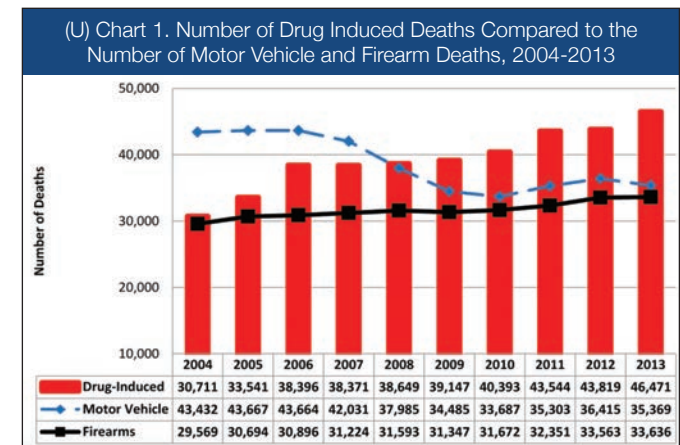
Farmers are facing a new wave of violence. As a result, we are seeing a shift in the motivation for heading north. In prior years, we typically saw thousands of migrants who were entering the United States illegally in search of better lives and improved economic opportunity for their families; now, we are seeing many more thousands fleeing in fear of violence and persecution.

We cannot focus on food security in Central America without also addressing the gangs and the institutional corruption. That's why, in the last few years, we have spent more time on U.S. border issues and understanding how to engage in addressing the issues driving violence in countries of origin. Dealing with these issues has additional complexity: one of the main gangs in El Salvador, the country where we are most focused, is considered an international criminal organization by the United States government.

Over a year ago, we applied to the Office of Foreign Asset Control (OFAC) to gain approval for a program targeting youth who are at risk of gang recruitment with our partner Catholic Relief Services (CRS). It is modeled on a program that had success with at-risk youth in Los Angeles. This isn't the first time that U.S. policy has limited our grantmaking ability, but we are hopeful for a favorable response from OFAC.

*America's Drug Problem*

The United States is challenged by our own issues. We are waging a war from within that originates at our southern borders and has infiltrated every community in America. Drug trafficking and the Mexican cartels who regularly penetrate our border through Arizona, California, New Mexico and Texas are having a devastating effect on this country. The Mexican cartels are responsible for as much as 90 percent of the illegal drug trade in the United States. More Americans—an estimated 50,000—die from drug overdoses each year than from motor vehicle accidents or firearms. For the first time, in 2016 heroin overdoses in the U.S. surpassed homicide deaths by firearms. The legalization of marijuana in some parts of the U.S. has only raised the stakes. Mexican cartels are shifting production in Mexico from marijuana to higher-purity and highly addictive drugs, including heroin, fentanyl and methamphetamines, slashing prices in the process.





A bag of heroin on the streets of Chicago today costs about \$20 and is seven to ten percent pure; 20 years ago that same bag would have cost \$150 and been only two to three percent pure.<sup>1</sup> The cartels have not abandoned marijuana production: they have supplemented it by infiltrating marijuana farms and legal retail operations in the United States. This avoids the higher-risk border smuggling operations and marijuana becomes more profitable. As a result, less marijuana is crossing the border but heroin, meth and cocaine seizures have increased.

The cartels, gangs and associated criminal activity and violence are undermining the public safety of our citizens and the rule of law on which our democracy depends. I say this as someone who has spent the last 30 years working in and traveling to countries that lack the legal and law enforcement institutions that we take for granted here at home. I also say this as someone who is on the front lines of law enforcement in Macon County, Illinois, and Cochise County, Arizona. In Illinois, I see the toll the drug trade has on people from all walks of life. I have been on arrests of grandmothers and mothers addicted to opiates, including a suburban wife and mom who secretly resorted to prostitution to finance her drug habit while hiding it from her husband and kids. I have visited homes where children live in squalor with the only adult supervision coming from a drug-addicted parent, whose first priority is feeding his or her addiction, not nurturing the well-being of their children.

In Arizona, I see the economic and public safety impact of drug and human traffic coming across our border. The Mexican cartels control the human trafficking as well as the drug smuggling. They often use the desperation of people fleeing violence in their home countries to run interference with border patrol agents to assist their drug smuggling operations. Local authorities in rural border counties like Cochise are bearing the brunt of the costs, which they cannot afford.

We have two ranches on the U.S./Mexico border in Arizona and a farm on the Rio Grande River in Texas. They are regularly crossed by drug smugglers—in one area we can see as many as 20 people at a time crossing our property. This is the public safety challenge local residents live with every day and local authorities work to combat.

We cannot thrive as a country, we cannot lift up the nearly 50 million Americans who are food insecure, while we also combat the expensive and growing threat of the illegal drug trade and the addiction, crime and poverty they bring with it.



Legal sales of marijuana have reduced marijuana seizures crossing the Mexican border; however, Mexican cartels have stepped up their presence and operations in states like Colorado, where marijuana is legal, and have shifted their drug smuggling and production operations to more dangerous and addictive drugs such as heroin and fentanyl.

### *An Uncertain Future*

We have entered into a new era, one where we have taken decades of success with our neighbor (Mexico) and put this relationship in serious jeopardy. We cannot succeed at fighting the cartels without Mexico as a partner. You do not embrace a partner with name-calling or threats. Without Mexico's commitment, the cartels will continue with their success, and both Mexican and American citizens will suffer.

We must be a nation of laws, but we must remain a nation with compassion. Those two important imperatives collide at the border. The solution is not lashing out at the very partner you must embrace to overcome these challenges.

We need to be smarter than those who are profiting from the death of U.S. citizens and who are made wealthy by human trafficking. Most things in life are a two-way street; we will not solve the violence and criminal activity here at home by pretending it is someone else's problem.

If the U.S./Mexico border were a border on the continent of Africa, you would see refugee camps and internally displaced persons (IDP) camps along the border. Both the United States and Mexico cannot accept this reality. We struggle to believe we are facing the same dynamics that drove desperate families from Darfur, Sudan, into Chad and Cameroon, or those from Syria into Jordan and eventually Europe. It is unsettling to contemplate, but it is the reality we face.

As a nation, we must determine how to remain vigilant in the enforcement of our laws, yet not find ourselves discarding the rights of people who are our neighbors. It may just be the greatest challenge we face because it goes to the core of our values and it will have a greater effect on our nation than any war we have fought on someone else's soil.

*Howard G. Buffett*

<sup>1</sup> BoundTree University



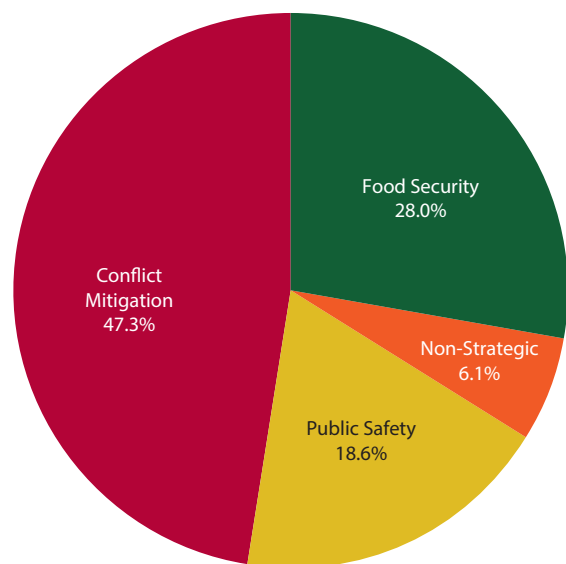


## FINANCIALS

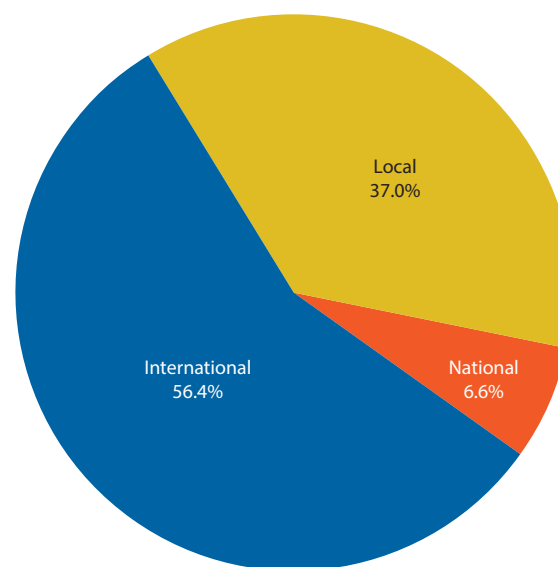
*“It is incumbent upon us to take our 16 years’ of grantmaking experience, use what we have learned, and separate the good intentions from the really great ideas.”*



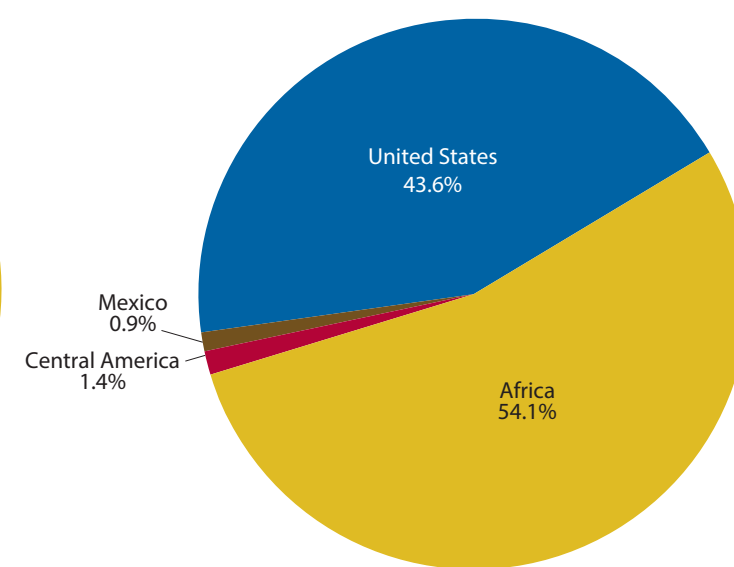
# 2016 CONTRIBUTIONS



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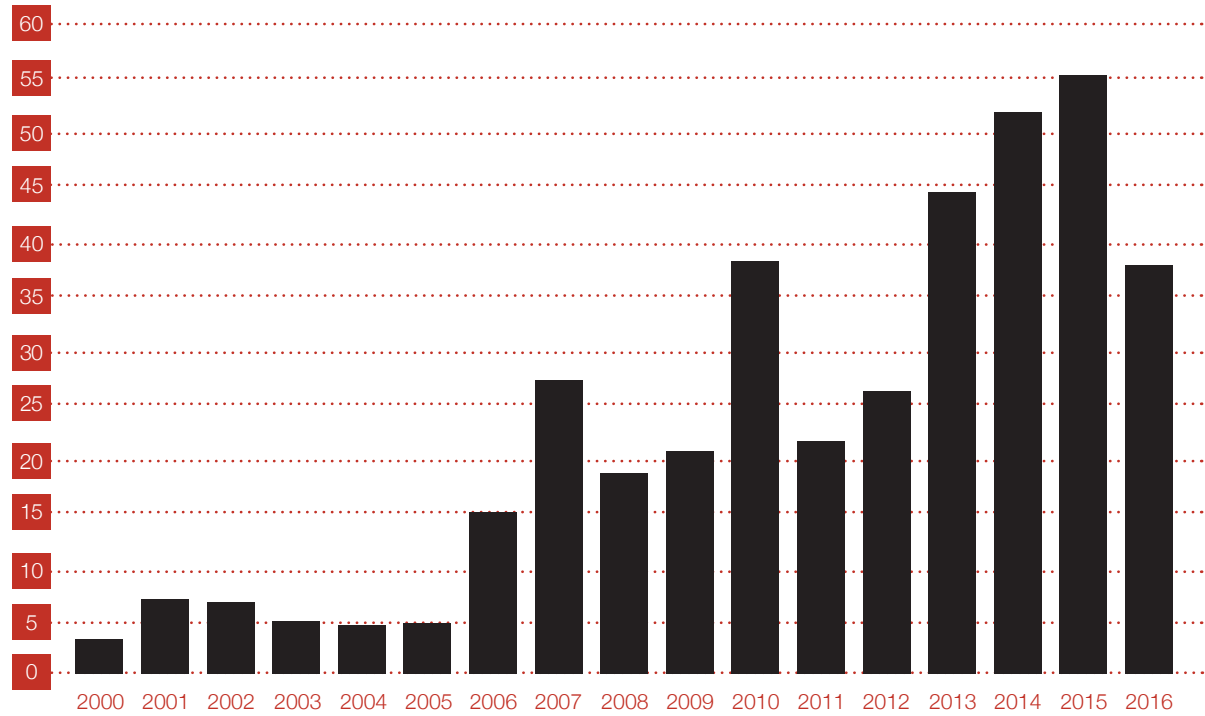
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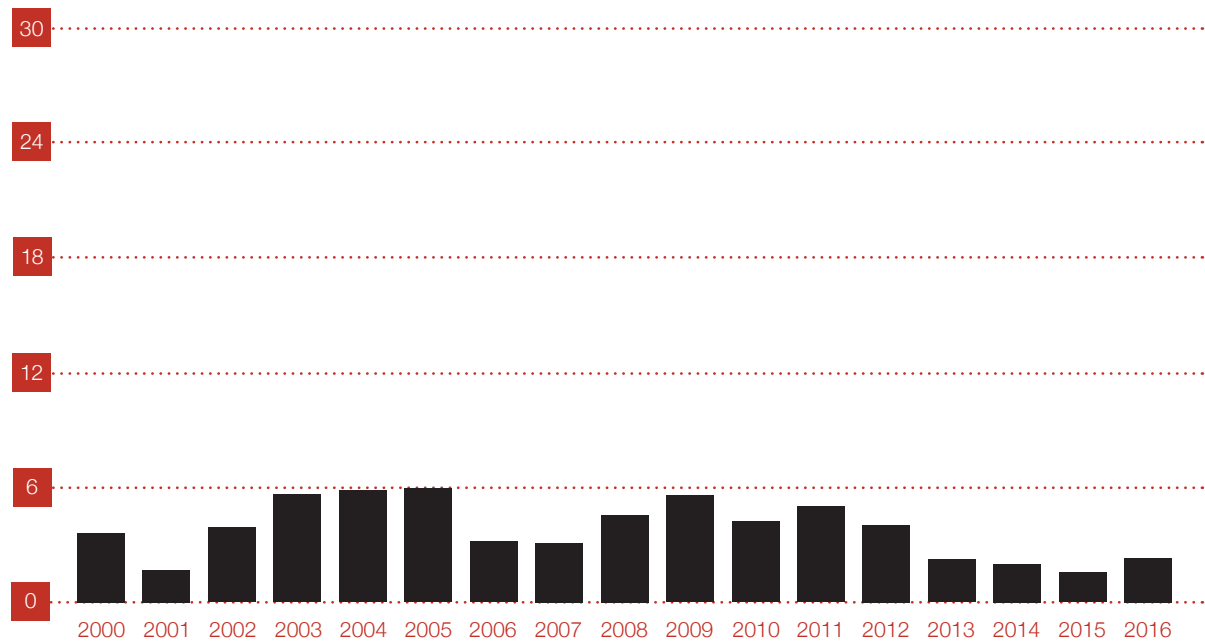
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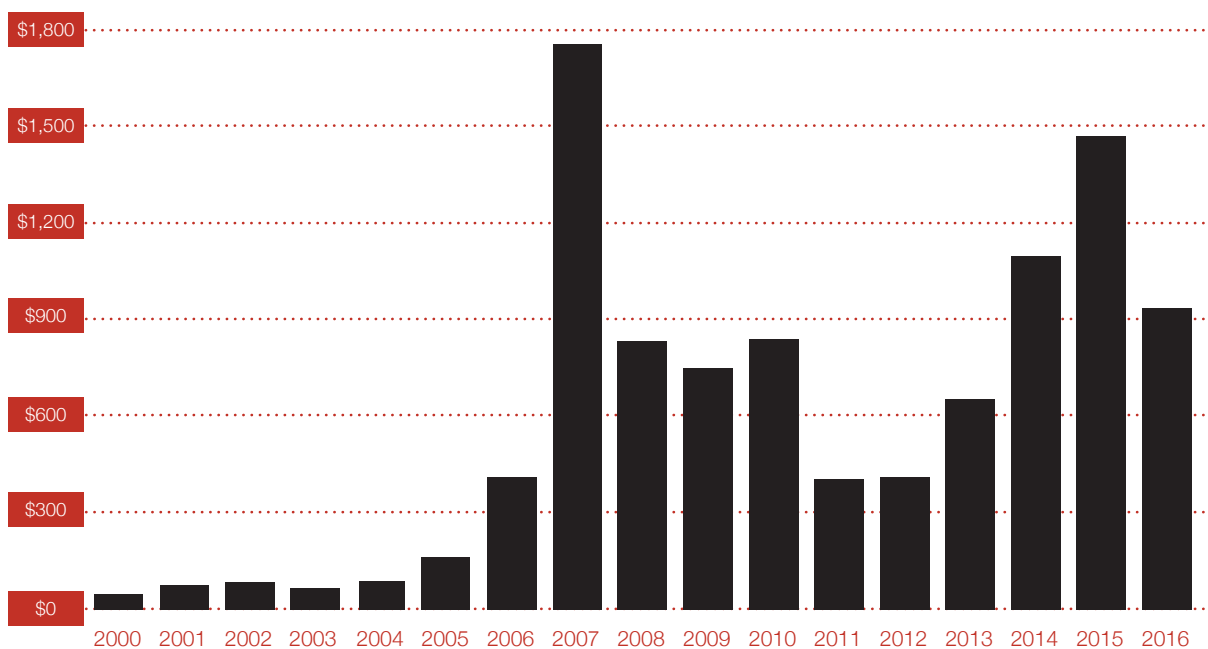
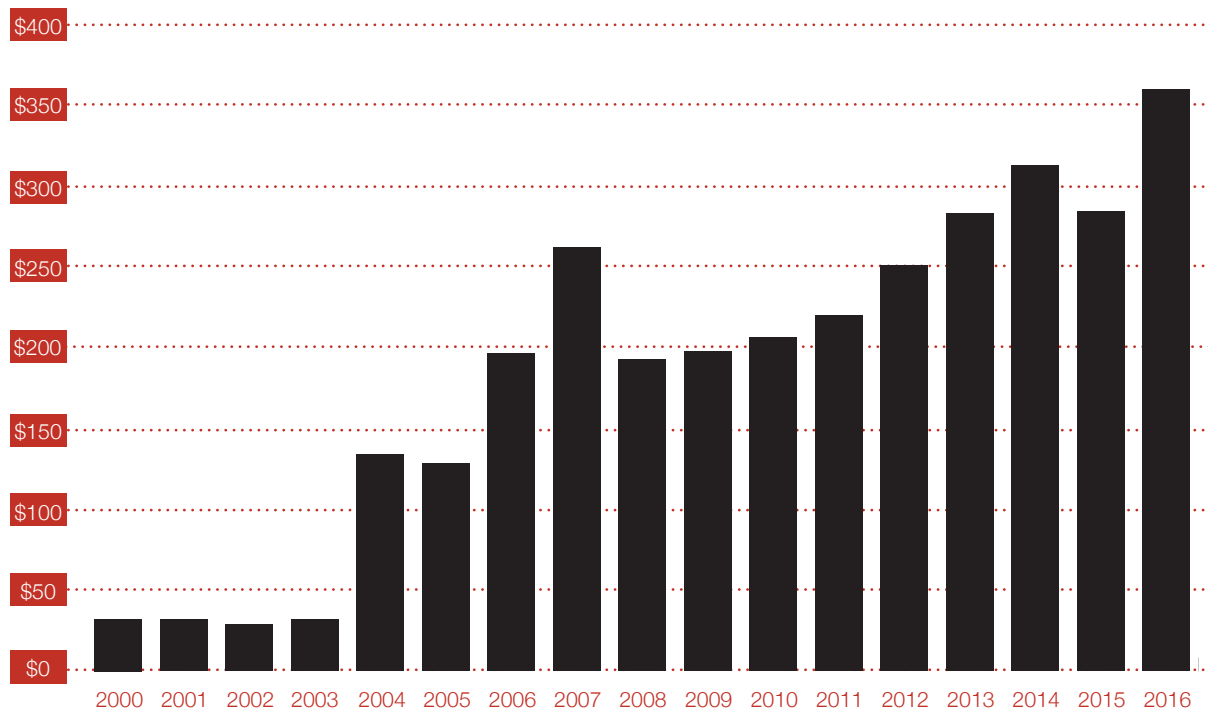
QUALIFYING DISTRIBUTIONS  
(as percent of assets)



OPERATING EXPENDITURES  
(as percent of grants)



