

# Fundação José Luiz Egydio Setúbal



## Principle 5



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I believe that our civil society needs to mature and understand that a country with so many inequalities will only improve if we all act together. The government is not able to do everything alone, much less our sector, so we need to work together, joining efforts in search of synergies.

José Luiz Egydio Setúbal

FJLES President



# About Fundação José Luiz Egydio Setúbal

Fundação José Luiz Egydio Setúbal (FJLES) is a family foundation founded in 2010 that focuses on child and adolescent health in Brazil. The Foundation understands and advocates for health – not in opposition to disease but with emphasis on biopsychosocial wellbeing, as defined by the World Health Organization. The Foundation promotes cutting-edge medical care and scientific knowledge to help build a society that takes better care of children.

FJLES believes in philanthropy as an instrument for building a better world. Recognising the high level of engagement required to promote awareness and deepen understanding of philanthropy in Brazil, the Foundation's efforts include funding advocacy and research, providing unrestricted funding for philanthropy support organisations (PSOs), coordinating the Culture of Giving Movement, establishing a philanthropy research centre, serving on PSO boards, and as a voice for philanthropy. Furthermore, the Foundation's membership, networks and participation in movements include the Group of Institutes, Foundation and Companies (GIFE); Association of Foundations; Brazilian Association of Fundraisers (ABCR); and WINGS.

# What was the challenge?

Despite Brazil's large number of diverse civil society organisations (CSOs) – at over 800,000 – information about the sector remains limited. Sector mapping conducted by the Institute for Applied Economic Research collated information about CSOs in Brazil, including types, geographical focus, fields of work, resources provided by the federal government, and the size of the workforce, but information about funding from philanthropy is still lacking. According to the [2022 Global Philanthropy Environment Index Brazil](#), engagement of the wealthiest classes in philanthropy is low, with many nonprofit organisations relying on government partnerships and resources to survive; infrastructure for philanthropy is precarious; and there is a lack of incentivisation for individual giving in the country, with charitable donations taxed. Similarly, in the [World Giving Index 2023](#), Brazil was ranked in the 89th place where only 26% of the adult population donated money to a charity. Estimates of foundation, corporate, and independent philanthropic funds were R\$4.8 billion (USD 977 million), and grants were estimated at R\$838 million (USD 170 million) (GIFE census, 2023). The Institute for the Development of Social Investment estimates individual giving at R\$10.3 billion (USD 2 billion), which represents just 0.14% of Brazil's gross domestic product.

The Brazilian philanthropic sector includes PSOs with more than two decades of operations and matured programming, but the country lacks an established giving environment and a robust group of local funders to support the development of philanthropy in Brazil.

# What was the response?

José Luiz Egydio Setúbal, the foundation's founder, is a well-respected paediatrician and shareholder of one of the main banks in Brazil. When he turned 60, Dr Setúbal dedicated himself to better understanding the philanthropic sector, including the limitations of its legal framework and supporting infrastructure, existing networks and associations.

In 2010, Dr Setúbal founded FJLES, which operates independently with the proceedings of his private children's hospital in Sao Paulo, issuing grants that address child and youth health issues, as well as strengthening the philanthropy sector in Brazil. Dr Setubal was motivated by the fact that investments in the philanthropic sector would, in turn, support the impact that he aimed to create through his philanthropic efforts in child and youth healthcare.

The Foundation adopted several strategies to support the philanthropy support ecosystem (PSE) in Brazil. FJLES started funding advocacy work that aimed to strengthen the PSE, on an ad hoc basis. Up until 2019, the Foundation only acted

as an administrative body for the Hospital Infantil Sabara and Instituto Pensi. In 2019, experienced staff members were brought on board to strengthen the Foundation's work, by launching the grantmaking and advocacy programs, as well as introducing and adopting other activities to strengthen the PSE.

The Foundation currently supports children's mental health, food security, prevention of violence, and vaccine programming, provides grants that support the development of community and nonprofit organisations and the broader philanthropy ecosystem, and runs a philanthropic research centre which was established in 2020.

In an effort to strengthen the PSE in the country, FJLES doubled its year-on-year grant-making for the PSE in 2023, directing R\$1.2 million (USD 244,000) towards institutional support for PSOs, advocacy, research, and communication. These priority areas were identified based on the FJLES team's collective experience and insight into the needs of the PSE. Its Research Center on Philanthropy, which has grown to 18 staff members, has received a further R\$3 (USD 610,000) million towards its research on family philanthropy, ethics, comparative perspectives, decision-making, individual giving, and anthropology of philanthropy in health.

FJLES' decision to more strategically support the PSE underscored the need for sound data that could be used to promote the sector. Its philanthropic research centre has made headway in this regard, producing nationally and internationally featured articles and publications about the scope of philanthropic donations made in Brazil during the pandemic. The centre is now conducting research into family giving in the country, which will unpack different generations' decision-making processes and motivations for giving in an effort to help grow family giving. The Foundation's own research has influenced its approach to programming and has steered its focus towards institutional development and strengthening advocacy and campaigns within the PSE. The Foundation recently entered into a contract with the Agbara Fund to research the state of Black philanthropy in Brazil. The two organisations will work closely, leveraging their own sets of expertise – with the Agbara Fund bringing insight into the Black philanthropic community and FJLES funding and monitoring in a joint effort between its grantmaking and research departments.

