I’ve recently been reflecting on how our Foundation operates and how people outside of our organization often do not understand what we do. We always strive to share the reasons behind our approach to grantmaking through our annual reports and, on occasion, through press interviews. Our public tax filings also show each grant we make in any given year.

But unlike most private foundations our size, we don’t have communications staff, and we avoid spending resources on telling “our story” on the theory that we would rather put that money into our grantmaking. I’ve discovered that there’s a real downside to that approach. Given our longstanding support for journalism, I probably should have realized sooner: when we don’t tell our own story, people tell it for us, and invariably they get it wrong. That can limit our ability to do new things, particularly things that are considered bold or innovative, where there is not a well-worn path of success stories. We spend most of our time trying to avoid the well-worn paths, so having people misunderstand or misinterpret our intentions is a limiting factor that we need to work harder to avoid. I want to use this year’s Chairman’s Letter to do a better job of telling “our story.”

My Dad’s Influence

Our Foundation’s story begins in December of 1999 when my mother and father informed me, my sister and brother that they had set up a foundation for each of us. Then in 2006 my dad made what we referred to as the “Big Gift.” While my Dad offered no specific directives, he did offer some advice, and it was advice that I valued then and that continues to inform how we operate and why we do what we do.

My Dad urged us to direct our grantmaking with the following principles in mind:

- **Focus** the new funds and your energy on relatively few activities in which you can make an important difference.
- **Concentrate your resources** on needs that would not be met without your efforts.
- **Avoid** making small contributions to the multitude of worthwhile activities that have many possible funders and that would likely proceed without your help.
- **Pay attention to your home community but favor a broader view.**
- **Expect to make some mistakes;** nothing important will be accomplished if you make only ‘safe’ decisions.

My Dad’s advice, combined with the lessons we have learned in the last 20 years’ of grantmaking, form the strategic framework by which we operate and make decisions.
Focus and Concentrate Resources

Our Foundation’s primary focus, and where we typically work, is in conflict and post-conflict countries to address smallholder agricultural development and mitigate conflict; and in the U.S., our focus is on supporting public safety. In most cases outside of the U.S., few other private family foundations work where we work or work on these issues, and the few that do are operating with far fewer resources than what we are willing and able to contribute.

Concentrating our resources in this way means we take bigger risks, but it has resulted in some unusual successes. To manage those risks and to try and make the best decisions with the most relevant information possible, I believe it’s important to personally see and understand the context first-hand by visiting the field as much as I can. That decision brings its own set of risks in the unstable places where we prefer to work like the Democratic Republic of Congo (DRC), Central African Republic (CAR), Chad, Burundi, South Sudan, Sierra Leone, El Salvador, Colombia and other countries with challenging contexts. Traveling to these places is also not easy, and comes with security challenges that we have to work around and consider in our planning. In fact, we have had to acquire licenses from the U.S. Department of Defense and the Department of the Treasury to take bulletproof vests on some trips since the U.S. government considers these defense items in certain countries. In some countries, we need our own security, and in others, where we have strong government partnerships and trust the institutions, the country’s own military provides the security. Commercial transport to the places in which we work is often nonexistent or unsafe.

Avoid the Well-Worn Path

Avoiding the well-worn path requires being creative about where and how we can have impact and committing to do things when others have shown an unwillingness to act. When we undertook a large-scale development effort in eastern DRC during the middle of their most recent conflict in 2012, one of the areas we wanted to invest in to promote regional stability was rebuilding the border post between eastern DRC and its neighbor, Rwanda. We were told that the World Bank had already committed to rebuild that border post, but we later learned from local leaders in DRC that the World Bank had been repeating that commitment for a decade with no clear signs of progress or confirmed project timeline.

We decided to build the border post ourselves, and completed this ambitious project in a little over three years. We now have government officials from both countries cooperating on this border and recognizing that their shared economic interests require peace and stability. It’s a project we’re proud of and that we believe will have an enduring positive impact on the region, but it’s not what we consider to be our biggest accomplishment in DRC.

Our biggest accomplishment, we believe, will be the legacy of support we have provided Virunga National Park to align community needs with conservation goals. By harnessing Virunga’s rivers and supporting the creation of hydro dams and electricity networks, we brought the first energy generated in North Kivu to tens of thousands of residents, who in turn learned the value of protecting the park’s natural resources. We continued our plan as RPG’s struck near our construction equipment, which we committed to replace if it was destroyed. We increased our field visits to eastern DRC during this time period to meet with government officials and rebel groups to try and broker peace, or at a minimum, explain the investments we were making.
We began the Matebe hydro dam project during the 2012 M23 conflict in North Kivu in eastern DRC. The project site suffered a bombing attack early on, but we successfully completed and commissioned the plant ahead of schedule, in December 2015.