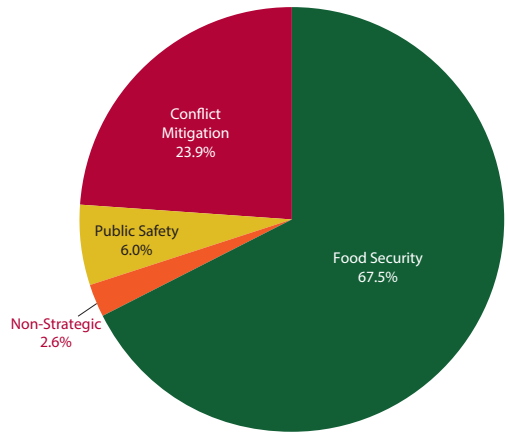




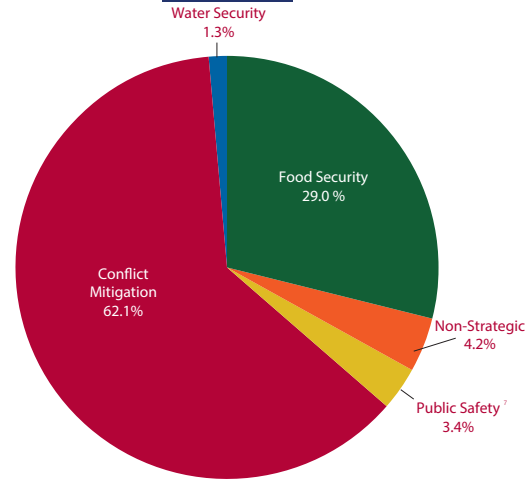


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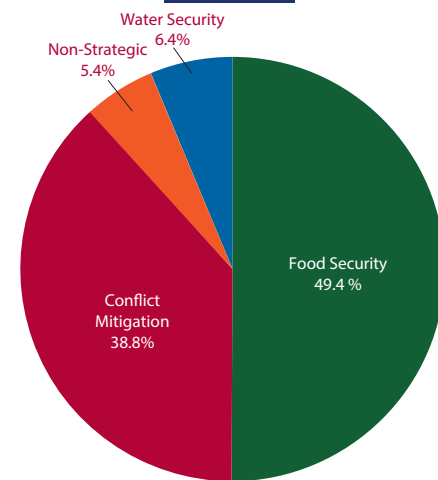
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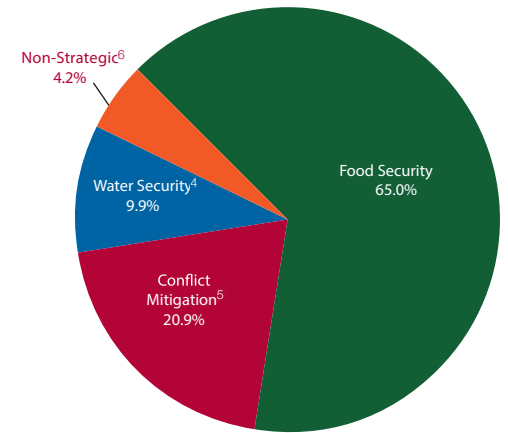
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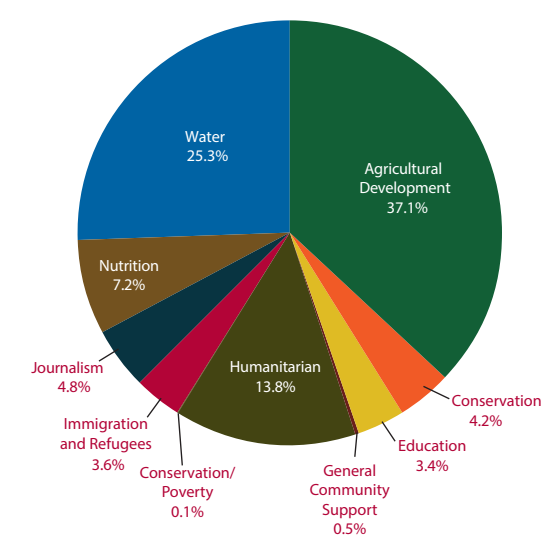
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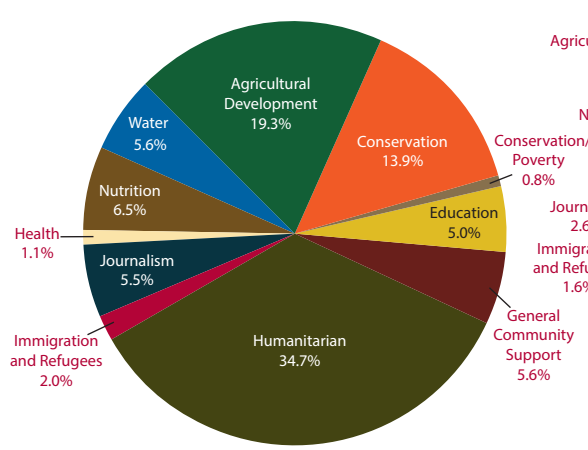
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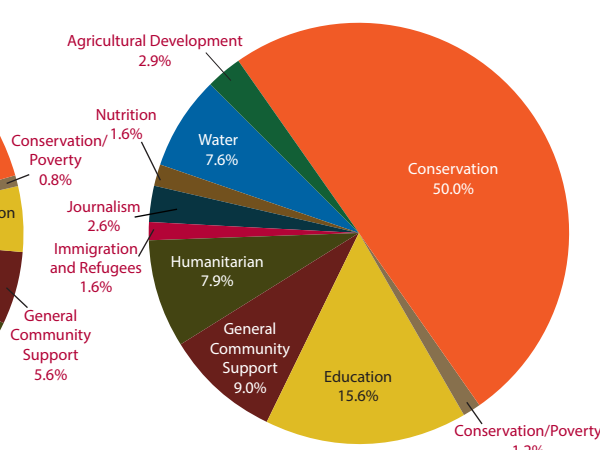
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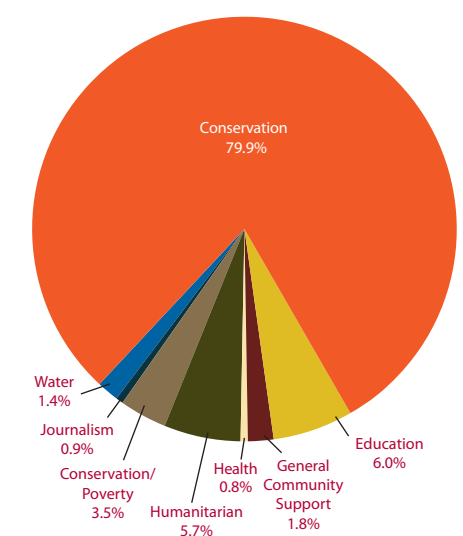
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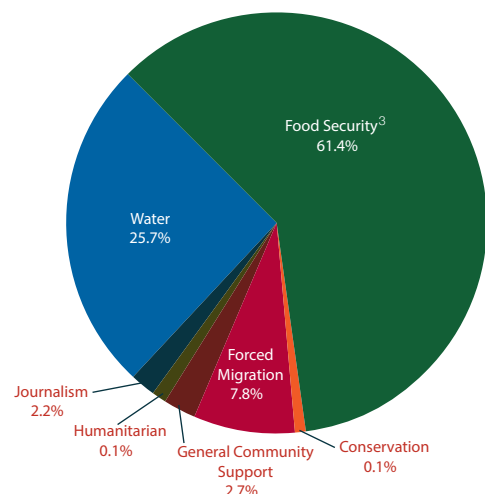
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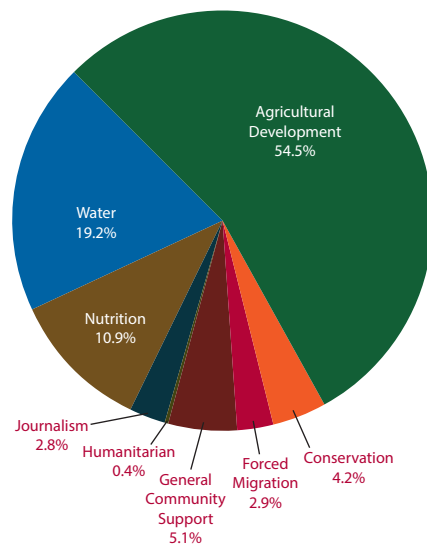
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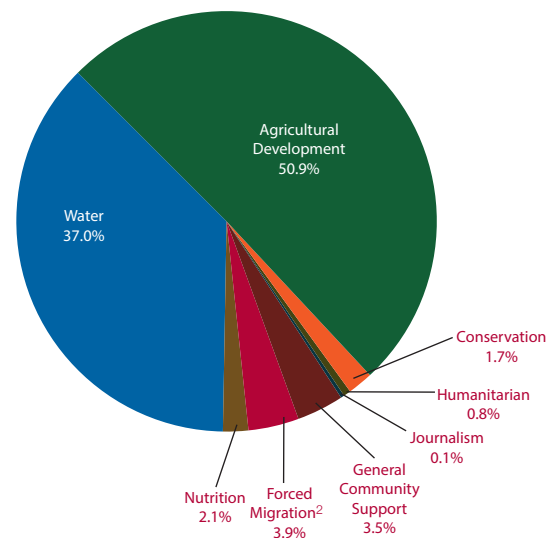
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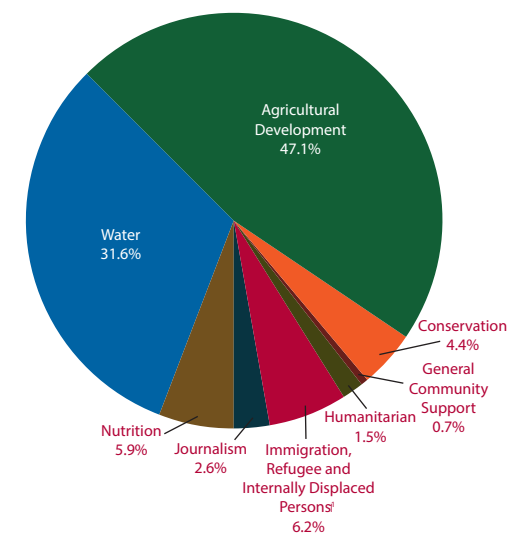
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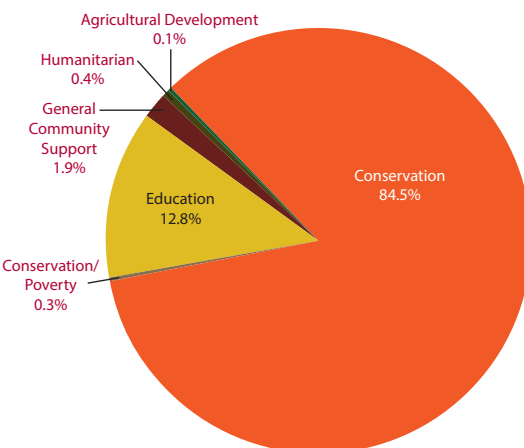
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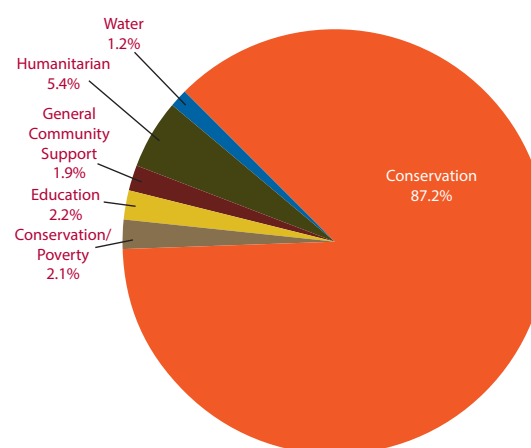
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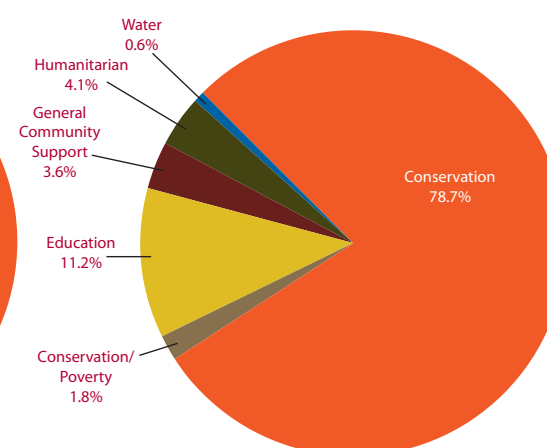
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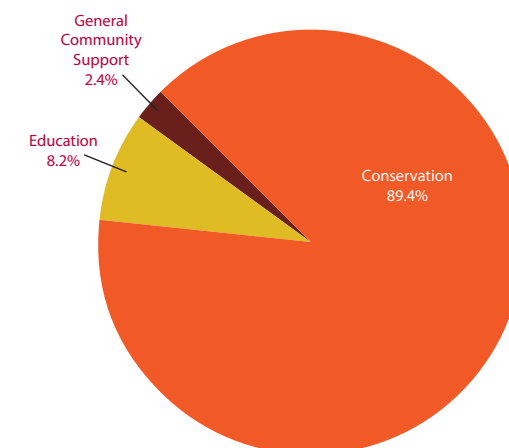
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2001



2000



<sup>1</sup> In 2008, HGBF changed the category of "Immigration and Refugees" to "Immigration, Refugee and Internally Displaced Persons."

<sup>2</sup> In 2009, HGBF changed the category of "Immigration, Refugee and Internally Displaced Persons" to "Forced Migration."

<sup>3</sup> In 2011, HGBF changed the category of "Agricultural Development" and "Nutrition" to "Food Security."

<sup>4</sup> In 2012, HGBF changed the category of "Water" to "Water Security."

<sup>5</sup> In 2012, HGBF re-categorized its food security, humanitarian and forced migration grants in conflict and post-conflict countries as "Conflict Mitigation."

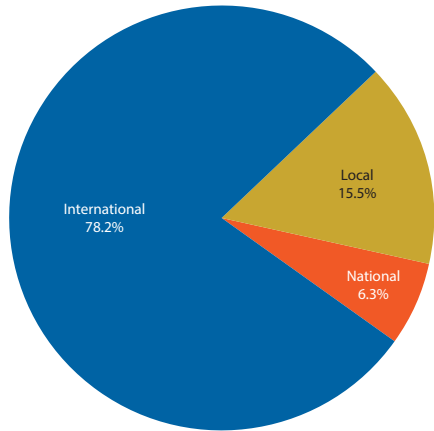
<sup>6</sup> In 2012, HGBF re-categorized its public safety, conservation and community support grants as "Non-Strategic."

<sup>7</sup> In 2014, HGBF made Public Safety a strategic priority.

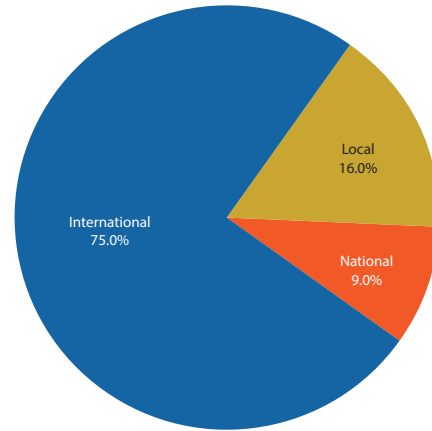


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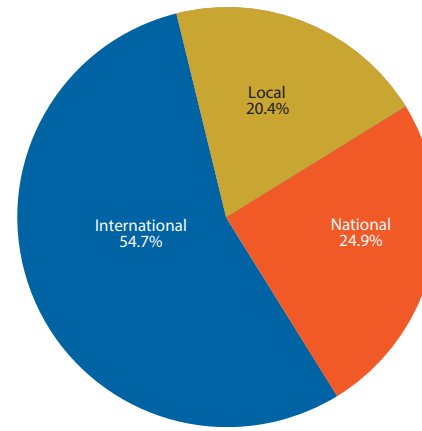
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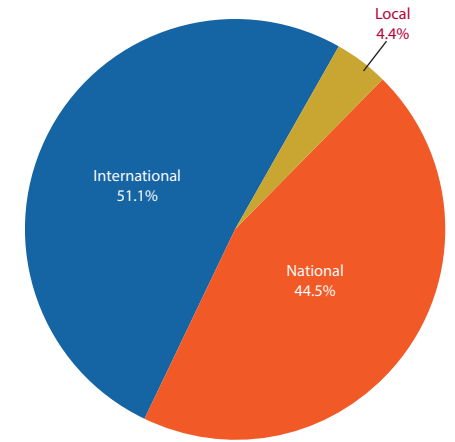
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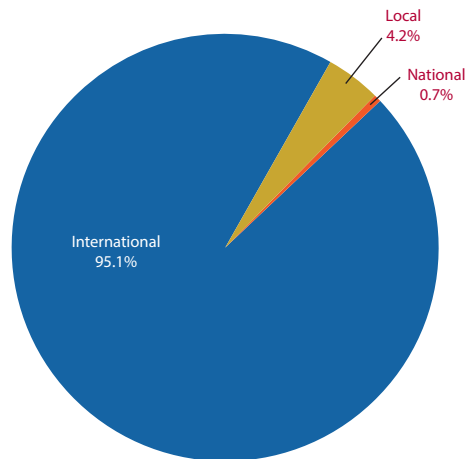
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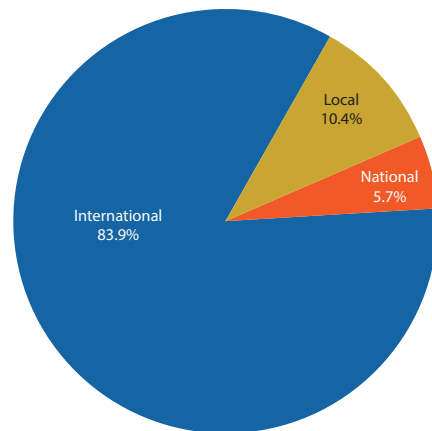
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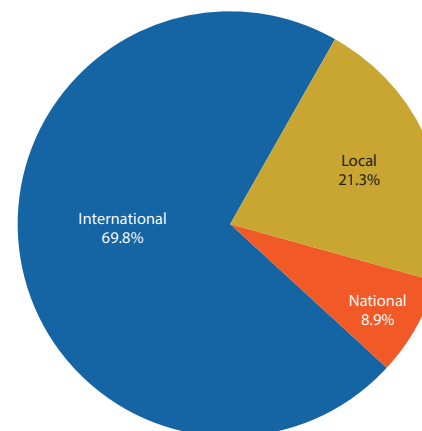
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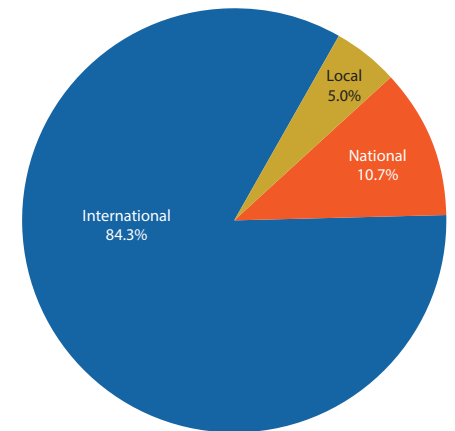
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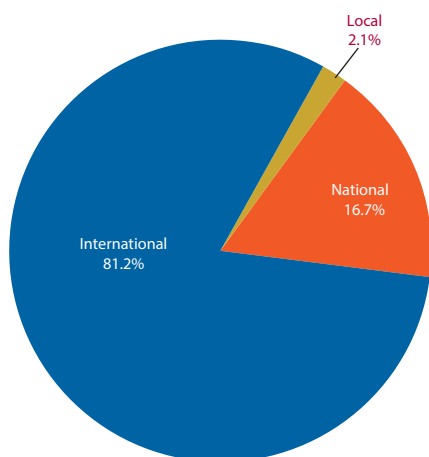
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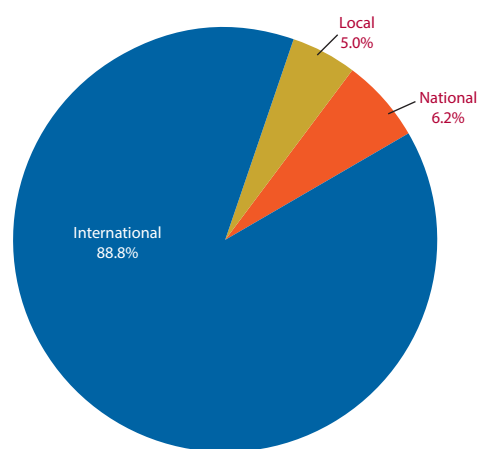
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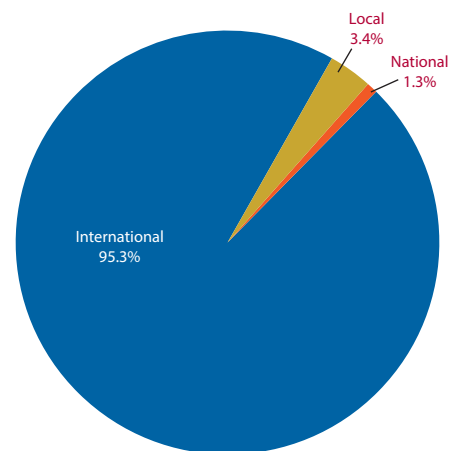
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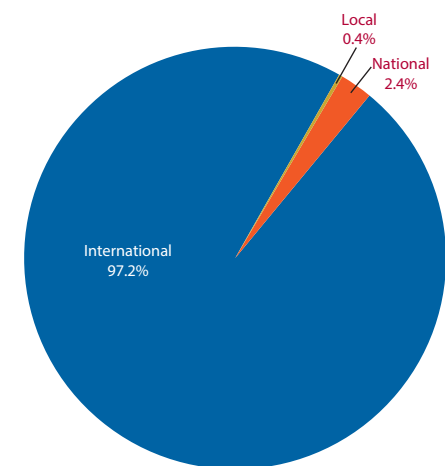
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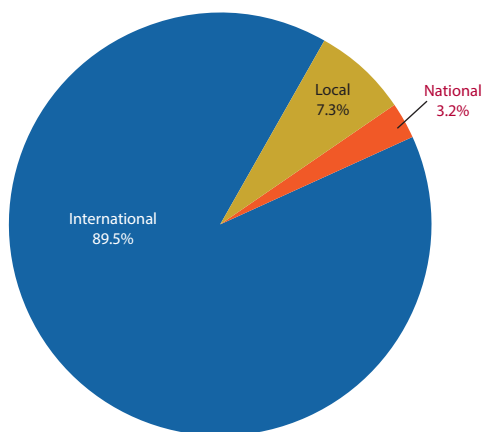
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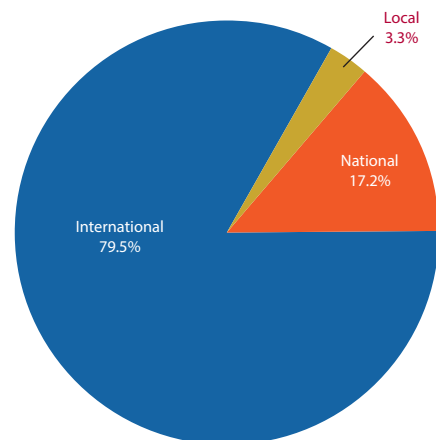
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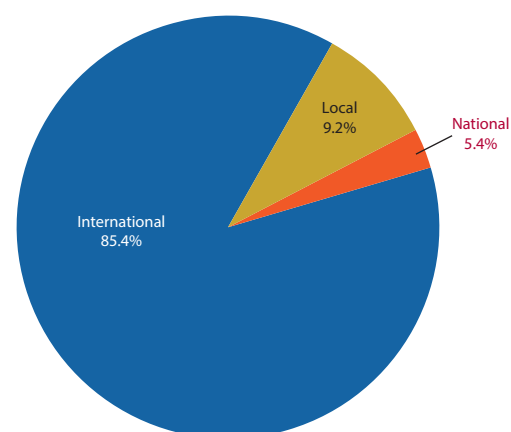
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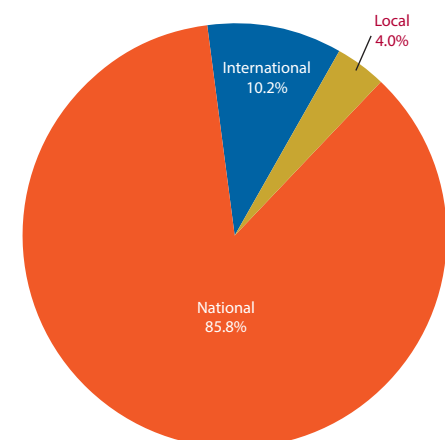
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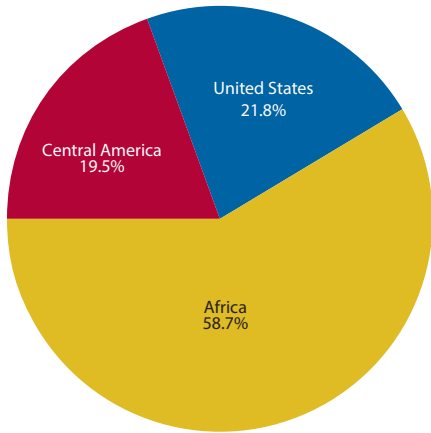
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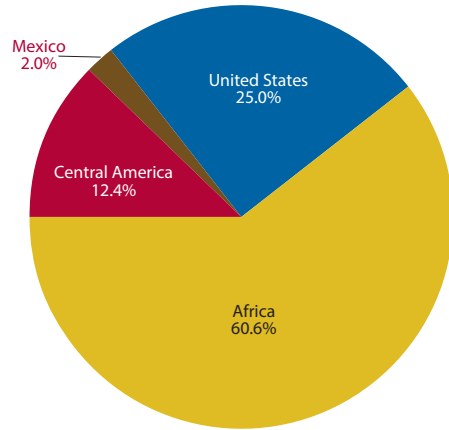


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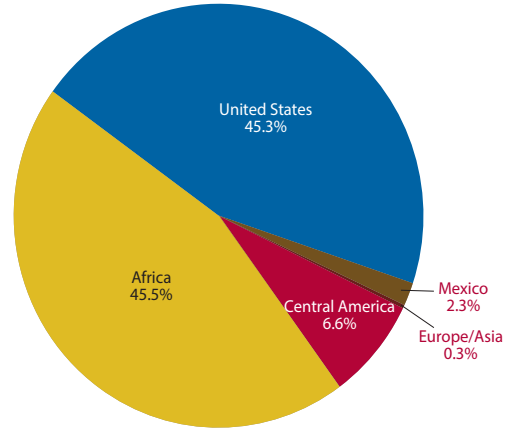
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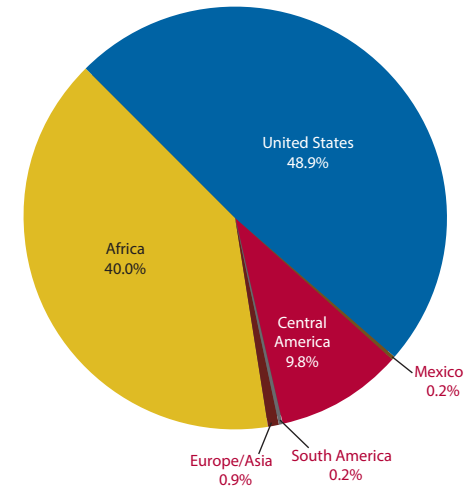
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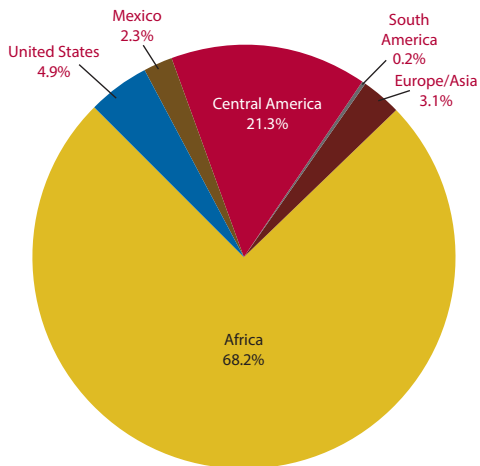
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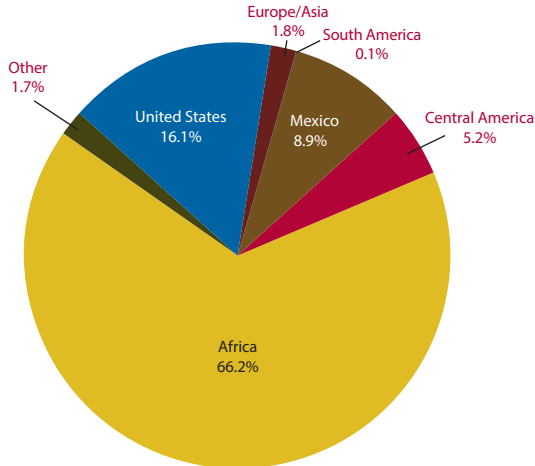
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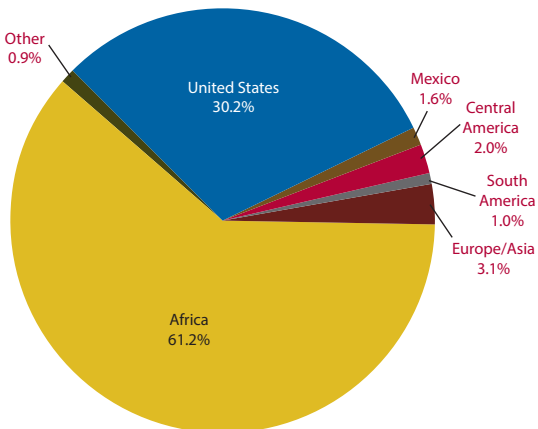
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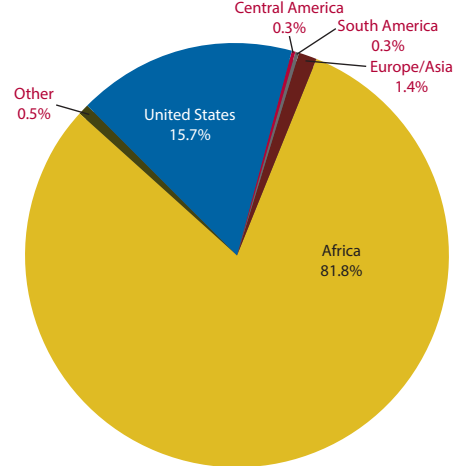
2006