The Foundation sees promoting philanthropy as one of its core values and is committed to supporting the philanthropy ecosystem. In this context, supporting the PSE is set as a priority for their work until 2030. FJLES has already seen traction, for example, from its support of the Brazilian Association of Fundraisers, which advocates for a tax on charitable donations to be lifted in the country. This law was passed in January 2024. As a next step, FJLES, along with other funders and PSOs such as GIFE, ABCR, ABONG, Instituto Beja, Movimento Bem Maior IDIS, ICE and along with a group of lawyers, are setting up a coalition to advocate for the regulation of this new reform to guarantee the donation for public purpose, free of tax.

Another issue FJLES has invested in is the Culture of Giving Movement, which started ten years ago with a group of people who were willing to contribute to work outside of their own organisations to better understand the motivations behind charitable giving in Brazil. The Movement's secretariat – financially supported by FJLES and incubated at GIFE – was established about three years ago to support its growth. Today, the Movement boasts more than 300 members, with FJLES as a member of the steering committee and contributor to some of its initiatives.

The Movement identified the lack of media coverage and public recognition of the philanthropy sector's crucial social and significant economic contributions, including how many people the sector employs. Despite various Movement members attempting to work with the Development Bank of Brazil and other key actors, the challenge of measuring the size, scope and contributions of the third sector remained – a challenge which the Movement decided to address itself. [The research](#) was undertaken by the Institute of Economic Research Foundation and funded by FJLES, who also played a fundraising role by inviting other donors to support the initiative. This research, launched in March 2023, found that the philanthropic sector contributes 4.2% of GDP and employs some six million people in Brazil – positioning the sector as a sizable industry which can no longer be overlooked and empowering advocacy for tax reform within the sector with powerful data.

What started out as a small foundation that was inspired by its founder's belief in the value of investing in strengthening the PSE, and operated independently from Dr Setúbal's hospital and healthcare research centre, today influences the strategic conversations and perspectives of the boards of these two larger organisations (the hospital and healthcare research centre) which predated it.



# What have they learned?

- ✓ **Recognise the value of non-financial resources, such as expertise, reputation, networks, leadership and influence.** Dr Setúbal's reputation as a well-respected paediatrician and philanthropist, as well as his family name, has helped to broaden the Foundation's reach and promote philanthropic awareness, understanding and involvement among his peers. Staff's in-depth understanding of the sector and their ability to guide informed philanthropic risks have been critical in facilitating various forms of engagement. The importance of these competencies cannot be overemphasised when working to strengthen the PSE.
- ✓ **Pool resources to create a greater impact.** When reviewing grant proposals, FJLES considers the other avenues of support that an organisation or project may receive. This not only helps to ensure financial sustainability but encourages collaboration. Despite the administrative, logistical, varying organisational priorities and purposes, and many other challenges that come with co-funding, the Foundation would rather engage in more complicated collaborative approaches to philanthropy because of its potential to pool varied resources and expertise, broaden reach, and deepen impact. The value of non-financial resources is also exemplified within the Culture of Giving Movement, in which people from diverse sectors, including the private, legal and nonprofit sectors, unite their collective experience, resources and insight to help strengthen the sector.
- ✓ **Develop a flexible approach to measuring impact.** Like so many philanthropic organisations, FJLES perpetually grapples with how to effectively measure its impact. While there are no straightforward answers to this challenge, staff have learnt to trust and not undervalue their own insight into the sector, and their understanding and observations about shifts therein. For the longer-term investments in supporting the PSE, which are usually granted as institutional support to associations, they monitor the organisation's evolution.
- ✓ **Commit to continued learning and incorporate a wide range of insights into your work.** FJLES's engaged and responsive approach to grant-making and helping to strengthen the philanthropy ecosystem is guided by key sector resources, including the report [Acting Together to Lift Up Philanthropy: WINGS Guidance on How to Build a Supportive Ecosystem](#) and the [Five Principles for Strengthening Philanthropy](#). FJLES's membership and active participation in various networks at the national and international level enabled them to access a range of insights as well as contribute to the knowledge available about Brazil.

# Key outcomes and impact indicators

## Funding and leading

the Culture of Giving Movement – a diverse group of more than 300 members from various organisations – working towards a strategic and collective call to action to promote a culture of giving in Brazil. The Movement is democratically funded by six organisations and several individuals and established 2020-2025 guidelines. As a member of the coordinating committee, FJLES helped develop governance for the Movement.

## Funding advocacy

work, including ABCR's efforts which have resulted in a pending law to eliminate donation tax, the International Financial Action Task Force/Financial Action Task Force coalition, and Dia de Doar (Giving Tuesday). The Foundation also provides academic support to ABCR's data programme on Dia de Doar, and researches bank services to CSOs.

## Funding and support

to bring the Stanford Social Innovation Review to Brazil. The Foundation was invited by Samambaia Filantropias to co-fund the first year of this initiative. FJLES has since secured two additional funders and serves as a member of the editorial committee.

## Culture of Giving Movement study

conducted by the Institute of Economic Research Foundation and led by SITAWI, which was launched in March 2023, on the financial contribution of the third sector – including GDP, gross production value, jobs, income generation, and indirect taxes collected.