We built a reputation for following through on commitments even in the worst of circumstances over many years, and the governments of the DRC, Rwanda and Uganda each independently requested our help in the peace process and the reintegration of the M23 rebels after the conflict ended.

We have approached other foundations to partner with us in these areas, and they typically respond that it is too dangerous or they feel they cannot adequately mitigate risks and measure impact. We have found one other foundation that shares our tolerance for risk and understands the limitations of operating in a conflict area, and we have collaborated with this organization successfully wherever our interests and goals align, including in eastern DRC, CAR and South Sudan.

Favor a Broader View, But Don’t Forget About Your Home Community

For many years I failed to “pay attention to your home community” because I over-favored that “broader view.” In the past few years, I have had to reduce my international travel which has finally allowed me to look at the Foundation’s home communities which we define as the places we have operations and employees. I also learned a lot over the past almost seven years working in law enforcement. This involvement meant I spent more time learning about my community which helped me see where I could provide unique but important support to Macon County, Illinois, where we are headquartered, and Cochise County, where we have farm and ranch operations.

I have always tended to use our resources where I spend my time personally and in areas I feel I have some knowledge. I learn by doing. I need to get my hands dirty in order to understand everything in a realistic and personal way, even if it is sometimes difficult or dangerous. I love the opportunity to serve my community as a law enforcement officer, but what I didn’t expect from that experience is how it has educated me about our grantmaking, both locally and abroad.
Consequently, I believe what we are doing in Macon County to support law enforcement and economic development, as well as the large-scale commitment we have made to a new model for addressing substance abuse, will have significant positive impacts on our community and hopefully provide ideas to other communities. Yet these projects still represent a small part of our overall giving.

In Cochise County, Arizona, we have undeniably had a positive impact on public safety for this rural part of the U.S. with high needs, budget constraints and few if any alternatives for funding support.

Our work in Arizona is part of the hands-on education that informs our grantmaking. We first established our Arizona operations when we were looking to relocate our South African farm research to a location in the U.S. with similar poor soils and a climate that required irrigation, so we could continue our drought-tolerance and stress research on crops. We have had some good success on the research front, particularly with Penn State’s 10-year partnership to help smallholder farmers in Africa and Central America. We will start new research in 2019 with Chico State and the University of New Mexico on how biological inputs can replace or supplement commercial fertilizer. Farming near the Mexican border led us to acquire ranches on the border that have been an invaluable classroom for learning and educating others. Operating on Arizona’s southeastern border has given us a much-needed window into our related work in Central America and the U.S. on issues, including human trafficking, smuggling, public safety, justice reform and migrant labor.

Owning the ranches also opens doors that are otherwise closed. As a landowner, we attend meetings with U.S. Customs and Border Patrol, attorneys and other ranchers. We have access to information that is only provided to landowners, and as landowners, our interactions with Border Patrol and the U.S. government have been a huge learning opportunity. Property owners along the border experience a very different way of life with people crossing into the U.S. illegally and in their interactions with law enforcement.
Migrants, most from Central America, turn themselves into U.S. Customs and Border Protection at the Texas border with Mexico. Our experience owning border farms and ranches in Texas and Arizona has been an invaluable education that informs our grantmaking in the U.S. and the countries these migrants are fleeing.

More importantly, it has provided a very unique opportunity to educate others. We have had members of Congress, press, NGO leaders, U.S. military intelligence officers and generals, cabinet appointees, sheriffs, police chiefs and others visit us to learn about the border and the complexity of the issues. People from law enforcement come to understand where and how illegal drugs are coming into their communities. We have collected and analyzed years of data that informs how we educate others about what is going on at the border.

Policies related to the issues we see every day across our properties affect millions of people in both the U.S. and countries south of our border. It has a direct impact on children being trafficked, migrants being victimized and exploited, and families losing their children. It influences how we work in the countries of origin, trying to improve agricultural production to keep poor farmers on their farms and working to improve security and to reform the justice sector. Arizona has been an important piece to learning about these issues, helping our decision-making in these areas, building important relationships that overlap and providing credibility in our work.

**Go Big. But Expect to Make Some Mistakes**

My Dad’s directive to “expect to make some mistakes; nothing important will be accomplished if you make only ‘safe’ decisions” challenged us to take risks. Risk-taking, informed by first-hand experience and input from the field, is at the core of how we approach grantmaking. I often say that philanthropic capital should have the highest tolerance for risk because it’s being deployed to address the world’s toughest problems—those will not get solved by doing more of what’s already been tried or by playing it safe.