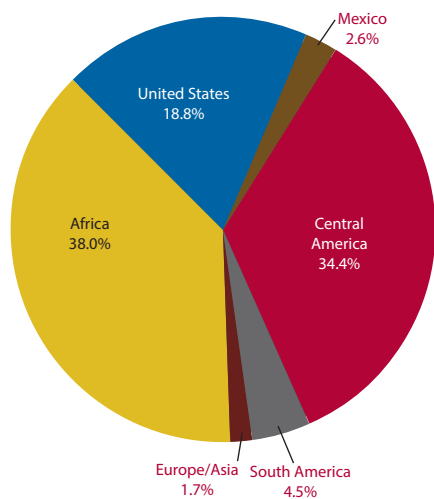
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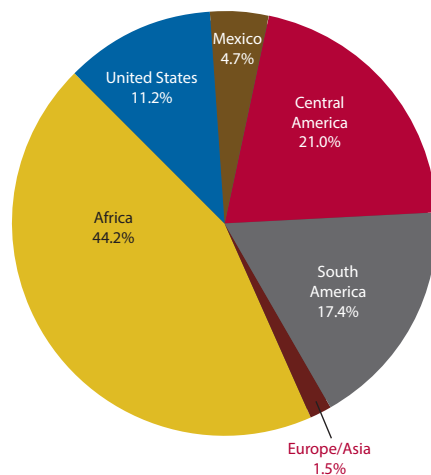
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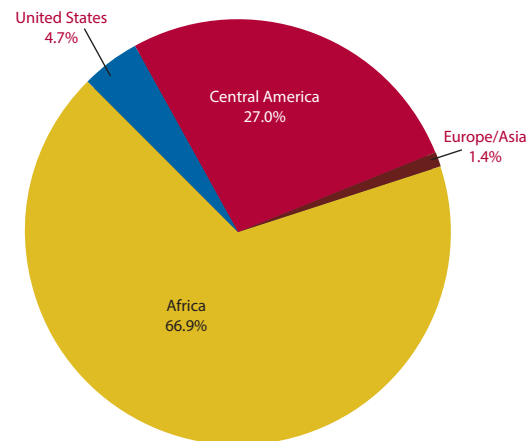
2011



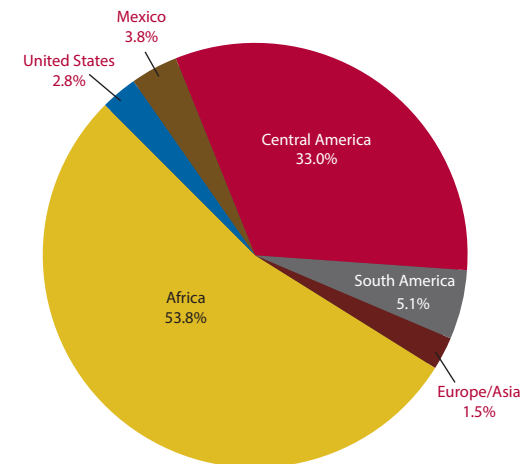
2010



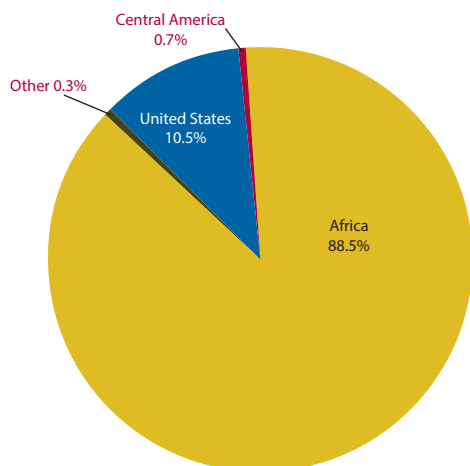
2009



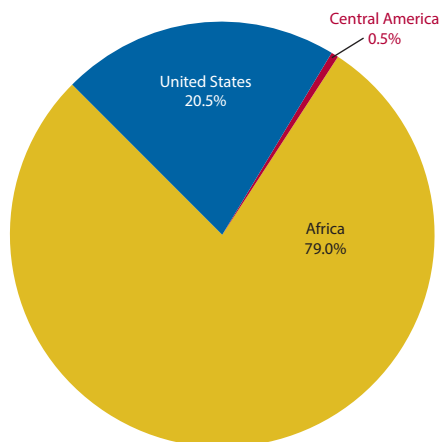
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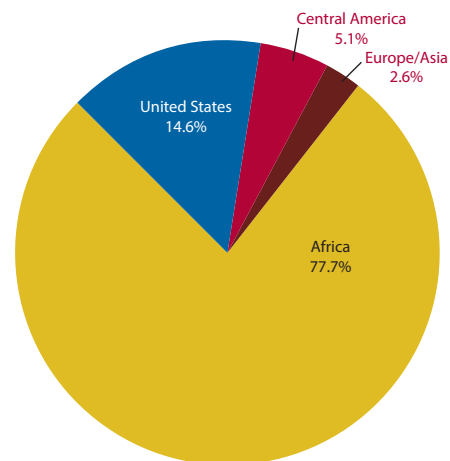
2003



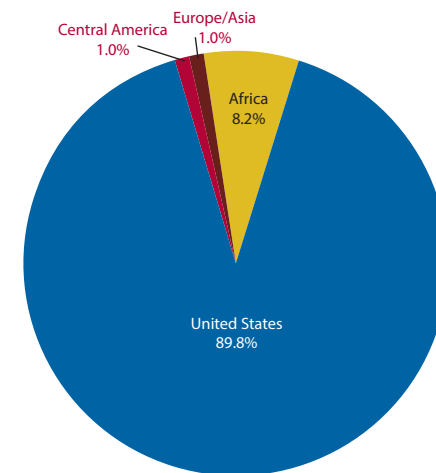
2002



2001



2000





STATEMENT OF FINANCIAL POSITION<sup>1</sup>  
AS OF DECEMBER 31, 2016

**ASSETS**

Cash and cash equivalents	\$	122,969,571
Investments		234,681,884
Land, Buildings, Equipment, net of accumulated depreciation		<u>3,197,096</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>360,848,551</u></b>

**LIABILITIES & NET ASSETS**

**Liabilities:**

Accrued expenses	\$	<u>9,822</u>
<b>TOTAL LIABILITIES</b>		<u>9,822</u>

**Net Assets:**

Unrestricted		<u>360,838,729</u>
<b>TOTAL NET ASSETS</b>		<u>360,838,729</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>360,848,551</u></b>

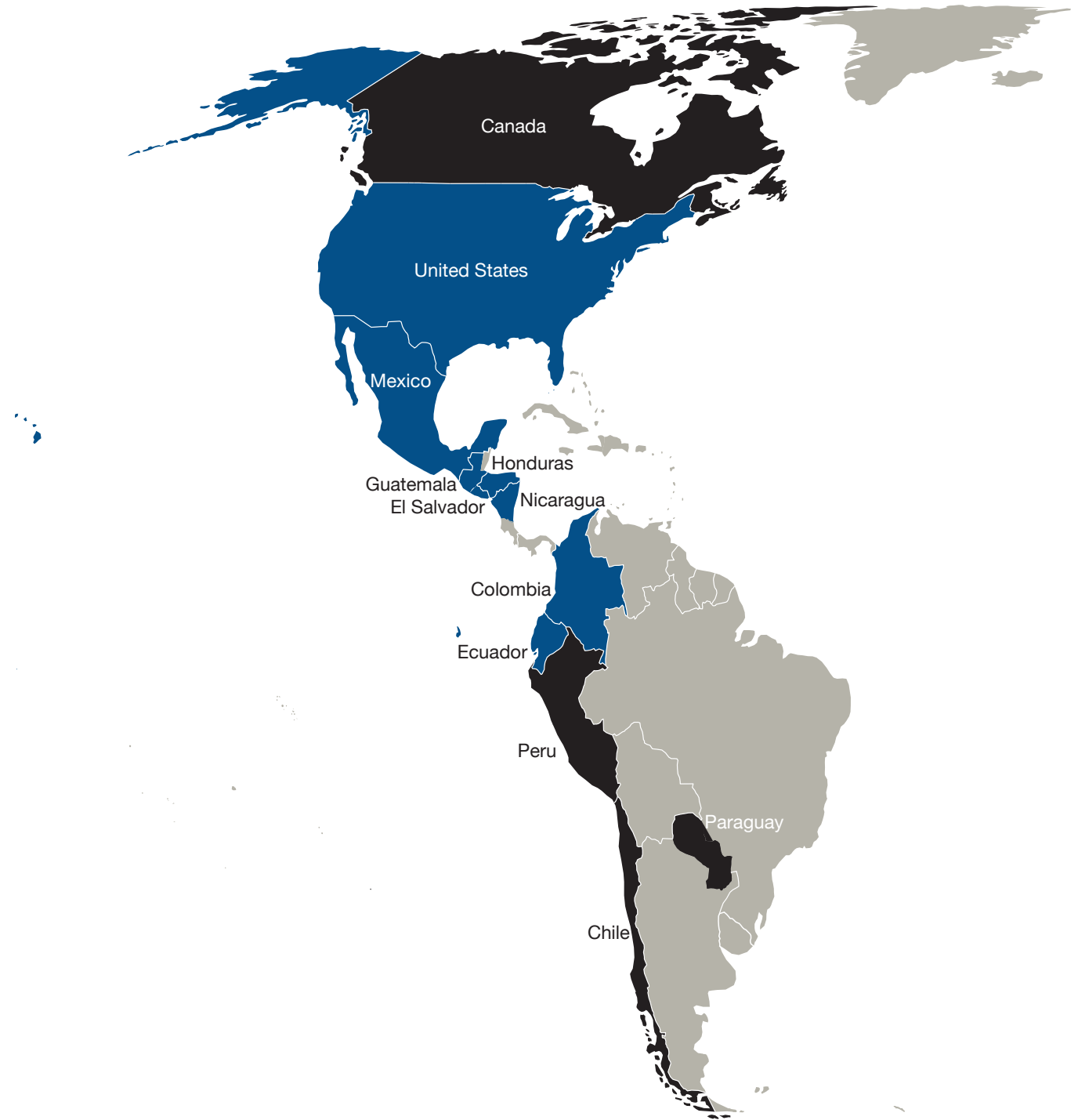
<sup>1</sup> Statements prepared on a cash basis/income tax basis

STATEMENT OF ACTIVITIES<sup>1</sup>  
YEAR ENDED DECEMBER 31, 2016

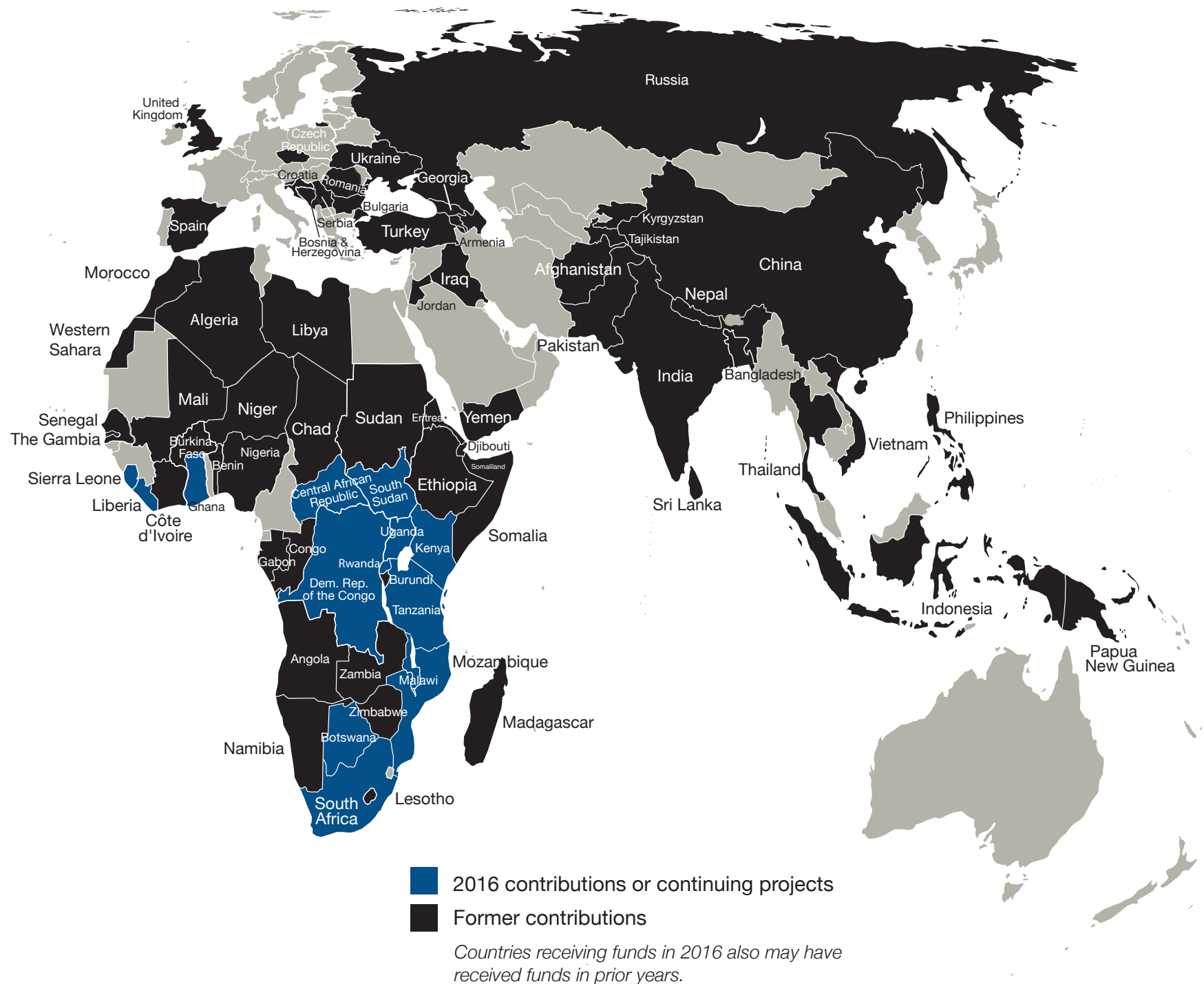
**REVENUE AND SUPPORT:**

Contributions and Grants:		
Operating	\$	152,903,265
		<hr/>
Total contributions and grants		152,903,265
Gain on sale of investments		4,173,576
Interest and investment income		433,779
Unused grant returns		13,435,648
Other income		276,405
		<hr/>
<b>TOTAL REVENUE AND SUPPORT</b>	<b>\$</b>	<b>171,222,673</b>
		<hr/>
<b>EXPENSES:</b>		
Program:		
Food Security	\$	2,366,174
Conflict Mitigation		2,320,587
Community		56,967
Public Safety		123,495
		<hr/>
Total Program		4,867,223
Contributions, Gifts, Grants Paid		126,390,981
General and administrative		3,755,004
		<hr/>
<b>TOTAL EXPENSES</b>		<b>135,013,208</b>
		<hr/>
<b>CHANGE IN NET ASSETS</b>		<b>36,209,465</b>
NET ASSETS AT BEGINNING OF YEAR		284,832,365
CHANGE IN UNREALIZED GAINS ON INVESTMENTS		39,796,899
		<hr/>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$</b>	<b>360,838,729</b>
		<hr/> <hr/>

<sup>1</sup> Statements prepared on a cash basis/income tax basis











# FOOD SECURITY

*“One important lesson of philanthropy is that you can have a great idea for addressing a problem but ultimately success comes down to execution and administration.”*

## THE BORDERLANDS COFFEE PROJECT

Nariño, in southwest Colombia near the border with Ecuador, is known for two things: coffee and violence. Ongoing fighting between government forces, illegal armed groups and guerrillas have made access to the area's farmlands difficult and have discouraged investment in the coffee sector.

Across the border in Ecuador, approximately half a million people depend on coffee for their livelihoods.<sup>1</sup> While Ecuador once had a strong coffee sector, recent years have seen a marked decline in output. Declining productivity due to aging crops, low density and poor crop management have made it difficult for the country's coffee farmers to compete on the international market.

<sup>1</sup><http://equalexchange.coop/history-of-coffee-in-ecuador>



To aid in returning focus, value and productivity to the coffee fields of Colombia and Ecuador, the Foundation funded the five-year, nearly \$10 million Borderlands Coffee Project. Executed by CRS and five local partners, the Borderlands project aimed to build profitable and sustainable livelihoods for 3,100 farmers in Colombia and Ecuador by creating inclusive value chains in the two countries. The key objectives included:

- Establishing coffee value chains to generate more economic benefits for the farmers;
- Demonstrating and initiating livelihood diversification practices for farmers;
- Influencing private-sector practices and public policy to the benefit of smallholder coffee farmers.

Colombia and Ecuador yielded strikingly different results based upon distinct differences between the target regions, producing contexts, beneficiary populations and the predominant coffee species in each area—the high-quality Arabica in Colombia and more low-grade Robusta in Ecuador.



Carmela Rosa is a coffee farmer in Ecuador, farming in a region that borders Colombia. Many farmers in her area are Colombians who have been displaced by Colombia's 52-year conflict with the FARC. Coffee farmers in this region of Ecuador grow mainly Robusta coffee, which is a lower quality variety of coffee that is typically used for mass market coffee blends. Across the border in Colombia, farmers grow the higher end Arabica coffee, prized by specialty coffee manufacturers.

## Colombia

In Colombia, 1,600 coffee farmers on 276 hectares (682 acres) benefitted from the country's strong reputation in the coffee sector and near ideal conditions in the Nariño region for exceptional quality.

Successes included:

- Improved coffee production on average 39 percent over pre-project yields, training farmers on good agricultural practices and supporting farm renovation.
- Sustained increase in coffee yields among project beneficiaries.
- Diversified coffee systems with varieties in demand by niche specialty markets.
- Improved coffee quality more than two points by improving harvest and post-harvest practices, experimenting with centralized wet milling and supporting farmers to increase the average quality of their coffees according to the Specialty Coffee Association of America (SCAA) cupping protocol.
- Improved farmer market access—more than 44 percent of participating farmers gained new trade channels to sell 255 metric tonnes of parchment—providing the motivation and incentive for farmers to work together in farmer groups and improve their farming systems and product quality.
- Implemented a Savings and Internal Lending Communities (SILC) model, mobilizing approximately \$144,000 USD in savings.
- Supported farming families to engage in diversified on-and-off-farm productive activities that contributed to 55 percent increase in non-coffee income.
- While not a stated goal, an important outcome was that the 40 percent of farmers who had been growing coca in addition to coffee had all converted to 100 percent coffee by project's end.

By the end of the project, CRS had supported Colombian project farmers to form relationships with specialty coffee buyers and commercialize an estimated 15 percent of their total production to high-value markets.

This resulted in an estimated \$809,000 USD in additional income over the four-year intervention.

## Ecuador

In Ecuador, the 1,390 farmers working 1,132 hectares (2,798 acres) operate in a different production and social context, coupled with a completely different coffee market dominated by low-grade Robusta. Ecuador did not have the benefit of a strong coffee sector reputation, nor ideal conditions for exceptional quality. Nevertheless, the project achieved important advances including:

- Expanded visibility for specialty Ecuadorian Robusta's potential within the global coffee sector.
- Achieved an average 83.5 out of 100 point rating for coffee quality.
- Supported farmers joining savings groups and building basic financial resilience, accumulating \$38,000 USD in working capital.
- Increased income generation 10 times through support for alternative crop production.
- Assisted farmers with the acquisition of improved maize seed and improved farming practices in their traditional mixed farming systems, resulting in a 313 percent increase in maize yields, a 280 percent increase in income from maize and an overall 111 percent increase in non-coffee farm income.

A highlight of the Borderlands project in Ecuador was the Foundation's involvement in the development of the first Robusta cupping competition, the Taza Dorada (Golden Cup). This national competition began as a way to select and reward the best Arabica coffee from Ecuador, but there was no such contest for Robusta coffee. Receiving entries from 38 coffee producers from different regions of the country, this inaugural Robusta event organized by the National Association of Coffee Exporters (Anecafé) aided in the first steps to building the demand for Ecuadorean Robusta coffee as a high-quality, specialty product and increasing market prices paid from specialty coffee markets to approximately three times the local rates.



### *Advocacy and Sustainability*

The Borderlands project has been successful in demonstrating to the influential North American specialty coffee sector how strategic investments in development can support previously marginalized farmers to become viable partners in a direct trade relationship. A key part of that success came about through the program's Advisory Council approach of involving private sector companies in all stages of program design and execution. The Council members' close involvement in the project not only improved program quality and increased impact but also significantly advanced the projects strategic engagement with the coffee sector.

One of the most significant impacts in the project's advocacy and influence agenda was on local coffee sector policy; the regional government of Nariño is replicating and scaling-up the Borderlands approach in a follow-on phase. Although the Foundation's funding for this particular project has ended, it is clear the benefits are just beginning for the coffee farmers along the Ecuadoran/Colombian border.

## BUILDING A BETTER MODEL FOR MIGRANT FARMWORKER RECRUITMENT

In 2014, the Foundation funded a five-year grant in collaboration with retailer COSTCO and administered by CRS and United Farm Workers (UFW) to create CIERTO, an organization working to build a scalable, sustainable farmworker recruitment model that would respect farmworker labor rights while generating shared value for workers, growers and retailers. For COSTCO, the goal was to build a more just and equitable supply chain, consistent with its brand values. Currently the farmworker labor recruitment system in the United States and Mexico is subject to fraud and abuse.



U.S. agriculture depends heavily on migrant workers to provide labor to plant and harvest numerous crops. Migrant workers help support one of the safest, most reliable and diverse food systems in the world.

Our goal was to bring together the interests of all stakeholders (workers, growers and retailers) to recruit 5,000 domestic workers for Mexican farms and 1,000 H2A workers for U.S. farms in a transparent way, with formal contracts that complied with labor regulations and ensured and verified farmworker safety throughout. This model would in turn become replicable for other retailers to adopt to verify fair workers' rights in their supply chain. CIERTO was well-positioned to work with large-scale retailers to pressure their producers to ensure they met all labor requirements and regulations.

In exchange, growers would get a highly trained, prepared and stable CIERTO-recruited workforce. CIERTO was initially designed under the assumption that farmworkers would prefer to work with CIERTO instead of traditional recruiters because of its clean and transparent recruitment model, improved working conditions and commitment to providing legally prescribed social benefits. But over the past two years, we have learned just how complex this industry is and how much farmworkers are driven by purely economic motivations.



By working closely with farmworker communities, we learned that even by ensuring workers' safety and labor rights were respected, CIERTO's work offers were not competitive enough on a wage basis compared to traditional recruiters. A formal contract in compliance with the law means that after tax, social and healthcare benefit deductions are made, workers take home less pay. In a wage system that barely meets their needs to begin with, these reductions in take-home pay were unacceptable. In short, the survival needs of workers and their families outweighed CIERTO's commitment to "clean" recruitment and improved working conditions, and workers were willing to take workplace risks with other recruiters, as long as their survival needs were met through higher wages.

We also learned that farmworker communities differ greatly, each with their own histories of seasonal migration and labor practices to take into account. Some have long histories of seasonal migration to a particular region where they can travel and work with all of their family members. Others are used to traveling shorter distances where they can leave their families home but see them regularly on the weekends.

Many communities are accustomed to receiving piecemeal, cash payments for their work. Some workers were accustomed to working for shorter contracts than what CIERTO offered, and in different harvests and weather conditions than those associated with CIERTO.

All of these local nuances presented significant challenges for CIERTO's recruitment model, and after two years of consistently low recruitment numbers, the Foundation decided to restructure the grant. We set out to change a problematic, informal system that has been in place for decades, a big goal we unfortunately did not meet. But the lessons we learned by trying were informative and are shaping new initiatives to improve farmworker recruitment and bring dignity to farm workers on both sides of the border.

## INVESTING IN SEED SYSTEMS IN SOUTH SUDAN, LIBERIA AND SIERRA LEONE

The Foundation has worked with Partners for Seeds in Africa (PASA) over the last five years to catalyze development of private sector seed systems in conflict and post-conflict countries, including South Sudan, Liberia, Sierra Leone and the Democratic Republic of Congo. PASA works to address food insecurity and poverty by promoting the development of seed systems to meet smallholder farmer demands for improved hybrid (non-GMO) seeds in an efficient, equitable and sustainable manner.

The specific objectives for South Sudan, Liberia and Sierra Leone were to:

- Improve capacity for crop development and technical skills in seed production and processing for seed company staff and researchers;
- Expand seed production to increase availability and accessibility of high-quality seeds of improved varieties; and
- Advance business management and financial access and strategy of seed companies through teaching agribusiness practices.

