

MUSCULAR DYSTROPHY CHILDHOOD ASSISTANCE, RESEARCH AND EDUCATION AMENDMENTS OF 2001

SPEECH OF
HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 24, 2001

Mr. DAVIS of Virginia. Mr. Speaker, I rise today in support of H.R. 717, the Duchenne Muscular Dystrophy Childhood Assistance, Research and Education Amendments of 2001. I would also like to thank my colleague Mr. ROGER WICKER and Chairman BILIRAKIS for their leadership on this issue.

Mr. Speaker, Duchenne Muscular Dystrophy (DMD) is the most lethal childhood genetic disorder worldwide, affecting approximately one in every 3,500 boys. DMD is hereditary and is characterized by rapidly progressive muscle weakness that almost always results in death by 20 years of age. Unfortunately, there has been little emphasis placed on research to find a cure for this horrible disease. I was pleased to see Mr. WICKER take the lead by introducing H.R. 717, and I was proud to sign on as a cosponsor. This bill will create research centers within the National Institutes of Health (NIH) and the Centers for Disease Control (CDC) to increase data collection, epidemiological studies, and surveillance activities. I am hopeful that the added emphasis and resources this bill provides will speed advances in the treatment of this terrible disease. It is an important piece of legislation that will give hope to those who suffer from DMD and those who care for them. I urge my colleagues to give it their support.

THE INTERNATIONAL VENTURE
PHILANTHROPY FORUM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 2, 2001

Mr. LANTOS. Mr. Speaker, I would like to ask my colleagues to join in me in recognizing a landmark event that will take place next week in Budapest, Hungary. The International Venture Philanthropy Forum (IVPF), sponsored by the Nonprofit Enterprise and Self-Sustainability Team (NESsT), will bring together social entrepreneurs, corporate leaders, and donors to discuss methods for advancing venture philanthropy in developing nations. This mission merits the attention of all Members of this House, as it is inextricably linked to the role of civil society organizations as advocates for freedom and public welfare in emerging democracies.

We all remember the euphoria that accompanied the collapse of the Iron Curtain a decade ago. We recall the joy of seeing democracy and human rights restored to long-suffering peoples, of watching Berliners dance on the Berlin Wall and Czechs celebrate in the streets of Prague. These revolutions inspired us all; nevertheless, they did not eliminate our fear that these miraculous changes might prove fleeting. The tragedies of the twentieth century justified this concern. As Slovak hero Alexander Dubcek told the celebrating throngs

in Wenceslas Square: "An old wise man said, 'If there once was light, why should there be darkness again?' Let us act in such a way to bring the light back again."

During the years after the demise of the Warsaw Pact, the governments of the United States and Western Europe helped to keep the beacon shining. Billions of dollars in aid and expertise flowed into these new democracies, much of which went to strengthen the work of budding nongovernmental organizations (NGOs) across the region. These NGOs served as the "glue" of civil society, looking out for public interests that otherwise might have been underrepresented in the cacophony of change: environmental protection, small business development, rights for children and the disabled, freedom of the press, and a host of other vital causes.

Mr. Speaker, this international financial assistance helped NGOs to smooth the transition from communism to more vibrant societies. However, the need for nonprofit community support continued to grow throughout the 1990's. The planned doctrines of yesteryear were supplanted overnight by new sets of uncertain rules and unanswered questions: How can social guarantees—albeit unpopular ones—be replaced without dramatically increasing poverty levels? How can entrepreneurship be nurtured in lands that had previously regarded this trait as criminal? What role should enterprise play in encouraging growth, upholding worker rights, and protecting natural resources? NGOs throughout this region often bear the responsibility of answering these questions and helping to fill the gaps passed over by social change.

To this day, available financial resources fail to satisfy these mounting needs. The discretionary income of populations in most emerging democracies is generally not high enough to support philanthropy, especially given the lack of a recent local traditions of private charity. Consequently, many NGOs still depend principally on foreign aid sources, reflecting a lack of financial diversity that foreshadows an array of real and potential difficulties:

As the demand for capital grows, some governments and private funding institutions have reduced their commitment to foreign aid. Given their financial dependence, NGOs are subject to the consequences of these choices. Available funds are often earmarked for specific projects, leaving NGOs with limited resources to build organizational capacity. Given the short-term commitment that such grants usually entail, nonprofits may feel the need to "go where the money is," even at the expense of their missions and operating goals.

Mr. Speaker, the call to expand the nonprofit capital market in emerging democracies is one that must be heard throughout the international community. The IVPF—by exploring the potential of venture philanthropy models and their practical application to developing economies—will address this ever-growing mandate.

What is venture philanthropy? Quite simply, it involves applying the tools of the for-profit sector to expand the reach of the community organizations. Practitioners stretch the nonprofit capital market by asking beneficiaries to act like business people. Venture philanthropists often offer loans and equity equivalents rather than traditional donations; engage nonprofit managers with an array of technical and strategic advisory service; build organiza-

tional capacity through the development of skills and networks; and, most important of all, set clear performance goals and expect "portfolio members" to achieve concrete social and/or financial returns on investment.

Mr. Speaker, I am proud to say that the Roberts Enterprise Development Fund (REDF), recognized worldwide as an innovative force in this field, operates in and around my Bay Area congressional district. Principals from REDF and a wide array of venture philanthropy trendsetters will be featured at the IVPF, and their contributions will be melded with those of George Soros, Karl Schwab, and dozens of leading corporate and humanitarian voices from across the international community. The tragic events of September 11th will make it impossible for me to join them; nevertheless, I am excited by the Forum's role as a catalyst for the expansion of the nonprofit capital market in emerging democracies around the world.

Above all, I would like to pay tribute to the principal sponsor of the IVPF, the Nonprofit Enterprise and Self-Sustainability Team. From its offices in Budapest and Santiago, this organization has emerged as an international leader in the effort to foster social entrepreneurship and venture philanthropy in developing nations. NESsT's co-directors, Nicole Etchart and Lee Davis, direct initiatives that clearly address the challenges and needs of NGOs in Central Europe and Latin America.

Last year, NESsT launched the NESsT Venture Fund (NVF) in Central Europe, which seeks to assist a portfolio of NGOs as they diversify their financing sources through entrepreneurship. The NVF invests both financial and capacity-building assistance to expand these social enterprises and generate new, sustainable income for NGOs to supplement philanthropic support. I am pleased to note that the United States Agency for International Development (USAID) is in the process of making a \$300,000 award to support this work. Given the innovative nature of this project as well as the outstanding track record of NESsT's leaders, I can think of few better uses for USAID resources.

During the Forum, NESsT will also introduce "Not Only For Profit: Innovative Mechanisms for Philanthropic Investment," a book analyzing the unique contributions of eleven pioneers to the development of the nonprofit capital market. These organizations—all of which will be represented at the Forum by founders and senior staff—include: The Calvert Foundation, The EcoEnterprises Fund (The Nature Conservancy), Endeavor, the Environmental Loan Fund (Environmental Support Center), FOLADE, Integra Ventures, Investors in Society (Charities Aid Foundation), the Local Investment Fund, New Profit Inc., REDF, and the South-North Development Initiative. I look forward to reading—and learning from—this book.

Mr. Speaker, for all these reasons and many more, I urge my colleagues to join me in recognizing the important mission of the International Venture Philanthropy Forum and the outstanding contributions of its principal sponsor, the Nonprofit Enterprise and Self-Sustainability Team.