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PRESS CONTACT:
MARK FRAZIER
mfrazier@openworld.com
202-257-2574

Sabre Foundation White Paper Offers New Digital Paths For Philanthropy To Make Nonprofits Self-Funding

Donors can offer digital donations -- gifts in electronic form -- for leveraging policy reforms and "land grant" endowments that benefit grassroots groups in troubled areas, according to a white paper that distills findings from an 11-month research project on global trends in digital philanthropy.

Entitled "New Catalysts for Sustainability: A Global Opportunity for Digital Philanthropy," the white paper describes a new challenge grant approach for philanthropies to encourage communities around the world to launch self-funding systems that expand grassroots access to learning, health care, and job opportunities.

The research effort, conducted by Mark Frazier under the sponsorships of the Massachusetts-based Sabre Foundation and Brussels-based Sabre Europe with funding from the Whitehead Foundation and private donors, proposes that current forms of digital donations such as free software and online reference materials be extended to include microscholarships for eLearning and microvouchers for health care resources.

"These new forms of giving can spread grassroots access to valued education and health information resources around the world, much as microfinance innovations have brought private capital within reach of tens of millions of small and new entrepreneurs," said white paper author Mark Frazier, President of Openworld Inc., a nonprofit Washington-based group that specializes in design of self-funding information technology ventures in emerging markets.

Given the rapid plunge in telecommunications costs and the rise of new online payment systems, the white paper notes that it is now possible for philanthropies to extend their reach by offering digital donations on a basis that can catalyze self-funding nonprofit initiatives even in remote areas of the world.

The white paper notes that expanding bandwidth enables philanthropies to bypass cumbersome and corrupt bureaucracies, and to target resources in ways that reach local nonprofits directly. By combining digital technologies with such traditional devices as scholarships, land grants, and challenge grants, local nonprofits can seize opportunities to break out of dependency upon current external subsidies and charitable giving.

The report charts detailed practical steps that can be taken by philanthropies and their non-profit clients. It notes that philanthropists can offer bundled digital donations to reward communities that agree to make local nonprofit groups beneficiaries of land grants, and that commit to new liberalizing policies raising the value of these stakeholdings. The land grant strategy builds upon the successful examples of U.S. government land transfers to universities following passage of

the Morrill Act of 1862, and of land grant endowments now benefiting universities in Thailand and the Philippines.

Key factors in choosing areas to receive digital donations can include local agreements to:

- remove outmoded telecommunications regulatory constraints;
- introduce transparent eGovernment systems that simplify startup and operating procedures for business and social entrepreneurs; and
- adopt land registry reforms that can substantially raise property values and attract inflows of diaspora and other private sector investment.

"Normally, advocates of these changes have had limited leverage, because tangible gains from adopting reforms often take time to reach the public," said Frazier. Digital donations offer a means for community residents to experience a wide range of benefits with little or no delay.

Moreover, the white paper notes that vesting highly-regarded nonprofit groups with ownership interests in "greenfield" land grants can establish a growing asset base for local self-help initiatives, expanding the services they provide to communities as liberalizing reforms take hold.

"Large rises in land values can be generated by introducing titling reforms and other needed economic policy innovations on properties held by nonprofit groups," said Frazier. "Planting seeds for 'open world zones' modeled after the freeport policies of Singapore and Dubai can result in enormous asset creation for microvoucher funds and for active local self-help groups."

In addition to laying out the framework for catalytic digital donation strategies, the white paper provides "toolkit" resources in its appendices that can be put to immediate use by philanthropies and local nonprofit groups interested in launching replicable and scalable sustainability initiatives.

Frazier noted that moves to offer digital donations on a challenge grant basis may help to open a new era in philanthropy, in which donors promote the long-term sustainability of recipient organizations around the world rather than continuing dependence upon external subsidy.

Copies of the 80-page white paper are available from:

- The Sabre Foundation (www.sabre.org)
- Openworld (www.openworld.com)

Background on new Openworld-assisted microscholarship and land grant projects in Sri Lanka and Kyrgystan is available from:

- Horizon Lanka Microscholarships (www.microscholarships.org)
- Kyrgyz eCenter Initiative (Academy for Educational Development and Openworld with USAID support) www.dot-com-alliance.org/newsletter/article.php?article_id=126