Despite our belief in PASA as one of the best programs working to transform agriculture in Africa to improve food security, ultimately the Foundation's investments in South Sudan, Liberia and Sierra Leone concluded in 2016 with decidedly mixed results. We had committed a total of \$10 million for these three countries but ultimately were only able to spend \$3.6 million due in part to the Ebola crisis, which brought with it a humanitarian response that included distribution of free seed, which undermined our private sector efforts; renewed conflict in South Sudan which caused USAID to pull its matching funding; and most disappointing, critical implementation failures by PASA.

The five-year investment did produce some valuable outcomes, which we hope form building blocks for the future:

- \$1.9 million invested in local research institutes and seed companies to support research to improve key staple crops and develop each country's agricultural research capacity by training scientists in seed breeding.
- A total of 27 local scientists received either a Master's of Science or PhD degree.
- Six local seed companies were given investment capital to establish and progress a stable private seed sector in the three countries. For South Sudan, Liberia and Sierra Leone, the seed companies produced a total of 2,600 tons of seed.
- 52 improved crop varieties were developed and ratified for release and commercialization from regionally specific food crops such as maize, sorghum, upland and lowland rice, peanut, beans, finger millet, soybean, sesame and cassava.

### *Ensuring Sustainability*

PASA plans for local entities to be self-sustaining by helping establish a seed production value chain and solidifying networks with reliable seed marketers and producers.

The key to the sustainability of this program is investing in local seed companies. The companies develop the seed industry by enhancing production and distribution of certified, hybrid, OPV, breeder or foundation seed. Promotional activities such as agricultural trade fairs, farmer field days, trainings and demonstrations on seed producers' farms are executed to create exposure of the improved seeds' features to local smallholder farmers. PASA also provided business development services for seed companies on-site using technical staff and off-site through organized training modules in seed enterprise development. Overall, 95 seed companies' personnel were trained through standardized modules.

### TOTAL SEED PRODUCTION: SOUTH SUDAN, LIBERIA AND SIERRA LEONE

COUNTRY	CROP TYPE	VARIETY	HARVESTED ACREAGE	POUNDS OF SEED PRODUCTION					AGRO DEALERS	FARMERS' GROUPS	SEED PRODUCERS	GRAIN PRODUCERS
				Y1	Y2	Y3	Y4	Y5				
South Sudan	8	22	530	119,048	277,780	480,603	1,278,668	-	4	27	205	
Liberia	3	27	361	698,858	388,010	769,405	566,582	125,662	30	23	2,063	461
Sierra Leone	3	3	84	171,959	57,320	149,913	74,956	68,343	202		120	
<b>TOTAL</b>	<b>14</b>	<b>52</b>	<b>975</b>	<b>5,227,107</b>					<b>236</b>	<b>50</b>	<b>2,388*</b>	<b>461</b>

\*Seed producers includes contact farmers



Improved seed varieties developed by PASA in eastern DRC in partnership with local seed breeders and smallholder farmers.

PASA also organized trainings for seed breeding scientists. The breeders' goals were to assemble parental lines that were regionally specific to the local farmers' environmental conditions and learn new practices and techniques for successful seed breeding to utilize in their home countries.

#### *PASA South Sudan Accomplishments*

Seed sector interventions in South Sudan followed the PASA seed value chain approach: training crop breeders; funding basic breeding functions; developing private seed companies; creating farmer awareness through on-farm demonstrations; and linking seed producers and farmers to a network of village-based agro-dealers.

Civil conflict erupted during program implementation, resulting in the loss of USAID matching funding. The Foundation adjusted our funding to ensure a smooth wind-down.



Outcomes included:

- Established and provided investment capital for independent seed companies—Century Seed Company, Greenbelt Seed Company and Afrogenics Seed Company—that produced 1,276 tons of certified seed.
- Released 22 new crop varieties of maize, rice, cassava, sorghum and cowpeas, with three groundnut varieties in the provisional release stage.
- Organized access to parental lines of hybrid maize seed from Uganda and supported seed companies producing this hybrid.
- In collaboration with the Ministry of Agriculture and University of Juba, supported six local crop-breeding programs resulting in the assemblage of 1,512 germplasm accessions of maize (850), rice (100), sorghum (143), groundnuts (39), cowpeas (147), cassava (230) and sesame (3).
- Conducted four breeder exchange programs with breeders of maize, rice, cassava and groundnut to learn new breeding techniques for use in their home countries.
- Supported five breeding programs at the Ministry of Agriculture, Forestry, Cooperative and Rural Development (MAFCRD) for sorghum, cassava, rice, maize and groundnut crops and a cowpea-breeding grant at the University of Juba in South Sudan.

#### *PASA Liberia and Sierra Leone Accomplishments*

In Liberia and Sierra Leone, PASA's program was implemented in two phases:

- Phase I worked to improve capacity and ensure the introduction and release of improved varieties for staple crops (maize, rice, cassava and groundnuts).
- Phase II built on progress from Phase I by scaling up seed supply to farmers with exchange breeding programs; advancing scientists' and technicians' trainings in practical skills; developing local private sector seed companies; and linking these companies to agro-dealers at village level.

PASA laid the groundwork for developing a sustainable and equitable seed sector that improves seed access for smallholder farmers. Despite the Ebola crisis, which effectively paralyzed movement of staff and limited ground activities, the Liberia and Sierra Leone programs achieved the following outcomes:

- Sierra Leone officially released 16 new crop varieties, while Liberia popularized five new varieties.
- A total of 1,543 tons of improved seed was produced and distributed in both countries.
- 17 students graduated with Master's in Science degrees in plant breeding and seed science and are researchers for their respective agricultural institutes.
- 51 seed company personnel received business development training from the Seed Enterprise Management Institute (SEMIS) at the University of Nairobi-Kenya.
- Short-term, higher-yielding upland rice varieties were produced and marketed by PASA-supported seed companies.
- One improved open-pollinated maize variety from Mali-Sotubaka'—became extremely popular with local farmers following the distribution of 55 tons of the variety at the height of the Ebola outbreak in Liberia.
- PASA supported seed companies became respected leaders in the seed industry.

#### *The Limits of Funding and Great Ideas*

One important lesson of philanthropy is that you can have a great idea for addressing a problem and gain the funding support but ultimately success comes down to execution and administration. Nearly \$6.5 million dollars we hoped to invest in developing seed systems in South Sudan, Sierra Leone and Liberia went unused. There will always be factors that we cannot control, particularly in the environments we choose to work in, but it is frustrating when failures of execution and administration also play a role, as they did here.



Howard Buffett visits farmers at a seed fair in Rugari, DRC with Joe DeVries and PASA staff.

We are proud of PASA's achievements in these three difficult countries as we have described them here, but we must acknowledge the investments that did not come to fruition and ask ourselves what more we could have achieved.

## THE HOWARD G. BUFFETT FOUNDATION CENTRE FOR NO-TILL AGRICULTURE

Over the last 10 years, the Foundation has supported Dr. Kofi Boa's work promoting smallholder farmer adoption of conservation agriculture (CA). In 2013, due to Dr. Boa's success in Ghana, the Foundation increased its investment to fund construction of dormitories and an education center now known as the Howard G. Buffett Foundation Centre for No-Till Agriculture (HGBF CNTA). The purpose of the CNTA is to not only train farmers in CA practices but also to be a research institute teaching the science behind CA; to conduct research comparing results of tillage versus no-tillage practices; and to promote mechanization for smallholder farmers.

### *Developing a Plan for Self-Sustainability*

After five years and 5,600 farmers, university students and NGOs trained, the HGBF CNTA had built sufficient capacity and reputation to develop a five-year business plan to become a self-sustaining NGO. In June 2016, the HGBF CNTA was officially registered as a local NGO, the first of its kind and the only facility that teaches CA practices in Ghana and West Africa.

The HGBF CNTA functions with five on-site and five field staff. In their first year, they intend to expand with four satellite sites throughout Ghana. The field staff for these sites are trained by Dr. Boa and will manage a no-till demonstration plot, conduct on-site CA trainings and travel to local farms to assist no-till farmers through hands-on instruction.

Each site was supplied with mechanized no-till equipment that is rented out to nucleus and local farmers and NGOs, as well as cooperatives for revenue sources. The capital equipment the HGBF CNTA has on hand, including the satellite sites, comprise: five tractors; five roller crimpers; five no-till planters; three rippers; four trucks; one trailer; and one van.

Other sources of revenue for the Centre are trainings at the Amanchia education center, on-site trainings at local farms, cover crop seed production and sales to local area women who buy produce from the HGBF CNTA farm to sell in the Kumasi market.

The sale of vegetables has increased the Centre's profits due to the much higher yields the Centre's no-till fields achieve during the dry season as compared to farmers in the area that use tillage. No-till farmers record up to five times more yield during the dry season than farmers who use tillage.<sup>1</sup>

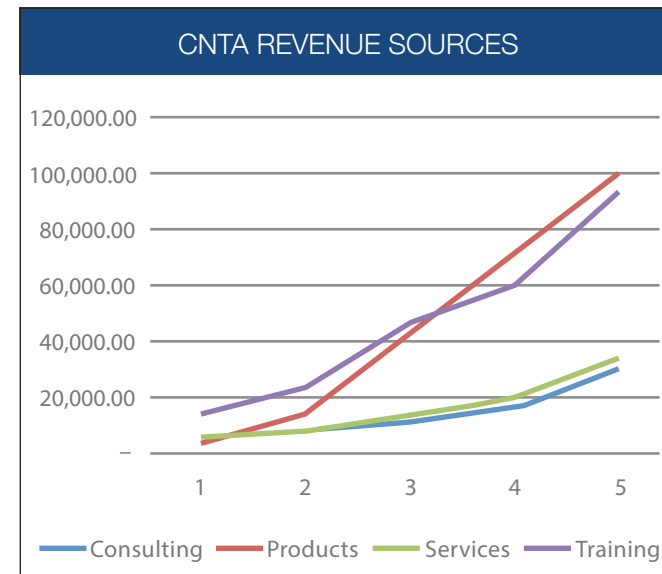
### *Executing A Five-Year Exit Strategy*

The HGBF CNTA is currently executing its plan to become a self-sustaining local NGO directed by Ghanaians. The revenue forecast is based on HGBF CNTA earned revenue and the Foundation's budgeted contributions to operational costs. The goal is to eliminate the Foundation's contributions to costs by the end of 2020:

% CONTRIBUTION TO COSTS	2016	2017	2018	2019	2020
FOUNDATION OPERATIONAL CONTRIBUTION	90%	80%	60%	40%	10%
CNTA REVENUE TARGETS	10%	20%	40%	60%	90%
TOTAL	100%	100%	100%	100%	100%

HGBF CNTA's revenue sources fall into four categories: consulting, products, services and training. The majority of the revenue will be from products such as crop sales from Amanchia and demonstration sites along with cover crop seeds, which comprise 40 percent of revenue sources. The remaining 60 percent is divided up among short and long-term trainings and consultancies as well as rental services of no-till mechanized equipment.

<sup>1</sup> CNTA Research Data



In 2016:

- HGBF CNTA expanded to add four satellite sites in Nsawam, Tanina, Kpatribogou and Zebilla. These four sites have CA demonstration plots and offer no-till equipment rental plans and CA hands-on consultancy services. The sites were chosen due to relationships Centre staff formed with nucleus farmers. The intention is for the nucleus farmers' out-growers to seek CA training and consultancy services from Centre staff, and for farmers to purchase a no-till mechanized equipment rental plan for his or her farm.
- The Centre has contracted five farmers to produce cover crop seed on 5.5 acres of land that will be packaged by Centre staff and available for sale in 2017.
- The HGBF CNTA is promoting all these services and activities through the HGBF CNTA website at [www.centrefornotill.org](http://www.centrefornotill.org).

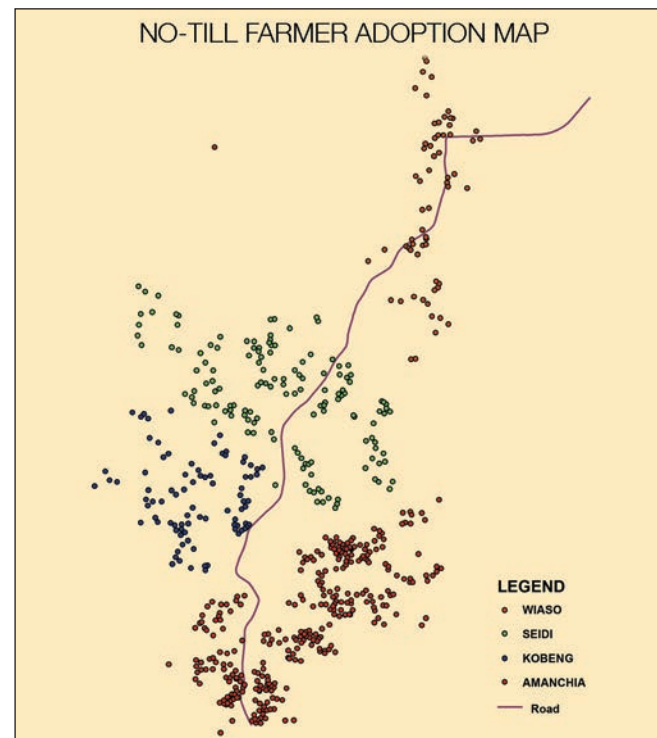
In 2017 and 2018, the plan is to add one more satellite site per year, complete with no-till mechanized equipment, totaling six satellite sites in all.



## Outcomes to Date:

- In 2016, the Centre had 1,037 visitors: 314 for one day exposure visits, 566 for formal training, 122 for Sunday school and 35 for other business. They also solidified six contracts for additional services since becoming a registered local NGO.
- Three international media groups visited the Centre: Digital Educational Group from Columbia University; Canal+ media from France; and the Farm Journal Foundation (FJF). The purpose of their visits was to document the Centre's daily activities for future media usage.
  - FJF, with a separate grant from the Foundation, created a website focused on the HGBF CNTA to scale up its no-till promotion.
  - The site presents HGBF CNTA's history and daily functions along with providing educational resources; the site acts as an additional marketing tool to reach new clientele.
- Two International NGOs received grants from the Foundation for CA trainings: CRS Mesoamerica and Ecoexist Botswana.
- Training and consultancy services were provided to the Peasant Farmers Association of Ghana, Oxfam, AgriCorps, Peace Corps Ghana, PASS, Agricultural Technology Transfer (ATT) project, District Directors from the 216 District Assemblies' Department of Agriculture, Kwadaso College of Agriculture, Church groups and several farmers' groups.
- Two innovative tools were introduced to enhance field measures while planting:
  - The weeping pot to improve water availability for dry season vegetable gardening; and
  - A ginger planting tool to ease no-till ginger planting;
  - Both tools are made locally and will be commercialized in 2017 to advance the Centre's revenue.
- Four satellite sites were supplied with tractors and equipment in Nsawam, Tanina, Kpatribogu and Zebilla.

- A 5.5 acre cover crop seed production plot was planted and is currently being harvested and processed.
  - Five farmers are under contract to produce cover crop seed for the Centre.
  - Cover crop seed will be ready for sale in 2017.
- HGBF CNTA began recording the land area under no-till from Amanchia to neighboring communities, Kobeng and Seidi.
- Prior to Dr. Boa teaching CA, there were no farms utilizing CA practices. To date, these three communities' have 840 acres (340 ha) from 543 local farms that are under no-till production.
  - Below is a map of the no-till farms in Amanchia, Kobeng and Seidi communities;
  - There are fewer in Kobeng due to the amount of land used for illegal surface gold mining, and most of the people, especially youth, are engaged in these activities rather than farming.



For 2017, the Centre will continue to focus on the following planned activities:

- Attract revenue from training, consultancy services, cover crop seeds and tools;
- Continue to track the spread of no-till in terms of the amount of farms and land area covered;
- Optimize the four satellite sites; and
- Increase trainings, demonstrations and research to prove the benefits of no-till technology.



Fellows load cabbage grown at the Centre for No-Till Agriculture for local women to sell in the Kumasi market.

Photo: The Howard G. Buffett Foundation



## DEVELOPING THE NEXT GENERATION OF LEADERS IN AGRICULTURE FOR RWANDA

Rwanda's population of nearly 12 million is projected to almost double by 2050. Agriculture employs approximately 80 percent of the population. To keep pace with its growing food and economic needs, the Rwandan government has established a goal of 8.5 percent annual growth in agricultural production. To reach that goal, Rwanda needs better agriculture education and training, increased extension services and more localized, applied research in a number of areas including crop management, irrigation, mechanization, soil science, environmental management and food processing.

The Government of Rwanda and the Howard G. Buffett Foundation are partnering to establish a practical agricultural institute in Rwanda to support Rwanda's productivity goals. One key element of the plan: develop the next generation of leaders in agriculture who will provide the skills to teach and lead at the institute and across the agricultural sector. To find and educate these leaders, the Foundation reached out to the College of Agricultural Sciences and Natural Resources (CASNR) at the University of Nebraska-Lincoln (UNL) to develop a program to provide education opportunities for a minimum of 200 Rwandan students. To date, 56 Rwandans have successfully integrated into the UNL campus and the Lincoln community to pursue Bachelor of Science degrees in agriculture. In the classroom and through experiential learning and other co-curricular opportunities, the students are developing a holistic understanding of food, water and energy systems, conservation agriculture, entrepreneurship and leadership. They are also developing skill sets to transform their passion and talent for agriculture into solutions, discoveries and innovations that will position Rwanda to achieve its agricultural productivity goals while preserving their natural resources for future generations.

Upon graduation, all students are required to return to Rwanda (unless they pursue post-graduate studies) and devote a minimum of five years of their career to advancing the agricultural sector through a public institution or extension effort in Rwanda. We see these future leaders returning to Rwanda to help transform Rwanda's agricultural economy in a way that sustainably manages the country's natural resources and environment, positioning Rwanda as a model for African agricultural development.

## THE NASHO IRRIGATION PROJECT

The Nasho Irrigation Project is a revolutionary idea to put smallholder farmers at the center of solutions to improve a nation's food security.

The Foundation is partnering with the Government of Rwanda and 2,000 smallholder farming families to support the production, productivity and food security development of 1,173 hectares (2,899 acres) in the drought prone region of Rwanda's Eastern Province.

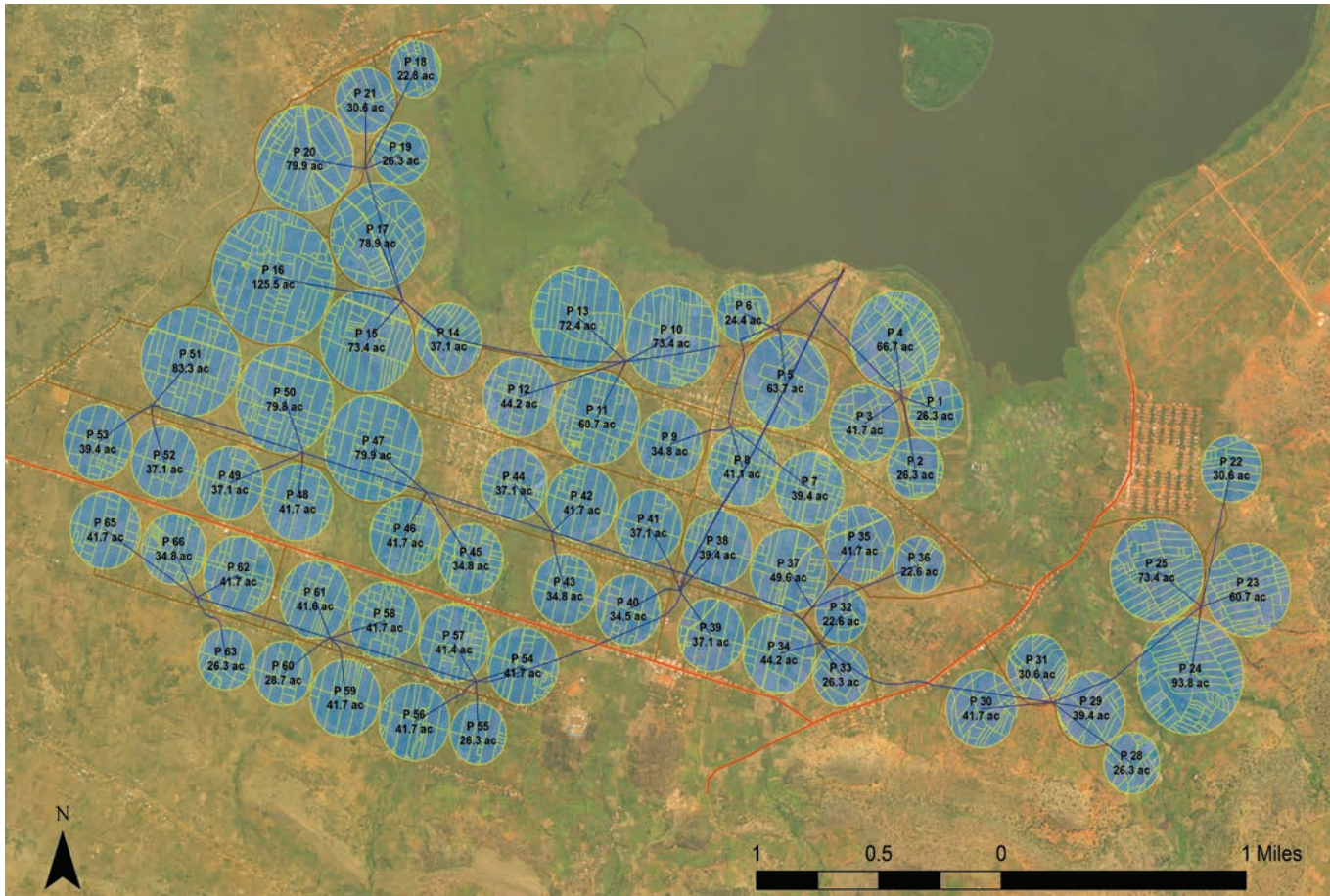
Farmers at Nasho are subsistence farmers who consume most of what they produce and sell any small surplus to generate household income to meet other needs. These farmers face a number of constraints: unpredictable rainfall, land fragmentation, degraded soils and limited access to improved inputs, extension services and training on improved farming practices. Average annual rainfall in the region is less than 35 inches (900 mm), with a dry season that lasts for more than four months.



This 3.3 MW solar plant in Rwanda's Bugesera region powers 63 center pivots and required pump stations, benefitting more than 2,000 farm families from the NASHO cooperative. Ultimately, the excess power from this solar plant will be sold back to the grid.

Photo: Remote Group





The farmers formed the Nasho Irrigation Cooperative (NICO) to work collaboratively to utilize, manage and maintain the irrigation infrastructure. Farmers in this area have farmed their land independently for many years, so consolidating land under the pivots required constant mobilization of farmers.

Participating farmers have limited technical knowledge about modern farming. Most heads of households have only six years' of primary education and a quarter cannot read or write. This posed a challenge for establishing the coops. A key part of this project is building a farmer-led management, training and support structure to ensure that farmers benefiting from the project are able to sustainability utilize the irrigation infrastructure and accompanying solar power to increase crop productivity and reduce food insecurity.

The first three years post-commissioning (2017-2019) will involve significant trial and error for this first-of-its-kind project. The revenue that the cooperative is able to generate in the first three years will be low as farmers slowly learn about and optimize their farming practices, irrigation management, cooperative organization and marketing strategies.

As we complete the project's first harvest, we are beginning to see early signs of success and areas for focused improvement, each driven in large part by farmer behavior. Some center pivots were better organized than others when it came to planting and weeding. They are recognizing the benefits at harvest. The farmers who were slow to plant and less diligent about weeding are seeing those decisions translate to lower yields relative to their neighbors. Our hope is that our most successful farmers will motivate others to do better next season. Nasho is a large, complex idea that will take years to fully develop. We are optimistic that these farmers will demonstrate that sophisticated irrigation systems and adoption of conservation-based agronomic practices are not incompatible with smallholder farming.

The 1,173 hectare (2,899 acres) site in Rwanda's Eastern Province has been developed to support 2,000 existing farms. The first phase is to organize coops by pivots and larger pivot clusters; the second phase will provide production training and marketing; and the third phase will introduce conservation farming techniques. The map above shows the plots that are owned by individual farmers and how they fit into the pivot project.

The average plot size per household is less than one hectare (2.5 acres); the lack of scale in farming operations makes it difficult for farmers to access affordable inputs. A pre-project socio-economic survey conducted in 2015 recorded average maize yields at 1.2 Mt/ha (19.1 bu/ac) and average bean yields at 0.98 Mt/ha (17.8 bu/ac). Irrigation and adoption of improved agronomic practices have the potential to significantly increase yields.

In 2016, the Foundation provided funding to commission 63 center pivot irrigation systems, each with an average of 20 small farms. Included in the project design was a 3.3 megawatt (MW) solar plant to support the electricity costs of running the pump station and the center pivots. The pumping station draws water from a nearby lake which is recharged at a rate that far exceeds the farmers' irrigation requirements.

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## HOW WARREN BUFFETT'S SON WOULD FEED THE WORLD

BY NINA MUNK, MAY 2016

When his three children were young, Warren Buffett installed a dime slot machine on the third floor of the family's house, in Omaha, Nebraska. The objective was to convey the dangers of gambling, but it also meant the children's allowance remained in his hands. "I could then give my children any allowance they wanted, as long as it was in dimes, and I'd have it all back by nightfall," he remarked once at a Berkshire Hathaway annual meeting.

