13 February 2015

Sir Ian Wood letter to The Giving Pledge

I had the great fortune to graduate from university in Scotland close to the beginning of the UK North Sea offshore oil developments.

In 1970, our family business, the John Wood Group, was essentially a start up in the oil & gas industry and, in the intervening period, grew to 43,000 people with $7bn sales, working in 50 countries around the world and quoted on the UK stock market in 2002.

My family and I have always shared the view that, in this global world, we have an underlying responsibility for each other, whether our neighbour at home or wider humanity across the globe. My significant international oil & gas travels brought me into direct contact with many examples of severe hardship, inequity and in many cases human deprivation and misery, particularly in the African continent. Thus, as I stepped up from Chief Executive to Chairman at Wood Group some 7 years ago, I set up The Wood Foundation with the main focus on applying venture philanthropy principles to invest both money and expertise to support the development of agriculture and smallholder farmers in Sub Sahara Africa.

After researching a number of countries and agriculture sectors, we chose the tea industry and have focused initially on Tanzania and Rwanda. Our approach is to work within local communities with smallholder farmers helping them to help themselves. It’s about financing, supporting and encouraging them to increase the yields and quality of their tea and getting a better price for their output by adopting a more business-like approach. Over the period, we’ve been able to demonstrate significant improvements in yield and quality and help negotiate better tea prices, and thus significantly improve their income.

We are now working with 45,000 smallholder tea farmers in the two countries. Our support has included taking ownership of two tea factories in Rwanda, where we’re operating in partnership with the smallholder farmer co-operatives with a view to them taking ownership of the factory over a period of time, provided acceptable governance and management skills are developed and demonstrated. We’re also developing new greenfield tea areas by financing and facilitating the smallholder farmers through the challenging 3-4 year period of developing the tea bushes. Here, we work in partnership with a big tea processor who is looking to secure new supply sources. We generally persuade the factory owner to participate in the training and skills enhancement programmes for the smallholder farmers as well as the drive to improve yield and quality.
In Africa, we are working in partnership with Lord David Sainsbury’s Gatsby Trust, with the Wood Foundation managing and delivering the tea programmes. We have built up an excellent professional tea industry management team and have now got full capability in all aspects of tea growing and processing. We are prepared to work in partnership with other Foundations where we have shared objectives and the co-operation can achieve genuine added value.

Our philanthropy is also very much alive in the UK where we have a number of programmes focused on tolerance, citizenship, enterprise and poverty in young people. We are particularly proud of our young philanthropy programme in schools (developed from the Toscan Casale YPI programme in Canada), which is very successfully introducing philanthropy to the next generation.

I look forward to the opportunity of meeting the members of The Giving Pledge and sharing ideas and knowledge on how we can generally make the world a better place to live in, particularly for the oppressed, under privileged and needy.

Sir Ian Wood
Chairman