Unfortunately, few large donor organizations embrace this risk tolerance philosophy, which has made it difficult to collaborate with them. Two examples come to mind.
About seven years ago we partnered with USAID in South Sudan on a long-term plan to restore market-based approaches to getting improved seed into the hands of smallholder farmers. This kind of work requires a long-term view and a willingness to weather predictable deterioration of the security situation. These smallholder farmers are in it for the long-haul—they need funders who will tolerate risk and take an investment approach, not a charity approach. Yet when the security situation unsurprisingly deteriorated, USAID reprogrammed all of its funding to emergency relief which included giving away seeds to farmers which undermined the years of work we had already done and our ability to improve the system for the long term. We funded an 18-month exit plan for the program to reduce the damage to the program participants from the emergency relief decisions, but we didn’t have the resources at the time to continue it on our own, and the emergency relief pretty much negated our ability to be effective.

More recently, we partnered with USAID and USDA to revitalize specialty cacao in El Salvador, so smallholder coffee farmers could have an opportunity at achieving better livelihoods. Today’s coffee farmers face very few viable options, so many migrate to the U.S., often through illegal entry. In El Salvador, the problems go beyond poverty. In agriculture, due to the collapse of coffee prices and the devastation brought to many by a disease called coffee rust, farmers can no longer sustain a viable income. In addition, the violence and the fact that gangs operate with impunity forces many families to consider leaving their country.

Work in these countries, especially in rural areas, is extremely difficult and rarely goes as planned. In the case of this project, we have made measurable progress over the last five years, but we haven’t achieved sufficient scale to justify ending our support. USAID and USDA are governed by bureaucratic decision-making and an appropriations process that makes it impossible for them to reach the same conclusion. Our Foundation will be solely funding the additional $10 million to complete what we all started together.

I appreciate the pressures U.S. government agencies face when it comes to risk-taking and wanting to avoid mistakes. No one wants to be the subject of an investigative report about wasted taxpayer dollars. But there is simply no way global challenges like food insecurity and conflict will be solved by doing more of what we’ve already tried. New and untested ideas by definition have higher rates of failure and require a higher tolerance for risk.

Risk tolerance also requires making decisions with imperfect information. Many donors only do things they can clearly measure. If we adhered to that management approach, we would have been unable to work in most of the countries we’ve prioritized. There is no reliable business model to justify an investment in power generation in North Kivu. At the time we were considering building our first hydro dam, thousands of people were being displaced week to week. But we believed that if we brought power to a place that lived in darkness, that a certain number of children would be able to study at night; hospitals could operate without expensive generators; hundreds of small businesses could be started; and economic development could provide an alternative source of employment to women and to the young men who would otherwise end up joining a rebel militia. We believed from our many field visits to the region that all of these good things were possible, and that they could build the foundation for further development and progress over time. We didn’t know how to measure it, but we knew that we would be able to see it.

As we did in eastern DRC, we are now beginning new work in Colombia to address, at scale, the insecurity and impediments to development created by illicit coca crops by supporting voluntary substitution and investing in community-level infrastructure. Our efforts, if we succeed, will contribute to saving lives in Colombia and in the U.S. and increase the chances that Colombia, coming out of 50 years of civil war, can be a stabilizing force in the region. We could not build a strategic plan or business model that could articulate a numerical ROI on our potential investment. We will spend a lot of time in the field, understanding the context, meeting with our partners and potential partners, and eventually we will craft an idea and a budget that we feel makes sense to fund. We will make that decision, knowing that we will get a lot wrong and will have to adjust our thinking and plans along the way. It’s a risk we’re willing to take because it is a shot at helping to maintain peace.

We are working where few, if any, others want to work, and we are working to improve the quality of life and opportunities for some of the most marginalized populations in the world. It has been an incredible learning opportunity, a rare privilege and a story worth telling.
Part of the strategy to build lasting peace in Colombia is to invest in key infrastructure to support development in the most rural areas of the country. In the municipality of Tibú, in the middle of Colombia’s dangerous Catatumbo region, these children are benefiting from a government-led peacebuilding initiative that involves remodeling and furnishing their school.

**Telling Our Story**

Our Annual Report, and this Chairman’s Letter in particular, is our attempt each year to articulate what we do and why we do it. We produce this entirely in-house, using the same small team also working on all of these larger grants and grantmaking ideas. Most of the photos we feature are ones I’ve taken during visits to the field or from our partners working with us in the field. We take the responsibility and resources my Dad has entrusted in our Foundation very seriously, and we are guided each day by his advice from 2006. We are proud of the results we have achieved in some very difficult places, and we are equally proud of the failures because they reflect the risks we have been willing to take. We are working where few, if any, others want to work, and we are working to improve the quality of life and opportunities for some of the most marginalized populations in the world. It has been an incredible learning opportunity, a rare privilege and a story worth telling.