Buffett—who, despite being worth about \$60 billion, has lived for 58 years in that same relatively modest house, for which he paid \$31,500 in 1958—once told *Fortune* magazine that he intended to leave his three children "enough money so that they would feel they could do anything, but not so much that they could do nothing." He added that "a few hundred thousand dollars" sounded about right. Providing children with "a lifetime supply of food stamps just because they came out of the right womb" was "harmful," he said—"an antisocial act."

For a long time, in response to charges that he was ungenerous, Buffett argued that society was best served if, instead of giving away his money during his lifetime, he carried on compounding it, year after year, to maximize the amount that could be given away when he died. Eventually, he had a change of heart. Perhaps it was age that made the difference. Perhaps, as some people believe, it was the death of his wife, Susan Thompson Buffett, in 2004, that inspired his benevolence.

Whatever the reason, on June 25, 2006, when he was 75 years old, Buffett made a stunning announcement: He would give away 85 percent of his fortune, gradually, in the form of shares in Berkshire Hathaway, the vast holding company that he controls. Buffett's pledge—valued then at \$37 billion—was the largest philanthropic gift in history. As a point of comparison, Andrew Carnegie gave away \$350 million, equal to about \$5 billion today.

The money would not be spent inscribing Buffett's name on this or that important building. Instead, most was pledged to the Bill & Melinda Gates Foundation. Some went to the Susan Thompson Buffett Foundation. The balance was pledged to foundations established by Buffett's three children: Susie, Howard and Peter. Each would receive shares worth \$1 billion at the time. None of the children had ever imagined that their father would relinquish such a sum, certainly not while he was alive.

Six years later, to celebrate his 82nd birthday, on August 30, 2012, Buffett announced that he was giving roughly another 12 million Berkshire Hathaway Class B shares to each of his children's foundations. "He calls my sister up," his son Howard recalls. "He's talking to her, and he just said, 'How do you think your brothers would feel if I put another billion dollars into the foundations?' And she was like, 'Yeah, that sounds okay.' I mean, he's like that. He gets an idea, and if he likes it, he does it. So he just did it."

In total, each child received a pledge worth \$2.5 billion at the time, paid out in annual installments that have ranged from \$100 million to \$150 million, depending on the stock price. The gift came with no conditions, beyond those governing foundations generally: that the money be used for charity.

In a letter to the children, Buffett wrote simply, "I am confident you will use the money wisely, each in your own way. Love, Dad."

As a result of their father's generosity, the three Buffett children have joined the pantheon of the world's most powerful philanthropists. What all three have in common is a commitment to helping the poor, inherited from their parents. According to Warren Buffett, his family's "whole philosophy is that every human life has equal value. Once you see that, you naturally drift to helping people with limited resources. It's a joyous mission." The only measure of philanthropic success, he told me, is this: "Per dollar spent, how many people are going to have a better life?"

Buffett's oldest child, Susie, age 62, is working to improve the lives of children in Nebraska through her Sherwood Foundation. She also chairs the Susan Thompson Buffett Foundation, the third-largest family foundation in the United States, which made \$420 million worth of grants in 2014, mostly in support of low-cost contraception and reproductive-health clinics. The youngest Buffett, Peter, age 58, and his wife, Jennifer, run the NoVo Foundation, which seeks to end violence and discrimination against girls living in poverty. Without a doubt, the most ambitious of the Buffett philanthropists is the middle child, Howard, 61, a commercial farmer who lives in Decatur, Illinois. His goal is to end world hunger.

I met Howard Graham Buffett for breakfast last spring at Coney McKane's American Eatery in Decatur. He was wearing what I soon learned is his de facto uniform: baggy cargo pants with an elastic waistband, dirty hiking boots, and an oversize John Deere T-shirt (NOTHING RUNS LIKE A DEERE). His large, unfashionable eyeglasses were smudged.



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His white hair might have been cut with garden shears. Despite being the son of one of the world's richest men, he is unassuming and plainspoken; “a meat-and-potatoes guy” is how he describes himself.

Only a few days earlier, he had finished planting soybeans on the family's 400-acre farm in Nebraska. He and his 32-year-old son, Howard Warren Buffett, had worked late into the night to beat an oncoming storm, and now he was back in Decatur to survey the 1,500 acres of corn and soybeans he had planted at his farm there.

He ordered French toast, sausage, and a Coke, and talked with me about his philanthropic work. Roughly 800 million people do not have enough to eat, he reminded me; in sub-Saharan Africa, one in four people is undernourished. Agricultural yields in the region are dismal, less than half the global average. Climate change has made the continent's weather more erratic, and droughts are more severe and more frequent than ever. The population, meanwhile, is growing quickly. “It's an overwhelming issue,” he said, pouring syrup on the tower of French toast now before him. “If someone says, ‘You can't make a dent in it,’ I'd say, ‘Well, you're probably right. It is pretty overwhelming.’ But how do you know if you don't try?”

Unlike most philanthropists I've met, Buffett doesn't pretend to have the solution to the problem he's trying to solve. But he is certain that we need new ideas. “USAID and others have been at this for decades,” he said. “By now, according to projections, we should have ended hunger. So my point is, what we're doing isn't working.”

On the face of it, Buffett is a study in contrasts. Like his father, he is proud of his thriftiness, which he cultivates.

Yet he lives very comfortably, with all the privileges and influence accorded to the head of a foundation that has already given away more than \$900 million. He's a committed environmentalist. At the same time, he's allergic to “high and mighty” activists who insist that modern agriculture is destroying the natural world. He's a Republican who drives a Ford F 150 Raptor, owns guns, volunteers as an auxiliary deputy sheriff in Macon County, Illinois, and for several years was on the boards of Archer Daniels Midland and ConAgra Foods. For all that, he rails against multinational corporations for promoting “science based” solutions, apt to a particular setting, as global panaceas.

The big donors working on agriculture in Africa—among them USAID and the Gates Foundation and the Rockefeller Foundation—share a widely held faith in the power of science and technology to improve productivity. In large part, they have modeled their efforts in Africa on the triumph of the so-called green revolution in the 1960s, when the Indian subcontinent was saved from starvation by the introduction of modern agronomy: high-yield and disease-resistant wheat seeds, irrigation, and heavy doses of chemical fertilizers and pesticides. Buffett, however, has concluded that this model is unsuited to sub-Saharan Africa. The continent is vast: far bigger than the United States, China, and India combined, with 123 distinct eco-regions requiring diverse farming methods. It suffers from civil wars, dysfunctional governments, and a near-total lack of infrastructure (14 percent of the roads in sub-Saharan Africa are paved, according to the International Road Federation), mooting the assumptions—stability, reliable electricity and transportation, robust supply chains—that underlie modern farming. Most daunting of all, it is characterized by fragile, degraded soil. “Don't get me wrong,” Buffett told me. “I'm a farmer. I know what I can get from improved seed.

I know what I get from fertilizer. They're huge. But technology can't build organic matter. It can't create topsoil. It can't magically protect water quality. It's a quick fix, and Africa needs a long-term solution.”



Howard Buffett, an avid conservationist, celebrates with newly commissioned park rangers during a 2013 visit to DR Congo.

Photo: Jeannie O'Donnell

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Instead of a green revolution for Africa, Buffett favors what he calls a “brown revolution,” or, to quote the distinguished agricultural ecologist Sir Gordon Conway, a “doubly green revolution”—a focus on environmentally sustainable agriculture that minimizes erosion, preserves and regenerates soil, and makes the land more resilient, while also increasing yields. In contrast to the green revolution, the brown revolution is a tortoise-like approach: Its impact is gradual.

Over the past decade, patiently, the Howard G. Buffett Foundation has spent hundreds of millions of dollars to identify and promote practical, low-cost methods of conservation farming—cover crops, no-till farming, locally bred seed varieties—that improve African soil quality and crop yields without chemical fertilizers and costly imported seeds. “If you take a place like Africa,” Buffett told me, “where they have the most degraded soils in the world, very limited nutrients, ground that is farmed to death—literally to the point where you have to move on and farm another piece of ground—and all you’re doing is throwing on synthetic fertilizer, it’s like trying to put an oxygen mask on a cadaver and expecting it’s going to start breathing again.”

Howard Buffett was already in his 30s when he decided to become a farmer. He had dropped out of college; in fact, he had dropped out of three colleges (Augustana College, Chapman College, and finally, the University of California at Irvine). “I was going to be a lawyer, I was going to law school, I had everything planned—and then I got to college and I realized life didn’t work that way,” he said. “I had a lot of energy and I didn’t know where to direct it. I couldn’t figure out what to do, and so I tried some different things. At least I never ended up in jail.” For a few years, Buffett worked as an excavator in Omaha, digging basements. Briefly, he helped cultivate cornfields in Nebraska.

He was employed for a time as a packing clerk by See’s Candies, one of the many companies owned by Berkshire Hathaway. He worked for a construction company. He ran for public office in Nebraska, serving on the Douglas County Board of Commissioners for four years.

Eventually, however, it became clear to him that he was happiest working the land. Farming was his true vocation; it “reassured and recalibrated him.” Married, with four stepdaughters to support and a son on the way, Buffett wanted to buy a farm. But he had no capital. In 1986, when Buffett was 31, his father bought 400 acres of farmland north of Omaha for \$280,000, then rented it to his son at a rate of 5 percent a year, plus a percentage of the farm’s gross receipts—either 22 percent or 26 percent, depending on whether Howard’s weight exceeded 182.5 pounds (he weighed about 200 pounds when his father acquired the land). “I don’t mind it, really,” he told a reporter at the time. “He’s showing he’s concerned about my health. But what I do mind is that, even at 22 percent, he’s getting a bigger paycheck than almost anybody around.”

If Buffett started out “zigzagging through life” (to quote his father), he has since made up for lost time. From modest beginnings, his commercial farming operation now encompasses 1,900 acres in Nebraska and Illinois, with gross receipts of about \$1 million. He’s on Coca-Cola’s board and has been chosen by his father to serve as the next nonexecutive chairman of Berkshire Hathaway, not to make investments, but to uphold the company’s culture.

In 2013, he wrote a best-selling book (*40 Chances: Finding Hope in a Hungry World*). By all accounts, the task of responsibly giving away huge amounts of money has given his life urgency.

His father’s gift caused him to “focus more,” he told me—and to believe that by doing so, he could “maybe have some impact.”

Buffett’s campaign to end global hunger came by way of his work as a conservationist and a wildlife photographer. In his early years as a philanthropist, he established a 6,000-acre cheetah reserve in South Africa. He supported the International Gorilla Conservation Programme. He spent a great deal of time and money fighting poachers in the Democratic Republic of the Congo’s Virunga National Park. He published glossy compendiums of his wildlife photographs (*Threatened Kingdom: The Story of the Mountain Gorilla* was one). Before long, however, it occurred to him that the best way to protect Africa’s wildlife was to improve the livelihoods of its people. “From a distance, it was easy to blame greedy poachers and corrupt government officers for the decimation of important ecosystems,” he wrote in *40 Chances*. “But I also saw that the people who shared these ecosystems with the endangered species were endangered themselves. Many were starving ... I realized I had to shift my efforts to a more fundamental issue.”

Since then, Buffett has visited 142 countries, including all 54 in Africa, to gain a firsthand understanding of poverty. He spends up to 200 days a year on the road. He’s been held up, more than once, at gunpoint. He’s been threatened, arrested, and detained. He’s met an African warlord. As a result of an encounter with an agitated cheetah, his right forearm is scarred.

To further his goals and gain support for his work, Buffett spends time with high-level government officials. He has attended the World Economic Forum, in Davos, Switzerland, and is fond of former British Prime Minister Tony Blair, whose Africa Governance Initiative he has helped fund.



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In 2014, Rwanda's president, Paul Kagame, spent a day learning to operate Buffett's combine in Decatur.

Mostly, however, Buffett prefers talking with the people he hopes to help. (Of Davos, he said: "I'll admit, I went one time. And I'll never go back. That's not my kind of place.") "He wants to have his hands in the soil, literally, pulling maize stalks out of the ground and asking farmers in the field practical questions," says Laura Melo, of the World Food Programme, who has traveled with Buffett to Ethiopia, the Central African Republic, Burundi, Egypt, El Salvador, Guatemala, and Nepal. "Farmers are taken aback because they realize they are talking to one of their own."

During a trip to a research farm his foundation operates in South Africa's Limpopo province last summer, Buffett drove me through the immense bushveld savanna in an old Toyota Land Cruiser, bouncing along dirt roads, swerving to avoid ruts and boulders. He wore his usual baggy pants and hiking boots, this time with a T-shirt that read NEBRASKA. Now and then he slowed down to observe herds of zebras, black-backed jackals, waterbuck, impalas, and wildebeests. Occasionally, people waved at him. Once or twice, he stopped to chat with day laborers on the road.

Generally, the people he meets have no idea who he is. "My friends, they ask who I work for," a young Afrikaner on his staff told me. "They know him as 'The American.' I say, 'He's actually a very rich, famous guy.' They say, 'Whatever.'"

After our breakfast in Decatur, Buffett and I climbed into his truck and drove a few miles down the road until one of his foundation's stateside research farms came into view.

The foundation owns and operates four research farms—4,400 acres in Decatur, 1,000 acres in Nebraska, 3,900 acres in the high desert of southeast Arizona, and the farm in South Africa, spanning 9,200 acres—where scientists from Texas A&M, Penn State, and Purdue are conducting experiments on how best to grow crops in places with little water and poor soil. In South Africa, the foundation is testing 14 different cover crops—among them cowpea, lablab, and pigeon pea—to learn which ones best reduce erosion and improve soil fertility. In Arizona, the foundation replicates the conditions faced by poor African farmers: drought, little or no fertilizer, oxen tilling the land. Tests are under way to measure the precise relationship between water and crop yields.

"Here, on the right," he said, pointing, "this field gets no nitrogen—basically, no fertilizer. We cultivate it the old-fashioned way." He drove on. "Here's the second field, at half rate of fertilizer." We passed more fields, vast plains of brown land, and soon arrived at the cavernous shed, 120 feet long, that houses a large collection of farm tools and machinery. Here was his John Deere S690 combine—"the biggest one they make!"—a half-million-dollar paragon of American technology. There was his John Deere 9330 tractor, with tires more than five feet tall. On and on he went, with the excitement of a boy surrounded by Tonka trucks. He pointed to his roller/crimper, his vertical tillage aerator, his air seeder, his field cultivator. Here, writ large, was the bedrock that supports a Midwestern farmer.

All of this, in addition to some of the world's most fertile soil, plentiful water, crop insurance, generous farm subsidies, easy credit, public grain warehouses, well-functioning markets, and the very latest scientific know-how.

It was hot, and Buffett's forehead was damp with perspiration. He climbed eagerly into the 9330's air-conditioned cab and together we started down a field newly planted with soybeans. Every movement was entirely automated, the tractor's course predetermined, self-correcting, and precise to within an inch, guided by two dozen signals from the Global Positioning System and the Russian Global Orbiting Navigation Satellite System.



Howard Buffett serving meals in Sierra Leone in 2007. He spends up to 200 days a year on the road, doing foundation work.

Photo: Jeannie O'Donnell

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It was a marvel of efficiency. “Think about what it would take to do this in Africa! You can’t get the tires in Africa! You can’t even get the right fuel for the tank!” He paused, reflecting on this injustice. Then, shaking his head, he added, “When I think about what African farmers are up against ...”

As the Howard G. Buffett Foundation has grown, Buffett has become more deliberate in his giving. His approach is still largely intuitive, prompted by what he learns on his travels (the foundation accepts no proposals), but Buffett is investing ever larger sums of money in big projects and big ideas. In 2013, for example, his foundation, together with John Deere and DuPont Pioneer, helped start the Center for No-Till Agriculture in Ghana’s Ashanti region. Led by Kofi Boa, a Ghanaian agronomist who studied at the University of Nebraska at Lincoln, the center trains small farmers to replace destructive slash-and-burn cultivation with higher-yield conservation methods. More recently, in partnership with the government of Rwanda, the foundation has pledged \$500 million to promote conservation agriculture on a large scale, across the country.

In other parts of sub-Saharan Africa, working with Joseph DeVries, the director of the Program for Africa’s Seed Systems, Buffett is providing loan guarantees and start-up capital to private, locally owned seed companies that, in contrast to the multinationals, are developing crop varieties specifically designed to thrive in a particular microclimate and topography. The work is painstaking—a sorghum seed that grows well in the highlands of Zimbabwe may not grow at all in the tropical lowlands of Mozambique. And it can take years of selecting and cross-pollinating plants, tweezers in hand, to develop the ideal progeny. Buffett does not believe in giving away or subsidizing seeds.

To get the right seeds into the hands of poor farmers in remote regions, he is helping small dealers set up shop in African villages, teaching them basic business skills and giving them the necessary training and tools to inform and advise their customers.

Perhaps most remarkably, Buffett is doing much of this work in places that most other philanthropists and international donors have written off as too unstable, too corrupt, too dangerous—in a word, hopeless. Over and over, in some of the most dangerous parts of the world—Somalia, the Central African Republic, the Democratic Republic of the Congo—he has stepped up his commitments when others have abandoned theirs. In 2011, just as South Sudan was carved out of war-torn Sudan to become the world’s newest independent nation, USAID and the Howard G. Buffett Foundation collaborated on a \$10 million program to jump-start agriculture there. The situation was dire. More than half the population lives in extreme poverty, getting by, barely, on a dollar or two a day. People’s plots of land are so small and so infertile that they can hardly grow enough food to stay alive.

After the project started, however, fighting erupted in South Sudan, and USAID pulled out. Buffett was frustrated, but also undeterred: He ended up shouldering the project himself. “You can’t start a \$10 million program in South Sudan and then pull out when the bullets start flying,” he told me. “You shouldn’t go into South Sudan unless you’re willing to take a risk. You should expect disruption. That’s part of the decision.”

Because he does not need to depend on outside donors to fund his work, Buffett has the unusual luxury of being accountable to no one but himself. This lets him work in unstable areas, and on complicated, high-risk projects that others tend to avoid.

“It’s rare in the development field to find that person who says, ‘Hell, this may not work—actually, it probably won’t work, but someone’s got to do it,’” DeVries said. “Howard is that guy.”

“What I admire about Howard Buffett is his intellectual courage and honesty,” Calestous Juma, a professor of international development at Harvard and the author of *The New Harvest: Agricultural Innovation in Africa*, told me. Juma’s point is that too many donors misjudge Africa, underestimate the challenges, or engage in magical thinking. Buffett’s efforts may ultimately fail, but if they succeed, it will be in no small part because he grasps the complexities of the problem he is trying to solve.

Buffett views his foundation as a sort of incubator. During its early years, he “wasted” upwards of \$100 million, he told me without apology, by which he meant that from his mistakes, he had learned important lessons. The role of philanthropy, in his opinion, is to fund speculative projects that governments and other big donors typically avoid.

“The only way you know what works is to fail,” Buffett said. “I can do something safe and get decent results. Or I can do something that carries risk and be willing to lose \$10 million. The way I approach things, I’m going to see failure.”

It helps that Warren Buffett has encouraged his children not to fear failure. “I’ve told them that unless they had failures, they *were* failures,” he said. “It’s the nature of philanthropy—that you’re going to fail. In business, I’m looking for the easy pitches. I can look at thousands of investments and just wait for the one that’s very easy and in my sweet spot. Philanthropy is just the opposite: You’re dealing with problems that are huge and that have resisted easy solutions.”





Conservation-based techniques are necessary in order to preserve limited water resources and to prevent the loss of topsoil, particularly in vulnerable areas with desert environments, declining aquifers and high winds or rainfall.

## TRACKING ADOPTION OF CONSERVATION-BASED FARMING PRACTICES

As part of our commitment to promote adoption of conservation agriculture, the Foundation supports efforts to accurately track the implementation rate of tillage practices and cover cropping in the United States. From 1989 to 2004, a collaborative effort was undertaken to complete transect surveys of tillage practices across the nation.

This effort, although highly valuable, had many shortcomings that undermined accuracy and scalability. The transect surveys were taken by driving from field to field, an expensive and time-consuming methodology that provided a less than 10 percent sub-sampling of the fields in any given county. These factors led to the transect survey process ending in 2004. Subsequently, the components for an operational tillage information system (OptIS) were developed and prototyped with the goal of providing a systematic and cost-effective method for documenting tillage practices.

It was used over a large region through satellite imagery and remote sensing technology.

In 2015, the Foundation, along with other project partners, provided funds to the Conservation Technology Information Center (CTIC) to support the expansion and refinement of OptIS. Previously, OptIS had been developed and successfully tested on smaller designated areas. Our funding allowed the team to broaden the OptIS tool development to test a larger data collection area and meet accuracy levels needed to work towards implementing the system nationally.

This effort has proven OptIS to be more efficient and accurate than previous transect surveys.

Report data demonstrates many benefits including:

- Documenting tillage and cover crop data information on all row-crop acres across Indiana over a 10-year historical timeframe, from 2006 through 2015, ranging from more than 9 to 12.5 million acres surveyed each year;
- Providing valuable information on no-till, reduced tillage and cover crop adoption rates;
- Allowing for tracking individual fields through time to examine frequency of conservation practices, such as continuous no-till;
- Providing information related to activity timing (i.e. dates of tillage events and winter-kill cover crops);
- Collecting spatial information for the improved quantification of conservation practice improvements and performance;
- Utilizing approximately 2,000 man hours to produce 10 years of complete data, a 50 times improvement over prior survey collection rates.

Based on the results from this pilot study, we are optimistic that the OptIS tool will be a valuable asset in estimating tillage practices; however, we continue to search for better methods.



## COVER CROPS AND SOIL HEALTH RESEARCH

The Foundation partnered with the North Central Region Sustainable Agriculture Research and Education (NCR-SARE) program to provide funding to support cover crop and soil health research, education and training. Applications for funding were evaluated and awarded in three areas:

- Partnership Grants addressing cover crops and soil health;
- Professional Development Program Grant projects;
- Training and Education on cover crops and soil health using high quality, visual materials (photos, videos, slide sets, etc.).

### Partnership Grants

Eight partnership grants were selected from a pool of 51 applications, with the Foundation funding four of the selected grant recipients:

PARTNERSHIP GRANT	RESEARCH INSTITUTION	STATE
Farmer-led Research for Increased Cover Crop and No-till Adoption in Northwest Wisconsin	University of Wisconsin	Wisconsin
Shifting local trends with cover crops and short season corn	Land Stewardship Project	Minnesota
Incorporating Cereal Rye into a No-till Corn/Soybean Rotation for Erosion Reduction and Possible Grazing Use	University of Missouri	Missouri
Northeast Michigan Aerial Cover Crop Seeding Demonstrations	Michigan State University	Michigan



Cover crops prevent soils from washing and blowing away, preserving important nutrients, and creating healthy environments for the soil and the living organisms in the soil. American farmers have increased the use of cover crops from about 145 acres per farmer to 345 acres per farmer in just 5 years.<sup>1</sup>

### Professional Development Grants

Nine professional development program grants on cover crop and soil health education and training were awarded out of a pool of 18 competitive applications. Each of the projects is aimed at providing “train-the-trainer” programs that reach agriculture educators.

Of the nine selected grants, three were directly funded by the Foundation:

PROFESSIONAL DEVELOPMENT GRANT	EDUCATIONAL INSTITUTION	STATE
From the Classroom to the Field: Advanced Soil Health Training for Illinois Ag Service Providers	American Farmland Trust	Illinois
Networking for Soil Health	Sustainable Farming Association	Minnesota
Mainstreaming Cover Crops: Training Opportunities for Crop Consultants and Extension Educators	American Society of Agronomy	Wisconsin

### Training and Educational Materials

The collaboration identified and funded development of a set of photos, videos and illustrations on cover crops and soil health to provide visual resources for educators.

Videos:

Fourteen three-minute videos of farmers in the west, southeast and northeast were created to complement a series of farmer-innovator videos previously created that highlighted farms from the north central region of the United States. All of these videos are now online and widely utilized.

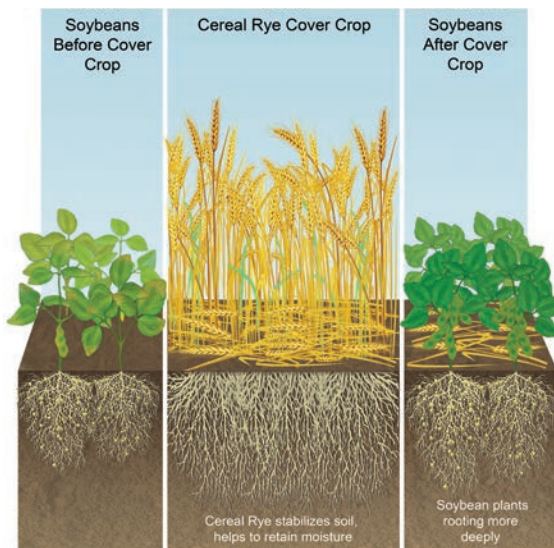
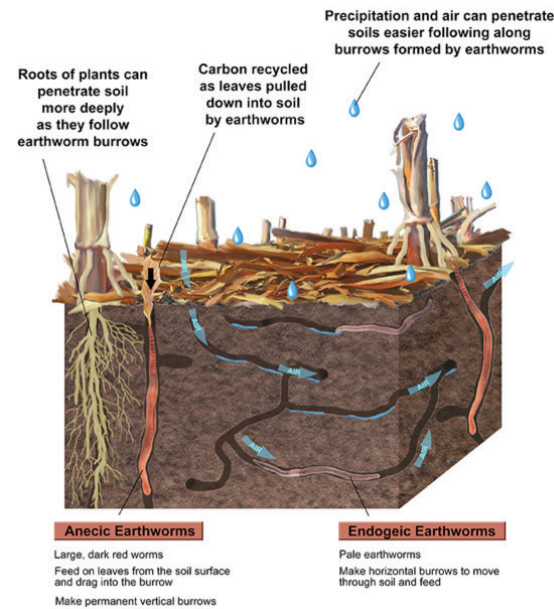
Photographs and Illustrations:

Several hundred cover crop and soil health photos were taken, edited and selected by specialized agriculture photographers. An experienced scientific illustrator also produced 15 high-quality illustrations, reviewed by soil science professionals for accuracy. As a result, an online database system was developed to provide easy searching on many variables, including types of cover crops and location, accessible at <http://covercropimages.sare.org/>.

<sup>1</sup> 2015-2016 SARE/CTIC Cover Crop Survey



The Foundation's partnership with NCR-SARE helped raise the visibility of each program and attracted a sizable number of quality applications. The development of visuals has shown that there is great interest among agriculture educators and scientists in these types of resources.



The difference between a handful of dirt and a handful of soil is what is present in it. A handful of healthy soil can have up to 50 million bacteria as small as 1.0 micron in size. These organisms are essential to how soil converts nitrogen into ammonium. Conservation-based farming practices help protect these living organisms, resulting in improved organic matter content.





# CONFLICT MITIGATION

*“You can have the best ideas, well-meaning individuals and the full commitment of resources but none of it matters if you cannot implement those ideas.”*

## BUILDING NEW MARKETS FOR SOUTH KIVU COFFEE

Kivu Specialty Coffee: Kahawa Bora Ya Kivu (KBYK), a \$1.98 million initiative co-funded by the Foundation and USAID and implemented by CRS, CARITAS Bukavu and the Eastern Congo Initiative (ECI), completed its four-year project plan in 2016. KBYK was designed to address the challenges faced by smallholder farming cooperatives in the South Kivu province of DRC in promoting specialty coffee from the region. Our goal was to support 5,198 smallholder farmers (including 1,128 women) within three farming cooperatives to expand their access to high-value market opportunities, reduce vulnerability to hunger and reduce environmental degradation.

KBYK was built around three strategic objectives:

1. increasing production of specialty coffee;
2. improving post-harvest coffee quality; and
3. increasing exports of high-value coffee.



## Livelihood Outcomes

Overall, participating cooperatives achieved a 9.9 percent increase in the value of exported coffee and a 7.4 percent reduction in the prevalence of household-level poverty. We attribute these successes to a number of integrated efforts:

- **Training on Improved Farming Practices:** Caritas extension workers, using a “Training of Trainers” approach, provided day-to-day guidance on improved agronomic practices for increasing coffee production. As a result, 68 percent of farmers practiced at least four improved agricultural techniques by the end of the project.
- **Demonstrating Best Practices on Test Farms:** Twenty demonstration fields utilizing best practice techniques allowed farmers to see first-hand the production difference between test fields and the surrounding fields after only four months.
- **Investing in New Coffee Trees:** The majority of coffee trees in the target areas were 30 years or older. The project worked with smallholder farmers to teach them how to produce new trees sustainably and to motivate them to plant new trees on their farms. 750,000 Arabica coffee plantlets and over 47,000 agroforestry plants that provide shade when intercropped with coffee trees were distributed through two nurseries.
- **Diversifying and Saving for the Future:** Smallholder farmers learned strategies to decrease their vulnerability by saving money to borrow for future needs and diversifying crop production. 119 village-level Savings and Internal Lending Communities (SILC) were established with 2,638 members having saved \$30,546 by project’s end. Eighty percent of the savings is currently being used as loan capital. Six hundred healthy banana germplasm are being cultivated across five multiplication fields owned by the cooperatives and will be distributed to cooperative members. Banana trees work well with coffee as they provide shade and organic matter for mulching as well as a steady income for farmers when coffee is out of season.

## Quality Outcomes

Policy and process improvements instituted by the cooperatives played a vital role in increasing coffee quality.

- **Revolving Loan Fund, Working Capital and Warehouse Receipt System:** The project provided \$156,321 in revolving loan funds across the three cooperatives, allowing farmers to pre-finance a certain quantity of coffee cherries and be less dependent on the typical working capital providers. This financial independence was essential during the 2016 season, allowing them to avoid poor trade terms while they negotiated a better contract for working capital.

- **Washing Stations:** The project funded three coffee washing stations and de-pulping machines for three micro-washing stations. These stations allow the farmers to export fully washed coffee, adding value to their sale. This advancement facilitated the export of 11 containers of specialty-grade coffee in FY15 and FY16 for sale to Starbucks.

## New Export Opportunities

The project increased export opportunities of high-value coffee from South Kivu. Our experience is once such market linkages are created, they endure after the project time period ends.



Technicians from the Kivu Specialty Coffee project check coffee beans for quality.

Photo: Eastern Congo Initiative



During the project, cooperative members commanded two times the fair market value (US coffee price) from exports. Cooperative members joined with other stakeholders to negotiate a two percent reduction in export taxes on coffee. As a further way to enhance the value and brand of Eastern DRC coffee, 181 people were trained on the necessary documentation, processing, storage and transport requirements to achieve and maintain organic status, and all three cooperatives attained the Institute of Market Ecology (IMO) organic certification.

Cooperatives also participated in international coffee events including the annual meetings of The Specialty Coffee Association of Europe (SCAE) and The Specialty Coffee Association of America (SCAA), educating international buyers about coffee from the Kivus. A clear indicator that the KBYK project made DRC coffee well-known within the international coffee market is the key relationship built with Starbucks. Over the course of the project, the cooperatives reached a verbal agreement that Starbucks would buy their entire production of fully washed coffee at good prices for the next five years.

Additionally, in 2016, Starbucks Coffee launched their first ever Congo-origin coffee made with the coffee produced from the KBYK project. This product was launched in 1,500 stores across the United States and Canada.

### *Improving Cupping Capacity*

To help the cooperatives better understand the flavor profiles of their own coffees and provide enhanced infrastructure for testing and training, the KBYK project constructed a new coffee laboratory at the Office Nationale de Congo's Bukavu's office and provided extensive cupping training to the staff.

As a result, cooperative members participated in The Saveur du Kivu events and cupping competitions in 2015 and 2016 where the KBYK-supported cooperative, CPCK, was evaluated as having the best coffee in both 2015 and 2016. KACCO, another KBYK-supported cooperative, won fifth place in 2015 and 4th place in 2016. These outstanding results attracted specialty buyers to Bukavu, further raising the profile of Eastern DRC coffee.

The production and promotion of DRC Kivu specialty coffee continues post-project, demonstrating the catalytic and foundational success of this investment.

### **NORTH KIVU SOILS PROJECT**

The North Kivu Soils Project addresses two of the Foundation's main mission priorities: food security and conflict mitigation.

In North Kivu, DRC, conflict and food insecurity is fueled in part by weathered soils and a lack of access to land. Our project sought to mitigate land-related conflicts and encroachment on Virunga National Park by improving crop yields and long-term soil health.

The project was carried out over two years and through three-phases of work.



Courtesy of Starbucks Coffee Company

Starbucks Coffee Company made a five-year buying commitment to source coffee from farmers participating in the Kivu Specialty Coffee project. In 2016, Starbucks released its first ever Congo origin coffee.



Phase One's preparatory work focused on trainings and background research, including the Best Practices in Cocoa and Coffee (BPCC) survey of 2,200 farmers in Rutshuru, Lubero and Beni territories of North Kivu province and collection of 654 geo-coded soil samples from cocoa and coffee fields.

The BPCC survey focused on the relationships between:

- 'Organic' cultivation practices, soil fertility and agricultural outcomes in cash crops;
- Land access, soil fertility and conflict;
- Soil fertility, intercropped tree species and cash crop productivity; and
- Conflict, conflict resolution and social cohesion and status.

Phase Two developed a preliminary analysis of the dataset and summary statistics were shared with collaborators including USAID, Central Africa Regional Program for the Environment, International Institute for Tropical Agriculture (IITA), and International Center for Tropical Agriculture (CIAT) in Nairobi.

During Phase Three, continued analysis of the crop-theft component of the BPCC survey was presented at the 2016 IFAMA-WICaNeM Conference in Aarhus, Denmark. This culminated in the journal article "Role of Conflict in Farmers' Crop Choices in North Kivu, Democratic Republic of Congo," in the *International Food and Agribusiness Management Review*.

A case study analysis compared farmers near Luofu, a conflict zone in the Lubero territory referred to as "Sub-Region 12," to farmers in the rest of the eastern Lubero territory, a non-conflict zone. Both locations have similar physical, climatic and social parameters, the only difference being the amount of conflict in the area. The goal was to determine if there was a relationship between what crops a farmer was willing to grow while in a conflict zone versus a non-conflict zone.

TABLE 1

Prevalence of	Beni	Lubero	Rutshuru	"Sub-Region12"
community-level conflict	19.8%	22.6%	27.8%	42.5%
conflict attributed to rebel groups (correlation coefficient)	6.6%	5.1%	11.4%	27.6%
	0.046	0.240	0.178	0.289

TABLE 2

Prevalence of cultivation:	Beni	Lubero	Rutshuru	"Sub-Region12"
Bananas	55.1%	30.4%	37.8%	4.7%
Beans	85.6%	64.3%	78.8%	52.0%
Cassava	85.3%	70.8%	76.3%	59.1%
Maize	80.0%	68.4%	83.1%	59.1%

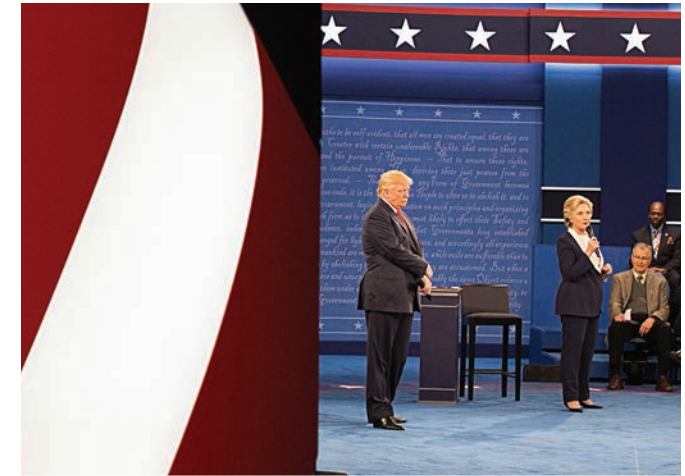
TABLE 3

Prevalence of theft:	Beni	Lubero	Rutshuru	"Sub-Region12"
Bananas	17.2%	10.7%	37.8%	4.7%
Beans	15.4%	17.2%	78.8%	54.3%
Cassava	19.1%	15.9%	76.3%	32.3%
Maize	35.5%	45.8%	83.1%	77.2%

The case study found that farmers choose high-calorie crops such as maize, cassava, bananas and beans during times of little conflict, and shift to growing lower-calorie crops such as millet, taro and peas during times of increased conflict.

These crops tend to be harder to steal, have short, annual growing seasons, require more processing and provide fewer calories making them less immediately usable.

The North Kivu Soils Project provides insight into cropping behavior under extreme conditions and lays the foundation for an understanding of ways to help farming households in conflict-prone agrarian societies such as North Kivu to adopt conflict-resistant farming practices.



The United States has a strong tradition of Presidential Debates. Exporting our knowledge and expertise to other countries to develop stronger democracies and free and fair elections supports all of our other activities.

## PROMOTING GLOBAL BEST PRACTICES IN CANDIDATE DEBATES

### *Organizing Debates Around the World*

In 2014, the Foundation funded the National Democratic Institute (NDI) and U.S.-based Commission on Presidential Debates (CPD) initiative: Promoting Global Best Practices in Candidate Debates. Countries around the world have begun to establish candidate debates as a centerpiece of their elections to help voters make informed choices, focus candidates on policy issues, reduce potential violence in countries emerging from conflict and hold elected officials accountable to their campaign promises. Debates fail in countries when sponsors cannot surmount common challenges, including allaying fears that organizers have a political bias; convincing reluctant candidates to participate; negotiating with rival media outlets to show a common debate broadcast; and successfully producing live national TV and radio programs.

NDI and CPD established two primary goals for supporting successful candidate debates:

1. Strengthen the ability of organizations to hold effective debates for the first time or institutionalize debates in countries where debates have been held before; and
2. Promote an exchange of best practices, peer support and informational resources among debate organizations.

Between 2014 and 2016, more than 300 debates were organized globally. NDI and the CPD provided long-distance and ground support to help debate sponsors in seven countries, including Argentina, Chile, Curacao, Ecuador, Guyana, Nigeria, Peru and Trinidad and Tobago.

NDI and CPD provided an online resource center of debate news and practical organizational and production information from around the world on the Debates International website ([www.debatesinternational.org](http://www.debatesinternational.org)).

Notable outcomes included:

- **Argentina:** NDI and CPD provided in-country technical support to *Argentina Debate*, a broad-based civic coalition that successfully held the country's first presidential debate for the 2015 elections, viewed by 50 percent (2.2 million) of Argentine viewers and the subject of 5 million tweets, making #ArgentinaDebate a global trending topic.
- **3rd International Debates Best Practices Symposium:** In April 2015, NDI and CPD hosted new and experienced debate-sponsoring groups from 22 countries in Washington, D.C.
- **Curacao:** Experts provided in-country help to Curacao International Financial Services Association (CIFA) to stage its first live TV debate among party leaders ahead of the September 2016 general elections.

- **2016 CPD Presidential Debate Visit and International Symposium:** CPD and NDI invited 50 debate organizers from 28 countries to participate in a condensed International debate symposium and observe the final presidential debate between Hillary Clinton and Donald Trump at the University of Nevada, Las Vegas (UNLV) in October 2016.
- **Caribbean Regional Collaboration:** Hosted organizers from the Dominican Republic, Guyana and Trinidad to observe Local Government debates and discuss regional collaboration in November 2016.
- **Guyana:** As part of peer support from the Debates International Network, a Jamaica Debates Commission (JDC) expert traveled to the country's capital city, Georgetown, to help leaders of Merundoi, a Guyanese debate-sponsoring group, hold nine constituency debates—the first in 20 years and viewed by 60 percent of the population—involving 30 traditional party and independent candidates for local government elections.
- **Debates International Resource Website:** NDI and CPD facilitated an exchange of debate expertise through the Debates International web-based resource center with 10,800 individuals from 97 countries visiting the site 11,954 times and downloading 403 resource documents.

#### *Prepping for Debates in the DRC for a Postponed Presidential Election*

Over the last three years, the Foundation has supported NDI's efforts to incorporate the practice of candidate debates into the DRC's political process. This work complemented NDI's USAID-funded *Tomikotisa* program that is assisting leading Congolese political parties to become more responsive to citizens' concerns. NDI worked with Congolese political parties, civil society organizations (CSOs), media, public institutions and international NGOs to enhance prospects for candidate debates in future elections.

The program's specific objectives were to:

- Foster a culture of debates among political parties, civil society organizations and the media; and
- Build capacity of candidates to engage in issue-based debates with their political opponents.

Its notable achievements included:

- Debate stakeholders, such as political parties, media, state regulators and civil society, supported the establishment of a debate steering committee comprised mostly of CSOs.
- The steering committee established a code of conduct that parties agreed to follow.
- Ten prospective local election candidates (all women) from six political parties participated in two mock debates.
- Representatives from eight political parties participated in two televised debates on governmental service delivery ("issue debates").
- 18 media outlets covered the debates, including five radio and 10 television stations. The state broadcaster RTNC helped produce and record these debates.
- Political parties recognized the need to improve their ability to research, analyze and communicate on policy issues.
- Debate organizers and stakeholders assessed their systems for convening, producing, mediating and publicizing debates.
- Conveners, broadcasters, regulators and political parties gained familiarity and experience with debates.

Despite facing a challenging political context in which the Presidential election was postponed indefinitely, the Foundation's funding laid the groundwork for candidate debates in future Congolese elections. Political parties, media, civil society conveners and state regulators are now proficient in organizing political debates and eager to implement these actions for the next election.



## REFLECTIONS ON A HISTORIC COMMITMENT TO COMBAT POACHING IN SOUTH AFRICA'S KRUGER NATIONAL PARK

*By Howard G. Buffett*

I have traveled to, owned property in and farmed in South Africa for two decades. Our Foundation (through the Nature Conservation Trust) previously operated a cheetah reserve in Limpopo Province, and we currently own a 9,000 acre research farm testing practices to improve smallholder agriculture.

More than 10 years ago we had a first-hand encounter with poaching on our reserve. We discovered that small groups of heavily armed poachers were doing reconnaissance on the property, looking to kill our rhinos for their horns. We didn't have enough security to protect the animals across thousands of acres, and I was worried our staff could be injured or killed in altercations. I felt I had no choice but to sell the rhinos to another game preserve. Later, a local veterinarian was arrested as the kingpin of this particular poaching group.

By December 2013, most of our activities in South Africa were related to our agriculture research, which is why when I agreed to have dinner with General Johan Jooste, a former South African military general who had been hired to develop a comprehensive plan to address the rhino poaching crisis in Kruger National Park, I was sure the dinner would be interesting but uneventful. What I learned was that Kruger was home to 41 percent of the world's rhino population and had lost more than 1,300 rhinos to poachers in the prior three years.

General Jooste is a serious, competent professional, and the threat he described to me was sobering. Kruger sits directly against South Africa's border with Mozambique, literally adjacent to several towns Jooste described as the poaching meccas of southern Africa.



In 2009, the Nature Conservation Trust sold three rhinos, which were located in Limpopo Province on property NCT (HGBF) had been using for cheetah research. The killings of rhino became so prevalent in the area that we determined we did not have the resources to protect them and having the rhino on the property put the reserve staff at risk.

Mozambique was not combatting poaching or prosecuting poachers. Many of its citizens live on less than a dollar a day. An average rhino horn has a retail value in Asia of \$340,000, or the value of the average annual income of 600 Mozambicans. Mozambique's eastern boundary is the Atlantic Ocean, so ivory or rhino horn have just a few hours' journey to a port.

The more we talked, the more overwhelming Jooste's job seemed, but the conversation intrigued me in part because our experience in conflict areas of Africa made me appreciate how poaching was undermining all development efforts and contributing to increasing conflict.

Rebel groups like the Lord's Resistance Army (LRA) are financed by poaching in Sudan, Somalia, the Central African Republic, Cameroon, Nigeria, Mali, DRC and other regions I have visited and where our Foundation has funded development projects. Transnational criminal organizations operate the poaching out of Kruger, but I believed the context and Jooste's appointment would create the space for testing new ideas, and successful strategies in South Africa could teach us how to combat the poaching linked to conflict in other parts of Africa.

Another reason Kruger intrigued me was because of the transboundary issues and what we could learn that could be applied to our border security issues in the U.S.



Some of the issues Jooste described struck me as similar to those border patrol and Arizona law enforcement face, and I was aware of some new technologies and techniques I thought might be helpful in Kruger.

My thought was this: General Jooste is a highly capable leader with a focused mission and a plan. He only lacked the financial resources to make that plan a reality. Kruger is a park with relatively good roads, communication capacity, a strong ranger force, access to crime scene investigators, a stable government and other factors that might allow us to use it as a laboratory to test different approaches and technologies.

We ultimately approved the General's complete plan in March 2014, committing a total of RAND 258 million (then \$23.7 million) over three years to create an Intensive Protection Zone (IPZ) using sophisticated detection and tracking equipment, as well as both ground and air infrastructure; elite canine units and highly trained ranger teams; and improved intelligence gathering and observation and surveillance systems. We later added \$2.5 million to this commitment to purchase a second helicopter with night vision capability (the original plan called for one helicopter) and made a time-limited offer to provide funding to deploy aerostat detection systems.

I had no illusions we were going to stop poaching by simply sending more resources to the General. But I thought his experience and determination were worth investing in to encourage innovation and quick results—whether the results were successful or not. I don't mind when new ideas fail—risky projects will fail—but I want them to fail fast. If we had tried 10 things and learned the reason why each one was not practical in the hands of the best trained rangers in Africa, I would call that a success. I would be disappointed with the results, but ruling out what we and others should not pursue in the future is a useful and worthwhile outcome.

Today, more than three years after our original commitment, we are deeply disappointed in the results. There is a long list of things that went wrong, many of which did not surprise me. As we knew going in, poaching hotspots are volatile and plagued by corruption. When Jooste informed us that some rangers had been helping poachers and had been arrested and relieved of their duties, I appreciated being told, and did not put the blame on SANParks.

The real disappointment was SANParks' inability to execute at even the most basic level. By the time we gave notice to SANParks in April 2016 that we were suspending further use of funds for nonperformance and repeated violations of the grant's terms and policies only about \$9 million of the funds had been expended.

SANParks appeared to us to have the personnel and physical capacity to implement a lot of ideas and meaningful programs, yet they could not seem to overcome their own bureaucracy and turf battles to do simple things like meet our expenditure and reporting requirements.

They also failed at big ideas. One of the most touted solutions offered in the original plan was for a high-tech motion detection fence positioned along the border with Mozambique. The fencing implementation was so behind schedule that in the intervening months, SANParks improved its relationship with the Mozambique police force to crack down on poaching incursions on the northeastern border with Kruger, pushing poachers to the western border.



On a tour of Kruger with General Jooste, we located five rhinos in less than a day that had been poached. This rhino had a calf that survived. The cut that is visible on the upper back is where poachers cut the rhino's spine to prevent it from being able to escape. The animal did not die right away. The trench under its head was created by its repeated attempts to get up and protect her calf.

Photo: Ann Kelly Boltzen



Jooste then sent word that he wanted to shorten the eastern fence and lengthen the fence on the western border to respond to this shift. You don't need any experience in law enforcement to recognize that the main outcome of any change in the fence strategy would do little more than shift incursions back to the east. We did not approve the change in the plan.

We put in place a use of funds approval system based on SANParks achieving specific milestones against a preapproved budget that SANParks agreed to as a condition of our commitment. SANParks disregarded the approval process entirely and then took offense when our project leader pointed out continuous violations of the agreement, including transferring money we had approved for one activity to another or spending funds beyond the approved budget amounts. In April 2016, we suspended all remaining grant funding after repeated efforts to get SANParks to adhere to our grant agreement failed. We initiated an audit process to determine how or if we would provide any further funding or terminate the remaining commitment, a termination process we had outlined very clearly in our initial agreement.

Three months later, we opted to terminate our outstanding commitment to SANParks after determining they had violated our grant agreement in a number of ways:

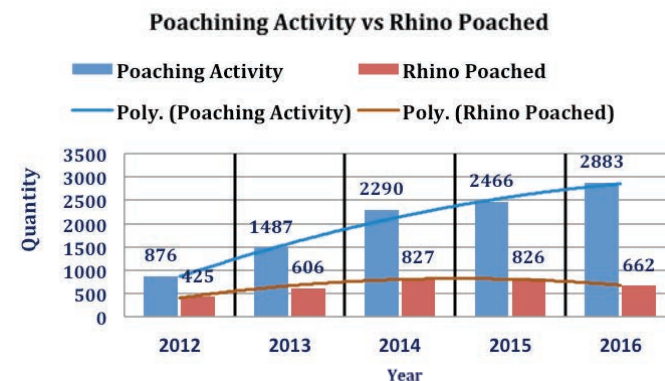
- failing to abide by the mutually agreed approval process;
- failing to deliver status reports on time;
- violations of key man clauses;
- misappropriating grant funds for unapproved uses;
- applying grant funds to expenses that were never part of the approved use of funds;
- duplicating or misallocating expenses;
- failing to apply credits earned on grant expenses;
- obligating grant funds towards expenses that were not yet approved and/or would need to be incurred after the June 30, 2016 grant conclusion date; and
- failing to accurately account for interest earned.

Our audit determined these failures had many causes including:

- failure by SANParks to dedicate staff to the grant;
- failure by SANParks to ensure staff adhered to the terms of the grant agreement;
- utilizing time-consuming and inefficient product specification, supplier sourcing and procurement processes.

We were prepared to provide SANParks with additional funds to cover the obligations they had already made without proper approval; however, SANParks and the government of South Africa failed to respond to our offer in full, forfeiting the additional funds. In the end, SANParks' failures meant \$14.6 million of the \$26.2 million we had planned to provide to combat rhino poaching was never invested.

Today, Kruger National Park's rhinos remain under attack and poaching activities continue to increase. SANParks believes our investments have made a difference. We don't have the confidence in SANParks to agree. This project is a great illustration of what we find is a common phenomenon in development: you can have the best ideas, well-meaning individuals and the full commitment of resources but none of it matters if you cannot implement those ideas. We learned this lesson quickly with SANParks; it was enough of a lesson to completely end our engagement in antipoaching efforts.



The translocation and release of rhinos is part of a strategy to reduce poaching. Even if these efforts meet with some success, as long as the demand in Asia allows for exorbitant prices for rhino horn and ivory, it is a very difficult battle to win.



## CATALYZING ECONOMIC INTEGRATION AT THE DRC/RWANDAN BORDER

After many months of delay, the DRC side of our effort to create a one-stop border post at the Goma (DRC)/Gisenyi (Rwanda) border finally got underway in 2016. The Rwandan side of the project began in 2015. By the end of 2017, Congolese and Rwandans will have a much improved border crossing and a much more efficient process for clearing customs and immigration to travel between the two countries. It has always been our belief that increased collaboration—especially as measured by aligned economic interests—is the best way to achieve lasting peace between these neighbors with a long, complicated and too often deadly shared history.

North Kivu's Governor Julien Paluku made a site visit to the border project in January 2017 and offered his thoughts on the project's long-term potential during a press interview, which has been translated from French:

"I would first like to thank Mr. Buffett, who has done an outstanding job in Rutshuru with the hydroelectric facility Matebe, which was inaugurated by the President of the Republic, as you know. So it was agreed that this border post be financed by him, a project of \$16 million—\$8 million on the DRC side and \$8 million on the Rwanda side. It's the first juxtaposed border post in the DRC whereby allowing a traveler to do his formalities for both countries on one side. So Mr. Buffett is giving us the opportunity to experience for the first time, a fluidity of traffic between the DRC and Rwanda. And in that manner, this project is a way to dissipate the unfavorable climate that has historically existed between our two countries. You know, I always use the example of France and Germany who fought against each other in WWI and WWII, but have now become the economic locomotive of Western Europe.



Howard Buffett and the Provincial Director for North Kivu, Directorate General for Migration, Mr. Kanganga Remy, stand on a D-8 Caterpillar bulldozer surveying the DRC border site. The one-stop border between DRC and Rwanda will be completed at the end of 2017.

Photo: Laura Parker

I consider that DRC and Rwanda, after having such a tumultuous past, will also become the economic locomotive for the development of Central Africa. That is why I praise the Buffett Foundation for helping the countries speak the same language again through an integrated project such as this one. That is why I believe that tomorrow, or even after tomorrow, we will start seeing similar projects like this between us. So it's very much a feeling of satisfaction for me being here today. That is why I thank the Buffett Foundation, but I also salute the engineers and their teams not only for their hard work, but we have almost 300 Congolese workers on this site—who are working hard—who if they were not employed today would likely be in an armed group.

But who are here, engaged, busy all day long, even at nighttime—because the work is even going on at night here on the construction site. So this is what we want for North Kivu, our young generation having employment, which will reduce their propensity to partake in illegal activities like so many young people have unfortunately chosen to do today."

We share Governor Paluku's optimism for the potential of this region and the catalytic role this border crossing may play in realizing that potential. Time and the presence or absence of conflict will be the ultimate measure of whether we deem this investment to be successful.



Originally published by Bloomberg on April 6, 2016.

## BUFFETT'S SON FUNDS HYDROPOWER PLANT TO HELP SAVE CONGO GORILLAS

BY THOMAS WILSON, APRIL 6, 2016

In the forested hills of eastern Democratic Republic of Congo, a Belgian conservationist is betting that a series of hydropower plants can save Africa's oldest national park, protect the mountain gorillas living there and bring economic development and stability to the impoverished, violent region.

In 2010, Emmanuel de Merode, director of Virunga National Park, carried out a survey that concluded the park could generate more than 100 megawatts of energy. That's 25 times more power than the regional capital of 1.5 million people, Goma, currently receives, he says.

Since then, the park's authorities have supported the development of a 0.4-megawatt micro plant at Mtwanga and a \$19.7 million, 14-megawatt facility at Matebe. The former powers a soap factory that provides 400 jobs. The latter, funded by U.S. philanthropist Howard Buffett, son of billionaire investor Warren, may soon electrify Goma.

"Virunga is one of those parks that cannot be protected by conservationists," De Merode said in an interview at its headquarters in March. "To survive we need an economic model that meets the needs of the population."

The 7,800 square-kilometer (3,012 square-mile) reserve, the subject of a 2014, Oscar-nominated documentary *Virunga*, was founded in 1925 and is home to some of the last remaining 700 mountain gorillas in the world.

It is also in a densely populated corner of the vast country of 75 million people, where economic opportunities are few and every inch of fertile land is coveted. Congo's army has been battling dozens of local and foreign militias that operate in the region for the past two decades.

De Merode says his approach has made him unpopular with other conservationists, but insists that building a local economy is the only way to protect the Unesco World Heritage site in the long term. Reserving the park's 1.2 million acres (486,000 hectares) of exploitable fertile land for conservation costs the local population more than \$1 billion in lost farming revenue, according to estimates by the park's management team.

"The area that is covered by Virunga has exceptional value to all of humanity, but it also has a cost and that cost is being borne locally by some of the poorest people on Earth," De Merode said. "Our target is to create an industry that is dependent on the park that can offset that cost."

In addition to hydropower and associated agro-industries, De Merode said tourism can also drive development. Revenue from tourism reached \$1.7 million last year, up from \$500,000 in 2014, and is expected to rise by at least 50 percent this year, he said.

### POWER DEMAND

Matebe is the first private hydropower project to be completed under a June 2014 law that provided for the liberalization of the country's electricity sector. While Congo has installed power-generating capacity of 2,442 megawatts, years of under-investment saw actual output decline to about 1,329 megawatts in 2014. The plant is currently electrifying the surrounding villages and the park headquarters via a 40-kilometer power line.

"Having worked alongside partners in the Democratic Republic of Congo for the past 14 years, we are convinced that creating employment in sustainable industries through Congolese institutions is fundamental to creating lasting peace in the region," Buffett, who funded the Matebe plant, said in a statement on the Save Virunga website.

In the absence of other reliable power sources, Matebe is under pressure from the state energy company to send electricity to Goma, de Merode said.

"Our initial responsibility is to the rural communities around the park," he said, adding that he's optimistic about the potential future reach of electricity generated by rivers flowing from the park's mountainous interior.

"That potential really exists to develop a transformative sector," he said. "The park can become an engine behind a new economy."



The 14 MW hydroelectric plant in Matebe, the Rutshuru territory of North Kivu, was completed in December 2015.

## SUPPORTING ASYLUM SEEKERS FROM CENTRAL AMERICA

Since the summer of 2014, the United States has witnessed a surge of unauthorized entry by Central Americans, especially women and unaccompanied minors, an exodus largely fueled by the skyrocketing levels of violence carried out by organized criminal gangs in the northern triangle of Central America (El Salvador, Guatemala and Honduras). According to U.S. Customs and Border Patrol (CBP), during FY14, 68,541 unaccompanied minors (UAC) were apprehended, representing a 77 percent increase in apprehensions of UACs from the previous year. That surge continued through FY16, with a total of 59,692 UACs apprehended. Seventy-nine percent of those apprehensions were minors from the northern triangle of Central America, a region that is currently home to the most violent countries not at war.

Through the Foundation's decade-long work in the region, we have seen firsthand the desperation and fear driving individuals to make the extremely dangerous and illegal journey through Mexico to seek asylum in the U.S. That recognition has prompted our support for a number of organizations working on the frontlines of this humanitarian crisis, including Sister Norma's Respite Center in McAllen, Texas; the Florence Immigrant and Refugee Rights Center in Arizona; DIF Sonora in Hermosillo, Mexico; and the Colibri Center for Human Rights' Missing Migrants project.

### *Sister Norma's Respite Center*

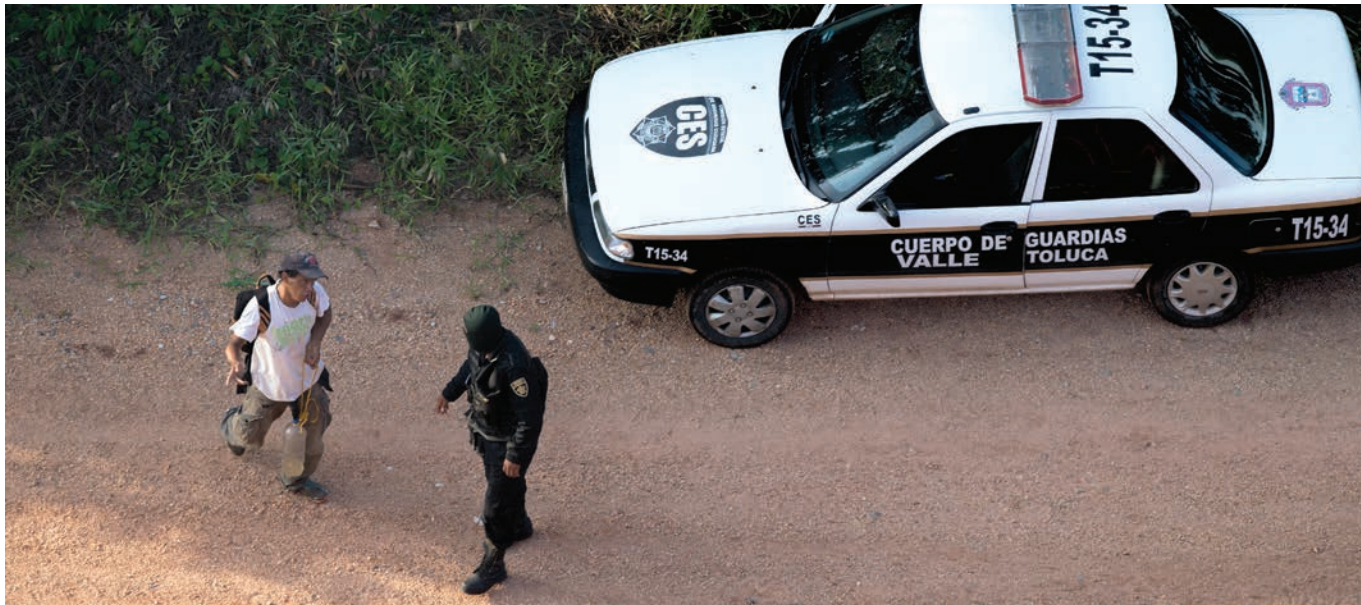
The Humanitarian Respite Center in McAllen opened its doors in 2014 to provide humanitarian assistance to the thousands of families who were processed and released by the CBP in McAllen, Texas. Since then, the Center has given food, clothing, shelter and medical attention to approximately 71,000 migrants who have been processed by the Rio Grande Valley Border Patrol (RGVBP).

The Center maintains a positive working relationship with law enforcement and works to complement the scarce resources of U.S. government agencies that have been spread thin by the recent surge in Central American migrants entering the United States. The Foundation has provided funding to build a new facility and to underwrite new staff salaries to help migrants understand their obligations regarding their release from Border Patrol. We also responded to a request provided through Border Patrol to supply the existing center with 400 new mattresses to accommodate the high numbers of individuals being supported by the Center. The Rio Grande Valley region of Texas is a model for how law enforcement and philanthropy can work together to uphold our country's commitment to rule of law without sacrificing support for the human dignity needs of people in crisis.

### *The Florence Project*

The Foundation has worked with the Florence Immigrant and Refugee Rights Project (FIRRP) since 2006 to ensure that individuals detained in Arizona with legitimate asylum claims have legal representation. FIRRP's innovative model is one of the only in the country that provides a holistic service to vulnerable clients.

It combines both legal and social work services to ensure their clients are set up for a successful case and integration into the United States if asylum is granted. FIRRP is the only organization in Arizona that offers free legal services to detained migrants, and our funding has enabled them to expand their staff to include an attorney solely dedicated to asylum cases; additional social workers with specialized knowledge of minors in detention; additional staff focused on the organization's long-term sustainability; and staff responsible for securing pro-bono attorney support. Our partnership with FIRRP works within existing U.S. immigration and asylum laws to ensure that individuals who have left their home countries in fear for their lives are not returned without first receiving due process consideration of their asylum claims.



A Mexican police officer stops a man from boarding a freight train west of Veracruz, Mexico. Many migrants and asylum seekers have used the train as a way to move through Mexico to reach the United States border.



### *DIF Sonora*

Mexico has become an important transit country, and at times even a destination country for Central Americans fleeing violence. Mexican authorities have partnered with U.S. authorities in an attempt to halt the flow of migrants before they reach the U.S.-Mexico border, and in this effort have dramatically increased their apprehensions and deportations of Central Americans attempting to reach the United States.

Mexican migrant holding centers are ill-equipped for meeting the needs of the population of unaccompanied minors that continue to travel through Mexico in large numbers. To support Mexico's efforts, the Foundation has partnered with Sonora's state sector of the National System for Integral Family Development (DIF) to fund the construction of a Migrant Children and Teen's Center in Hermosillo, Sonora.

### *Colibri Missing Migrants Project*

Those who make the decision to leave their homes in Central America to try to get to the United States often face several weeks of acute danger on their journey north, and one of the most perilous parts occurs in the Arizona desert. Since 2001, more than 2,600 people have died in southern Arizona, trying to cross into the United States. Hundreds of remains have yet to be identified.

In 2007, our Foundation made a grant to the Pima County Medical Examiner's Office to collect information on the bodies they recovered from the desert, in the hopes that they could successfully identify the individuals and notify their families. This project has been extremely successful, however, approximately 900 unidentified bodies remain. In 2016, we provided a grant to the Colibri Center for Human Rights' Missing Migrants project, a three-year effort to use DNA collection to identify these individuals and provide closure to their families. The long-term hope is that this project will provide a best practices template for data collection and family identification and notification for other medical examiners' offices.



A Border Patrol agent inspects the body of a migrant who likely died from exposure, hypothermia, or dehydration. Trying to identify individuals who die in the desert can be very challenging.





# PUBLIC SAFETY

*“Our public safety work reflects the value we place on rule of law wherever we work.”*

The Foundation continues to invest in public safety, primarily in the communities where we have facilities and employees and primarily in partnership with local sheriffs’ offices. Our public safety work reflects the value we place on rule of law wherever we work.

In 2016 we made more than 70 grants totaling \$24.8 million in support of public safety initiatives.

## LAW ENFORCEMENT TRAINING FACILITY

The most significant contribution to public safety the Foundation made in 2016 was a \$15 million commitment to construct a 46,000 square foot training facility designed to meet the law enforcement training needs of the state of Illinois. The state-of-the-art facility will include a mock court room, a mock jail booking facility, scenario rooms, training rooms, a 9,000 square foot, 20-lane indoor gun range and a 90-bed dormitory for students.



The facility will not only enhance the training capacity for law enforcement throughout the state of Illinois, it will improve the quality of life and public safety of the region as a whole while creating jobs and supporting local businesses in the Decatur, Illinois, area. The Illinois Law Enforcement Training and Standards Board, the state agency mandated to promote and maintain a high level of professional standards for law enforcement and correctional officers, will own and operate the facility, which is expected to open in late 2017.

## A NEW APPROACH TO DRUG ADDICTION

Communities throughout the United States are being ravaged by an epidemic of fatal drug overdoses, driven largely by over-prescription of and addiction to opioid prescription medication and the increasing availability of inexpensive and potent heroin brought to the U.S. by Mexican cartels. There is a heroin-related death in the United States every 11 minutes. Macon County, Illinois, is not immune to this national trend, and in 2016 the Macon County Sheriff's Office partnered with the Foundation to offer drug users a chance to voluntarily turn themselves in and receive treatment for their addiction instead of prosecution.

The program is modeled after the Police Assisted Addiction and Recovery Initiative in Gloucester, Massachusetts, which has placed about 450 people in treatment during its first year of implementation. Both programs are designed to focus resources on long-term solutions instead of short-term enforcement. An estimated 50 percent of the inmates in Macon County's jails are incarcerated as a result of drug activity and drug-related crimes.

The Macon County program connects participants with local agencies that can provide bed space or in some cases, outpatient services. The cost of treatment services is paid for by grant funding provided by the Foundation.

It is too early to tell what impact this program will have on drug-related criminal activity and the overdose rates in Macon County, and the treatment services may prove to be a bottleneck to meeting the community's needs over time, but the Macon County Sheriff's Office, State's Attorney and judges have expressed strong support for this treatment-focused approach.

## RANCH RADIO PROGRAM

Ranchers in Cochise County, Arizona, are participating in the Foundation-funded Radios for Ranchers being implemented by the Cochise County Sheriff's Office. The 80-plus deputies from the Cochise County Sheriff's Office, along with the local police and state and federal partners, are responsible for providing public safety resources to county citizens who live in an area encompassing more than 6,200 square miles. Cochise County Sheriff Mark Dannels developed the Radios for Ranchers program and the Foundation, which owns farm and ranch properties in Cochise County, agreed to fund it. Forty radios were assigned to local ranchers during and immediately after an orientation meeting hosted by Sheriff Dannels and Howard G. Buffett, the Foundation's Chairman and CEO. Most ranchers do not have cell coverage in remote areas so the handheld radios allow ranchers to communicate with one another and directly with the sheriff's office to report suspicious activity in and around their ranches. The Foundation also provided funding to place signage identifying participating property owners as part of the "Ranchers Network and Patrol Partnership."

The goal of the pilot program is to increase cooperation and trust between local ranchers and law enforcement, as well as provide an additional safety mechanism for ranchers who are impacted by drug smuggling and other illegal traffic coming into the United States from Mexico. A second phase of the program will provide 71 radios to public schools across the county to give response capability in the event of an emergency.



Ranchers often operate in areas with no or unreliable cell phone coverage. In addition, these areas experience a large amount of illegal drug trafficking which poses a higher risk to ranchers. The CCSO Radios for Ranchers program will help alert law enforcement to illegal activity while increasing the safety for Cochise County citizens.



Photo: Joan Hamilton

Howard Buffett has spent time on the border in several capacities. Above, he is on a patrol boat on the Rio Grande River with the Texas Department of Public Safety. The Foundation has funded projects on both sides of the border, as well as in the Northern Triangle countries. Although historically the emphasis has been on humanitarian and economic development efforts, more recent commitments have included support for efforts to establish and improve rule of law.

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## HUMANITARIAN HOWARD BUFFETT INVESTS IN BOTH SIDES OF THE BORDER

**BY HUEY FREEMAN, NOVEMBER 20, 2016**

BISBEE, Ariz.—Recently Howard G. Buffett has been spending more and more time in Arizona, after purchasing two ranches on the Mexican border.

He is deeply involved in border issues in many ways, including bolstering law enforcement, helping local cattle ranchers improve their land and security, aiding immigrants and helping identify the bodies of those who died crossing the desert.

“What we have worked on down here is trying to understand the cartels and the drug products coming through this border and into our country,” Buffett said, during an interview at his ranch near Bisbee, Ariz., which has frequently been traversed by drug smugglers working for the infamous Sinaloa cartel. “So the work we are doing down here is focused on the cartels and drug activity.”

Buffett, as well as ranchers and law enforcement officials who live and work at the border, say the border is not secure, despite contrary pronouncements from government leaders.

“You look at the refugees and the unaccompanied minors, that’s a humanitarian issue,” Buffett said. “As long as we don’t have a secure border, we contribute to creating humanitarian problems of real magnitude today. If this border were so secure and people thought ‘I can not get into the United States,’ they wouldn’t come. Some would come, but not the thousands who are coming in today.”

Buffett, 61, an outgoing man with a quick sense of humor and a passion for humanitarian causes, came to Arizona about six years ago to establish a research farm 52 miles from the border, as part of his initiative to alleviate hunger in developing nations.

He noticed the crisis of illegal drugs being smuggled through the porous border, especially heroin. Buffett’s ranches are in the Tucson Border Patrol Sector, in which more illegal drugs are confiscated than any other along the 2,000-mile southern border.

“One of the biggest issues is that you don’t have the political will in Washington, D.C., to admit that this border is not secure and to admit the significant consequence the drugs coming across this country have on our system,” Buffett said, shortly before the presidential election. “Fifty thousand U.S. citizens are dead each year from drugs. If you look at the violence in Chicago, a significant amount of that is drug-related.” After 17 years of helping people throughout Africa, Latin America and the United States, Buffett has recently decided to make the southern border a top priority.

“There are national security experts that will tell you our greatest threat is not al-Qaida or ISIS, our greatest threat is failing to protect our southern border,” Buffett said. “We have to become partners with our neighbors to resolve the issues they’re facing.”

“It’s not about drawing a line in the sand. It is about more resources to protect the border, but that’s just part of it.”

After visiting Mexico and Central America for more than 20 years, as a business executive first, then a philanthropist, he believes alleviating poverty in Latin America will go a long way toward preventing drug smuggling and illegal immigration.



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“You solve the problem by giving people economic opportunity, peace and prosperity, the rule of law and a willingness and desire to stay home,” Buffett said.

Buffett serves as a volunteer deputy commander with the Cochise County Sheriff’s Office and has made significant contributions to the department through his foundation.

“Howard’s contributions have been enormous in helping move the sheriff’s office into a modern-day setting when it comes to law enforcement,” said Thad Smith, chief deputy and 25-year veteran of the department, which is responsible for 6,000 square miles, an area larger than Connecticut.

The department is at the front lines of apprehending drug smugglers, who regularly breach the border fences, some of which are just a few feet tall. The cartel also employs a wide array of methods, including elaborate tunnels and shooting drug bundles from cannons onto city streets.

The Buffett Foundation is funding a countywide, state-of-the-art regional communications system, complete with computers and radio systems, replacing eight dispatch systems operated by various law enforcement agencies. Buffett is also funding four K-9 units and a financial crimes unit, which investigates cartel money laundering operations.

“Drugs come out of Cochise County, and cash comes into Cochise County,” Smith said. “Our financial crimes unit follows the money trail.”

Charlie Jordan, who serves as president for the Howard G. Buffett Foundation’s Illinois farms and Arizona ranches, was called out of retirement to fill those positions.

Jordan, who grew up on a farm near Assumption and worked with Buffett at Grain Systems Inc. in the 1990s, was asked to work at the foundation seven years ago.

“He asked me to join him to work full-time at the foundation,” said Jordan, who had retired from GSI a short time earlier after 32 years. “I said I don’t want to work full-time. Then he threw the big hook out, about all the undernourished and underprivileged people he was trying to help out with the foundation. Then he had me.”

In Central America and Mexico, the Buffett Foundation has invested heavily in projects for more than a decade to promote agricultural development among small landholders, as well as water resource management and soil improvement. It has also helped immigrants and refugees in the United States, especially those fleeing from violence and unaccompanied minors.

“He has been involved in Mexico and the migration of people into the United States for a long time,” Jordan said, adding that Buffett especially helps immigrants in desperate situations.

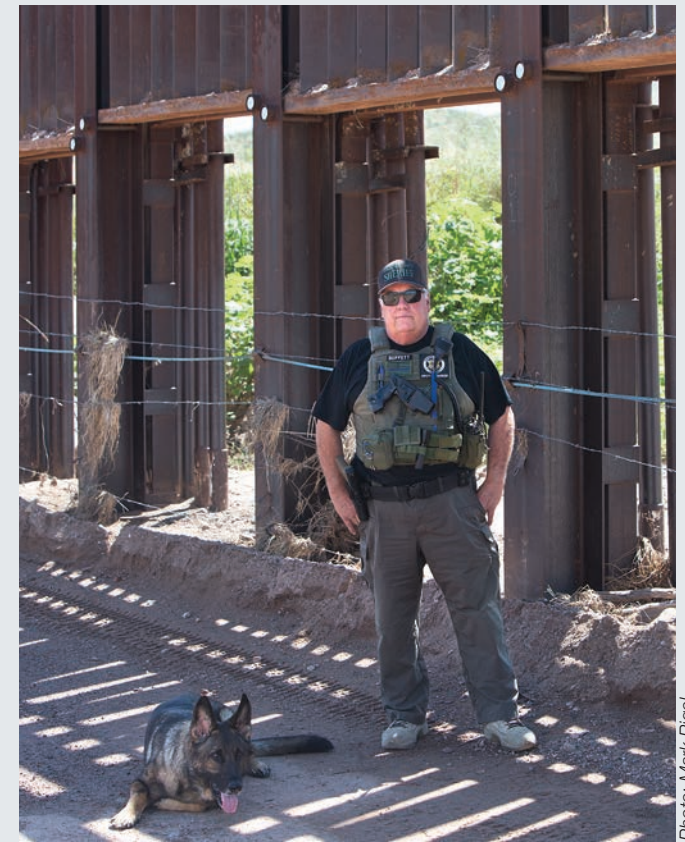
“There are some really sad stories. Owning those ranches gives him the firsthand experience at the border, such as what it is like trying to hire temporary labor with the government’s process, what the drawbacks are,” Jordan said.

Because of his wide variety of experiences, Buffett is one of the most knowledgeable Americans on border issues, Jordan said. But wherever he goes, he is mostly driven to fulfill basic human needs.

“One of his drivers is to take care of your back door first. Wherever he owns property, he is going to do all he can for that county or area,” Jordan said.

“His goal is to help local people wherever he is. When you have ranchers who have a constant complaint he will address that.

“It’s a worldwide food security mission he is on, but he is also driven by the backdoor mentality: ‘If I help the rest of the world but don’t help people living nearby, then I’m not a real neighbor.’ ”



Howard Buffett, volunteer deputy commander of the Cochise County Sheriff’s Office, stands by the border fence on one of the Foundation ranches.

Photo: Mark Rigel

*Originally published by The Herald & Review on November 20, 2016*

## **BUFFETT'S PHILANTHROPY REACHES ACROSS DECATUR, THE WORLD**

**BY HUEY FREEMAN, NOVEMBER 20, 2016**

DECATUR – Howard G. Buffett was riding in a helicopter about 1,800 feet above Virunga National Park, during a recent visit to the war-torn Democratic Republic of Congo. Buffett heard an explosion, which sounded like a firecracker going off right next to his ear, despite the fact he was wearing a headset.

“I couldn’t believe how loud it was,” said Buffett, 61, who is best known in Decatur for his efforts to support myriad local causes, especially social services and law enforcement. “I’m thinking: Five seconds, 10 seconds, 15 seconds, we’re still flying, so we should be OK.”

The park ranger’s helicopter was hit by a large-caliber round from a Kalishnikov machine gun. It dented the fuselage right beneath where Buffett was sitting but did not penetrate because of the altitude. He could see several men carrying long guns wading quickly through shallow water on the ground.

“We went right back to base, located the hit. It hadn’t done any real damage, so we fueled up and went right back out,” said Buffett, in a cheerful, matter-of-fact tone, during an interview at the downtown Howard G. Buffett Foundation office building.

The foundation supports the efforts of park rangers to protect the habitat of the endangered mountain gorilla. The rangers are in conflict with about 40 rebel groups, which have taken the lives of 134 rangers. The foundation also recently completed a hydroelectric plant in the area, to provide energy and employment.

Buffett, who launched his foundation in 1999, is known worldwide as a philanthropist who specializes in helping the poorest of the poor, especially those who live in dangerous areas, including combat zones. While there are organizations that offer aid to people in high-risk areas, it is unusual for a philanthropist of Buffett’s stature to continually put himself in harm’s way.

“I don’t think much about it,” he said. “I’m going to go where I need to go. I feel that if something happens, it happens. But I do feel it is something I have to do to understand their conditions.”

### **LEAVING NEBRASKA**

Buffett, son of Warren Buffett, one of the world’s wealthiest men, has made his home in Decatur for nearly 25 years, since moving from Omaha, Neb., to accept a position at Archer Daniels Midland Co.

Buffett, who worked as a farmer and served on the Douglas County Board in his native state, was invited to join the ADM board in 1991 by Chairman Dwayne Andreas, who invited him to join the executive staff the following year.

“Dwayne was the reason I moved to Decatur,” said Buffett, who served as vice president and assistant to the chairman. “He was a great teacher and he gave me some amazing opportunities.”

It was a tough decision to move away from his extended family.

“I loved Omaha and really didn’t want to move,” Buffett said. But he saw it as an adventure, an opportunity to earn a better living for his family, which included four girls and a boy. “It was a little bit of a shock.” He has been here ever since.

“Decatur has been great to me because I don’t want recognition, I just want anonymity,” Buffett said, adding that when he patrols as an auxiliary sheriff’s deputy, sometimes he is recognized. “A big part of why I stay is the sheriff’s office and the sheriff himself. I’ve got this whole new interest in the sheriff’s office, which is a huge part of what I do now.

“And the sheriff is such a phenomenal guy, I just can’t bring myself to move. You could not have a better sheriff in this country than Tom Schneider. As long as he is there, I want to be involved. That has really kept me here.”

### **HANDS-ON FARMER**

Buffett plants and harvests crops on farmland near Pana, as well as in Nebraska and South Africa. The foundation has research farms near Elwin, Moweaqua and Dalton City, as well as Southern Arizona.

Tom Sloan, a co-owner of Sloan Implement Co., has been his neighbor and friend since the 1990s. Buffett, a top customer of the Assumption John Deere shop, served on the company board for two decades. Sloan said Buffett is a hands-on farmer, who empties seed bags into his planter himself and is as knowledgeable about farming as anyone he knows.

“He is very receptive to the latest in farming, the latest in technology,” Sloan said. “He’s very passionate when he gets into a project, whether it’s in farming or law enforcement. He’s a real common down-to-earth guy. He’s not ostentatious. He has common sense; he’s street smart.”

Buffett is a unique individual who was raised in a great family, Sloan said. “He’s given back a lot more than he’s been given,” his friend said.



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## **LAW ENFORCEMENT**

The third hat Buffett has been wearing with increasing regularity is that of a law enforcement officer. Buffett began serving as an auxiliary deputy for the Macon County Sheriff's Office in 2012.

He has racked up about 1,800 hours of street patrol and training since then. That translates to 45 weeks of full-time service. He has also performed a total of 1,000 hours, or 25 full-time weeks, of volunteer service for sheriff's offices in Shelby and Christian counties and Cochise County, Ariz.

In addition to his auxiliary role, Buffett also serves as Macon County's undersheriff, an administrative role to work on special projects such as the Macon County K-9 facility, which opened in 2015 to train statewide police dog units.

It is funded by an Buffett Foundation grant of \$188,000. The foundation has provided more than \$2 million in funds for K-9 units in Illinois and several other localities.

The foundation, originally established by gifts from his parents, Warren and Susan Buffett, in 1999, has funded public safety projects totaling more than \$57 million, mostly to assist police and fire departments in Central Illinois.

In addition, a \$15 million grant was recently announced to build a state-of-the-art police training facility on the far south edge of Decatur that will serve departments throughout Illinois.

There are other philanthropists who distribute money to myriad causes, but Buffett is unique in matching his passion for the most impoverished and endangered with a drive to help officers enforce the rule of law.

Buffett became a law enforcement officer as the result of a discussion he had with Schneider following a traffic stop in Arizona, in which he was stopped and detained without probable cause, he said.

"In the places where we work in the world, what is missing is the rule of law," Buffett said. "I thought this would be a good thing for me to understand."

The sheriff told him he could become an auxiliary officer, but he would have to devote time to the certification process and pass a firing range test.

Since 2012, he has become the most active auxiliary officer, going on patrol with many different deputies, racking up more hours than anyone else in the volunteer force.

"He's the first one to go out and direct traffic whenever there's a need for a public event," Schneider said. "Whenever there is a menial task, he will go out and do it without complaining about the job he's doing."

Buffett said he appreciated the opportunity to experience law enforcement from the inside.

## **'GREATEST EDUCATION'**

"This has been the greatest education of my life," he said. "You see a lot of things that aren't very good. You see a lot of things that are disappointing, in people, in how they live, and how they treat their kids. It's a difficult job, because you see the worst in people."

For example, he sees young people, who are "not bad kids," who are heading to prison because of bad choices.

"I don't like that part of the job because it is very depressing," Buffett said.

"I'll never forget the first fatality I saw. It was this man in his late 60s, and his wife was killed by someone running a stop sign. And he's still holding her hand and he won't believe that she's gone," he added. "And it just kills you, because you think that here's someone who died because someone else has made a mistake and this guy can't imagine someone he has lived with for 50 years is not going to be there."

He enjoys solving problems and helping people. Opportunities arise while responding to calls for service.

"Even in a domestic abuse situation, you can get someone out of harm's way, you can get kids away from parents that are mistreating them. You are really rescuing people, and that's what you feel good about."

One of the main benefits of being an officer is the many good friends he has made.

"I enjoy being with them and I learn from them," Buffett said. "That's a huge part of it. It's actually the part that keeps drawing me in. I'm going to see things and learn things, that give me insight I could only have by doing this job."

He occasionally gains insight into his own physical limitations, as he takes off running after suspects, most of whom are decades younger.

"I've been in two foot chases this week, which is unusual. Obviously, I didn't catch anybody, I'm a little old and slow," he said, with a chuckle. "With 25 pounds of gear on that doesn't help. That's my excuse. So I'm able to try to identify the suspect and add to that clarification. Also, he might fall down and I get lucky."

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### **ON PATROL**

He backs up the full-time officers in all traffic stops, but most importantly in potential felony cases.

“I am capable of backing up that officer and assisting in whatever consequences there are of that stop,” Buffett said. “A lot of stops are not serious offenses, so I can have a pleasant visit with somebody while the other officer is writing out a warning ticket and try to make that person feel less upset.

“To me, success is having someone drive away from a traffic stop feeling good about it.”

Schneider said whenever Buffett is on patrol, he is looking for ways to turn a bad situation into a good one, to make a positive connection with someone who might be having a terrible day.

“Howard is not only an ambassador for the United Nations, he’s an ambassador for the Macon County Sheriff’s Office and the community that we serve,” Schneider said. “He is always looking for better ways to improve our department and the community.”

Chad Larner, a detective with the Decatur Police Street Crimes Unit, which includes sheriff’s deputies, has spent many patrol hours working alongside Buffett. Larner said Buffett is a hard-working police officer, with an exceptional ability to defuse potentially explosive situations through his compassionate approach.

“I’ve never had an auxiliary or reserve ride with me that could touch his dedication,” said Larner, a nationally recognized expert on criminal interdiction. “He is truly one in a million. He has a relentless approach to police work, but is so compassionate and is so caring as a person, which is sometimes hard to find in someone in a uniform.”

On the 4th of July, they were riding in the inner city, when they saw young people playing basketball in the street. They got out of the car and Larner told a teen girl he would give her \$20 if she could make a shot that he couldn’t make.

“Howard, being as competitive as he is, had to double that. So naturally I missed the shot, and she made the shot, so I gave her \$20 and Howard gave her \$20. We were both in uniform. Later, he looked at me and said, ‘We didn’t arrest anyone today, but that was better. That made the day worthwhile.’ ”

Larner, a 14-year police veteran, said he is always glad when Buffett rides with him.

“He has been with me in high-profile criminal arrests,” Larner said, adding that Buffett brings an abundance of life skills to his police position, including the times he has faced death in Africa. “He has the heart of a lion, but is as soft as they come as to his heart.

“Howard is a hell of a shot. He is a firearms guru. He is very skilled at manipulating weapons. He was heavily engaged in martial arts in his younger years. His passion for law enforcement is extreme.”

Decatur Police Chief Jim Getz said Buffett is a knowledgeable officer, who takes his training and patrol duties very seriously.

“He’s dedicated,” Getz said. “He’s out there to help take the drugs off the street. He knows what’s going on; you wouldn’t know he has access to a lot of money. He’s just a down-to-earth, humble guy who really cares about us, cares about people. He’s not in it for people to stand up and clap for him. “When he goes out on the street, he’s out there to do the job just like the other guys are.”

Former Decatur Police Chief Todd Walker, who was at the helm when the foundation purchased the department’s armored vehicle, said he is committed to helping law enforcement any way he can. He said the new police training center, scheduled to open in Decatur next year, could not have been accomplished without Buffett’s generosity.

“I think the training center is fantastic,” Walker said. “This man has a huge heart for law enforcement. Because he has such a great respect for what the police are doing, he can also help them out with their everyday mission.”

### **HUNGRY NEED PROTECTION**

Buffett, an accomplished photographer and author with eight books to his credit, realized that endangered species are threatened partly because people are starving, and people are starving partly because nobody is protecting them from criminals, warlords or soldiers.

When Buffett was 14, he visited a former foreign exchange student in Prague, Czechoslovakia, and witnessed food shortages as the Czech people suffered from the occupation of the Soviet Union. He discovered he could visit places that were considered dangerous without fear, enjoying the generous hospitality of those in need, while bringing them some form of help and hope.

He has had AK-47s pointed at him in Ethiopia and been detained by authorities during the war in the Democratic Republic of Congo. He has visited areas controlled by the most violent gangs and cartels in Central America and Mexico.

When Buffett worked as vice president and assistant to the chairman at ADM, he began traveling frequently to Mexico, to purchase corn and flour plants, as well as to Central American nations.



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“I had a good lesson in how corrupt Mexico was,” Buffett said, adding a bid ADM made on a plant, with a Mexican national partner, was rejected because of a corrupt deal.

Buffett also witnessed the stark wealth disparity among the Mexican people, with 50 percent living in extreme poverty. “There is that contrast in a lot of the countries south of us,” he said. “That’s a hard gap to overcome; that’s a challenge.”

Some of the worst conditions Buffett observed were in the 54 nations in Africa he has visited. Some of them he first visited out of a passion for endangered animals, including cheetahs and other big cats, and the thrill of photographing them in their natural habitats.

“The dynamics of poverty are different in Mexico, Central America and Africa, but the consequences are the same,” Buffett said.

After his mother died in 2004, and his foundation received a large financial gift from his father, Buffett proceeded to donate more than \$200 million to fund agricultural projects to alleviate hunger, with the majority going to Africa. Sizable contributions have also been made within the U.S, Central America and Mexico.

“My compassion comes from my Mom,” Buffett said. “She was always helping other people. She always had my sister, brother and I involved in something. My dad was the same way, but he was also building a business empire.”

Warren Buffett, 86, CEO of Berkshire Hathaway, is considered one of the world’s top philanthropists. He has slated Howard Buffett to succeed him as non-executive chairman of the Omaha-based holding company.

Howard G. Buffett Foundation President Ann Kelly Bolten, who has traveled widely with Howard Buffett during the past decade, said the attack on the helicopter in the Congolese park was an excellent illustration of how real the risks are in the places they work.

“We went to Mogadishu, Somalia, together,” she said. “That was a bit dicey. We went with a defense contractor. It’s not a safe area at all.”

Bolten, who created her own international charitable organization before she was hired by Buffett, said he is unique because he sees his commitments through despite the fact places he works often descend from bad to worse.

“Howard is a very hands-on guy,” Bolten said, adding he likes to touch and feel the environments where he invests. “He meets with farmers where they’re farming and meets with the people living in poverty facing homelessness, food insecurity, water insecurity and conflict. He hears from them what works and what doesn’t work.

“He is literally going to front lines living where they are living and asking what can we do to improve their lives.” Buffett has been to every country in Africa and invested in projects in many of them. He brings aid to people living in dismal conditions, in refugee camps and conflict zones.

“It is hugely commendable,” Bolten said. “How quick aid agencies pack up to leave when bullets fly. If Howard comes and makes a commitment, they know he’s going to see it through.”

She said many groups promise to help but change their minds when the shooting starts.

“When Howard says something it happens,” Bolten said. “It not only happens, but it happens right away. I can’t tell you what that means to people in the most desperate circumstances that have been let down by other aid organizations. “It is a great privilege to work for Howard, and it is a great learning experience.”

Buffett goes all out in everything he puts his mind to and has the energy of 10 20-year-olds, Bolten said. “Decatur has taught him so much about poverty and public safety in the United States that has helped inform some of our giving,” she said.

Buffett has helped weave a safety net to provide for the needy in Decatur and nearby communities. His donations have helped feed the hungry at the Good Samaritan Inn and through the WSOY Community Food Drive, as well as providing housing for the homeless at the Salvation Army service center.

Kevin Breheny, a local philanthropist and longtime friend of Buffett’s, said he was impressed when he first met him more than 20 years ago at how he presented himself like an ordinary businessman.

“Howard’s life is multidimensional,” Breheny said. “He deals with presidents and world leaders; he saves lives in Africa. He’s a world-class photographer. And he’s still a down-home ordinary business guy in Decatur, Ill.”

Breheny said Buffett dislikes news conferences and accolades, anything that throws him into the spotlight.

“He is incredibly humble,” Breheny said. “He is in it because he is blessed with being a philanthropist. He is very careful as to how he spends his money, but careful in an incredibly generous way every time I’ve dealt with him. “He increases my faith in humanity.”



## CLOSING THOUGHTS

*“We have learned that conflict stands in the way of any form of progress; development fails where there is no peace. Peace cannot endure if the will of the people is suppressed or denied.”*

One thing I have learned over the past two decades is that our proposed solutions to problems are shaped by our own experiences. We live in relative peace in the United States. We have areas with higher crime rates than others and neighborhoods many would prefer to avoid; however, the vast majority of Americans do not live their lives under constant threat or in fear. Most Americans have choices. In the places outside the United States where our Foundation works, most people have very few choices.

This paradigm presents a serious problem in development work. Many organizations work to resolve issues such as hunger, poverty, poor access to water, malnutrition and many other challenges in developing countries without actually tackling the core problems. The fundamental keys to success are often missing. I have learned that you cannot address poverty when “most poor people live outside the protection of the law.”<sup>1</sup>

<sup>1</sup> UN Report of the commission on legal empowerment of the poor.



When the system fails to address violence, crime, extortion, fraud and theft, poor people stay poor. When criminals, gangs, rebels or militias are able to raid homes and cropland and “tax” people illegally with minimal consequences, it destabilizes communities and makes people lose faith in institutions, the political process and the rule of law.

We have worked in many conflict and post-conflict areas. We have learned that conflict stands in the way of any form of progress; development fails where there is no peace. Peace cannot endure if the will of the people is suppressed or denied. Democratic processes do not need to be perfect, but they do require organized, transparent and fair elections where those who are eligible and want to vote can do so without the threat of violence.

All of this requires rule of law. Most people cannot define rule of law. Some would simply identify it by the success or failure of law enforcement agencies, which is certainly a part of it.

The rule of law refers to the wide array of procedures and institutions that allows a society to function productively, peacefully and justly. It begins with legislators who enact fair laws and a judicial system that is impartial and where justice is “blind.” It requires law enforcement agencies and prosecutors to enforce these laws fairly.

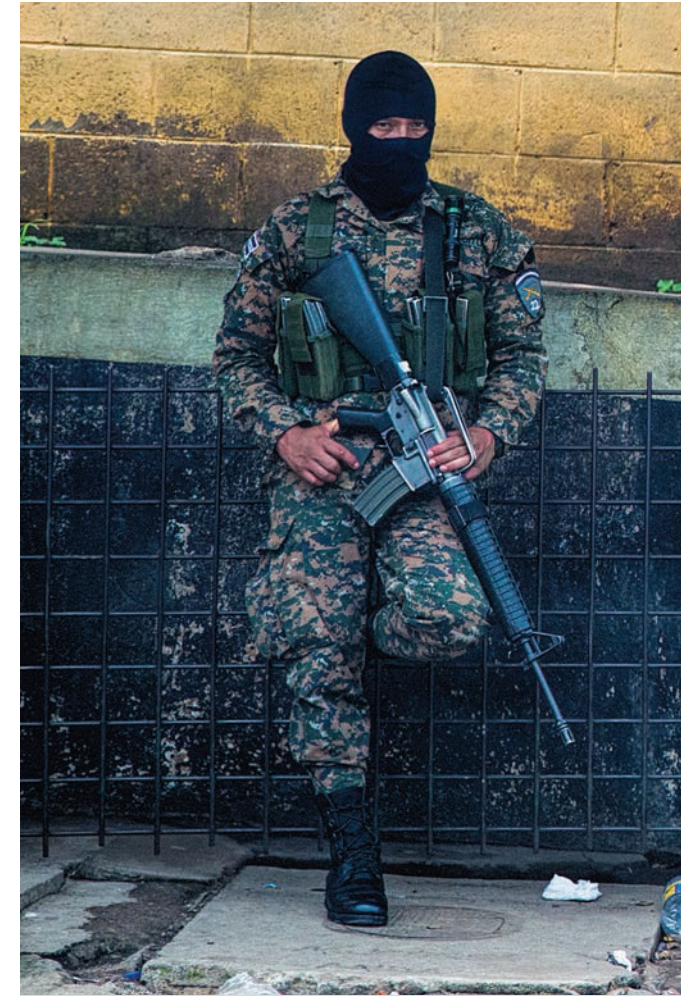
In a corrupt system, these protections and procedures either never materialize or erode and decay over time, causing people to lose faith in the system. When the institutions cannot be trusted, compliance deteriorates and even the basic rights of citizens are no longer protected. This essentially allows the elite or powerful in a country to overwhelmingly benefit and enrich themselves while the majority of the population suffers with no peaceful mechanism for protest. It is how countries with natural resource wealth and weak or corrupt institutions allow money, not policy or process, to drive decision-making.

I have watched many “leaders” of countries with significant mineral and fossil fuel deposits operate by enriching a small group of people—usually politicians, military generals, judges and other individuals with institutional power—while the general public sees no benefit. A person in this position doesn’t need votes—he or she can readily fix elections. This type of leader doesn’t need taxes—he or she can simply ignore the country’s development needs and steal the country’s natural resources for personal enrichment. At times, NGOs with good intentions help this process survive by underwriting programs that the government should be responsible for funding and providing.

Corrupt leaders actually benefit in keeping people illiterate, uninformed, impoverished and afraid: they are less likely to challenge authority. When the suffering becomes so intolerable that it prompts people to challenge the authority of the state or acquiesce to the protection from gangs or militias, the state can quickly respond with overwhelming force.

Then there is another set of dynamics that is not driven by natural resource wealth, but by illegal or organized criminal activity. This can look like many of the 40 different militia or rebel groups operating in Eastern DRC or it can look like the gangs in El Salvador.

We have worked and continue to work in these types of environments. What you quickly realize is a good idea can become a bad idea when your view of the world does not allow you to understand the context of a situation thousands of miles away. We experienced this disconnect with some of our own ideas. In one country, we attempted to fund Presidential debates. The environment was so unstable that the standard idea of the Presidential candidates assembling in one location in this context could mean that it would be easier for the government to arrest the opposition. In the same country, we were considering supporting youth groups, but the risk was that these groups could be used as a front for political activities that would promote violence.



El Salvador has an estimated 25,000 gang members on the streets and about 10,000 gang members in prison. El Salvador is considered the epicenter of the gang crisis and in 2016, it was considered the murder capital of the world. On average, in the first quarter of 2016, there was one homicide every hour. The country has a murder rate 22 times higher than the United States.

All of this comes back to the largest, single impediment to successful development: the lack of rule of law. In El Salvador, poor farmers are kept poor when gang members steal their harvests.

Businesses fold up when the extortion rates become too high. People literally flee the country as their neighborhoods become so violent they are like small war zones. This sets in motion a steady decline of economic opportunity. The police become more corrupt, and the gangs become the ad hoc defense for neighborhoods. It becomes a cycle which is extremely difficult to break.

In Eastern DRC, it is a different set of dynamics from El Salvador, but with similar results. Farmers have, at times, resorted to planting “conflict-resistant crops,” ones that are not easily stolen or burned. These include crops like cassava and potatoes that are buried and time-consuming to dig up or beans that are difficult to harvest and thrash. This is compared to corn (maize) that is easy to harvest or burn for the purposes of intimidation.

Years ago, when I was in a village north of Juba, South Sudan, I visited with a group of elders. I asked what their greatest challenges were. I expected to hear them talk about drought, poor seeds, limited access to fertilizer, or diseases or pests that destroyed their crops. I was very surprised when everyone answered in unison: “the LRA” (Lord’s Resistance Army). They described how the LRA would burn their maize fields, steal their belongings, rape the women and kidnap their children. They lived in fear every day; there were no police or military to stop the raids; there was no rule of law.

In Sierra Leone, I visited groups that had survived the brutal civil war that began in 1991 and lasted until 2002. The primary rebel group that waged this conflict was the Revolutionary United Front (RUF). More than 50,000 people were killed and almost everyone in the country was affected. Infrastructure was destroyed, a generation of children could not attend school and health care was nonexistent. This conflict was primarily fought over diamonds, started by strongman Charles Taylor and perpetuated by various rebel groups, all costing Sierra Leone losses that will take many more decades to fully recover.

The physical remnants of the conflict in Sierra Leone are evident everywhere well over a decade later: the permanently wounded (the result of the “long sleeve” or “short sleeve” RUF campaign of terror); and the severe contraction of all economic activity. There is also the devastation we cannot see which takes the greatest toll. There are the young girls who were raped and have children with no fathers and no economic means to support them. There are the psychological scars on the unwilling children and adults who became killers at the hands of the rebels through force and intimidation. There is the fear and mistrust that still grips a nation and paralyzes every aspect of normal life. And when the healing process really started, most international support pulled out—the emergency was over in the eyes of the rest of the world. But it isn’t over; the country is still recovering; it just doesn’t have bullets flying.

One other factor begins to develop in the absence of rule of law. Because the formal processes are so dysfunctional, an informal economy develops. Whether this informal economy runs in parallel to a formal economy, it doesn’t really matter. There are fewer taxes collected to support investment in key areas such as education or health. The informal economy also fosters extortion carried out by criminals, many times local or regional gangs or militias. Conflict does not end when the media stops covering it; the wounds heal slowly, and the consequences often last for generations.

The most surprising thing I have learned after working in countries in Africa and Mesoamerica are the similarities we see in the United States. The difference in the United States is that in most cases, when an elected official breaks the law, he or she goes to jail. We can expect that when corruption is discovered, it is prosecuted and there are consequences. Law enforcement agencies remain a reliable source for help. There is a judicial system that assumes innocence until guilt is proven, and there are rights afforded to every citizen. This is the basis that we operate from and expect.

However, aside from the obvious examples—the government official who abuses his/her power or the person on Wall Street who rips off a pension fund—there are more subtle ways our rule of law is undermined. Through our Foundation’s work in Mexico and Central America and through my personal experience working in law enforcement, we are seeing a dangerous trend affecting rule of law in the United States. It is being driven by drug trafficking. The impact in the United States is relatively small compared to where these criminals originate and operate from in Mexico and Central America, but the stakes are just as high. Those countries are working to establish rule of law; in the United States, we are working to maintain our rule of law.

How we protect and strengthen our rule of law is not easy or obvious. Violence is rising in pockets across the country. U.S. military service members are being arrested for smuggling humans across the southern border. Sheriffs, mayors and police chiefs are serving prison sentences for accepting bribes from the Mexican cartel. We need to acknowledge these threats. At the same time, we need to assess our commitment to helping solve the underlying problems in countries of origin where narco-terrorism, gangs and criminal activity flourish, allowing the temptation and corruption to slowly infiltrate our system.

Our Foundation’s primary focus continues to be on investing in development. However, when every project we fund in Central America is affected by gang violence and extortion, we cannot succeed at anything. We cannot ignore the underlying problems. As long as organized criminal organizations, whether cartels or gangs, disrupt and undermine society south of our border, we will never make development progress there, and we will feel the negative effects in our own country. Just as the most serious remnants of conflict are not obvious, the most serious threats from the activities of these organizations are not obvious but are very, very real.





The border between Mexico and the United States has become the subject of a contentious debate. Here, the only thing separating the two countries is a “Normandy” style barrier and a barbed wire fence.



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