PDCS Partners for Democratic Change Slovakia

Published with the support of the European Union

Ján Mihálik (ed.)

HEARTS AND MONEY BEYOND BORDERS

FUNDRAISING from individuals for development and relief

This publication has been produced with the financial assistance of the European Union and SlovakAid.
The contents of this publication are the sole responsibility of editor and authors of the texts.
It can in no way be considered to reflect the views of the European Union or other donors.

Ján Mihálik (ed.)
and team of authors

2012

HEARTS AND MONEY BEYOND BORDERS

Fundraising from individuals for development and relief

ISBN: 978-80-89563-02-9

Published by PDCS, o.z. in 2012

within project
Strengthening fundraising capacities of non-governmental development organizations in Central Europe, www.ngdofundraising.net

in cooperation with project partners

and associates

Authors: Ján Mihálik (ed.), Samuel Arbe, Allan Bussard, Marian Čaučík, Jiří Cveček, Beáta Dobová, David Gál, Peter Guštafík, Aleksandra Gutowska, Ilona Iłowiecka – Tańska, Brigitta Jaksa, Robert Kawałko, Hunor Király, Jan Kroupa, Eduard Marček, Jitka Nesrstová, Dušan Ondrušek, Péter Pálvölgyi, Andrzej Pietrucha, Kateřina Rybová, Jolanta Steciuk, Chris Taylor, Katarzyna Tekień, Tomáš Vyhnálek

Proofreading: Marek Šťastný
Design and layout: © Calder design community 2012, Karol Prudil

This publication has been produced with the financial assistance of the European Union and SlovakAid.
The contents of this publication are the sole responsibility of editor and authors of the texts.
It can in no way be considered to reflect the views of the European Union or other donors.

Contents

	Type of intervention			Fundraising method												Media involvement		Resource			Other		
	Crisis	Post-crisis	Development	Public collection	Direct mail	Events	Legacies	Adverts	Direct dialogue	Telemarketing	Use of e-mails	E-shop	Internet (other)	Distance adoption	Cause marketing	Traditional media	New media	Corporation	Major donors	1 % tax assignation	Annual report	Self-assessment tool	CRM/Donor database
	x	x		x		x								x		x							
			x											x									
	x		x						x														
																			x				x
							x																
				x	x					x	x												
			x					x							x	x		x					
				x				x								x							
								x								x				x			
				x																			
																				x			
									x														

Type of intervention			Fundraising method												Media involvement		Resource			Other		
Crisis	Post-crisis	Development	Public collection	Direct mail	Events	Legacies	Adverts	Direct dialogue	Telemarketing	Use of e-mails	E-shop	Internet (other)	Distance adoption	Cause marketing	Traditional media	New media	Corporation	Major donors	1 % tax assignation	Annual report	Self-assessment tool	CRM/Donor database
		x	x							x	x	x										
		x	x							x		x			x							
		x	x									x	x			x						
		x	x							x	x	x				x						
x			x							x		x				x						
				x								x			x	x				x		
										x		x				x				x		
		x											x		x							
																					x	

Introduction

1

Introduction

1

Over the past two decades, countries of Central Europe have developed from being recipients to providers of development assistance and donations. Gradually we are getting used to the fact that we carry responsibility not just for ourselves, but we should contribute to solving problems which affect others more than they do us.

A number of national-level official development assistance programs have been established and governments and taxpayers used them to join in the international assistance for countries of the "global south" and to respond to humanitarian crises. Yet, the launch of governmental programs had been preceded by assistance provided by private donors. Natural human solidarity, willingness to share with those in need, or the feeling of shared responsibility were the driving force for activities of non-governmental organisations already years before governmental policies were officially formulated and funded. Groups of activists not indifferent to the world around them slowly grew into well-established organisations capable of delivering humanitarian aid and managing programs of development cooperation.[1] They continue to expand their expertise and grow professionally. This brings even wider opportunities to fulfil their mission better and more extensively. But nevertheless, it is often the case that the theoretical possibilities of their activities are restricted by limited funding.

1 In this publication we refer to them collectively as non-governmental development organisations (NGDOs).

The governmental programs that non-profit organisations naturally turn to, tend to be underfunded or overburdened by complicated bureaucratic conditions. They offer little flexibility and require demanding planning which is very hard to overcome in the realities of the global south. Dependence on governmental programs is also detrimental to the sustainability of development organisations. The focus of policies is being clarified only step by step and we are still seeing sudden changes in aid priorities, making long-term funding sometimes unpredictable. An organisation which relies on one source of funding is often putting at risk the continuity of its programs and jeopardising its existing expert capacity it took years to build up.

Therefore, more advanced non-governmental development organisations are making an effort to diversify their sources of funding and are systematically turning to individual donors in well though-out ways. While the programs operated by the government or foundations generally require the skills needed to write a project proposal in the proscribed quality, raising funds from private donor calls for a different set of competencies. With governmental programs, organisations can often do with their existing in-house program staff to develop project proposals. However, when strategically targeting private donors, there is a need to build-up capacity and conditions inside the organisation for an entirely different way of raising funds. Even with the many years of experience of some development organisations mentioned above, fundraising from private donors remains in many respects in its early stages in these countries. Even though the support raised from individuals and companies for development and humanitarian purposes is not insignificant, it is still very small in comparison to support in countries of western Europe with an uninterrupted tradition of philanthropy.

Organisations need to strengthen their fundraising capacity from private donors by training their staff and engaging qualified professionals capable of planning and implementing fundraising activities. Furthermore, they must fine-tune their internal guidelines and style of work in light of the requirements that relationship with private donors brings. However, it would not suffice to only take action at the level of individual organisations. Instead a greater change encompassing the entire donor environment in Central Europe is called for. Mechanisms for making comfortable and quick donations need to be established, as well as changes to regulations and legislation to facilitate and stimulate giving. Finally, we cannot forget perhaps one of the most essential and most difficult changes – sensitising potential donors and promoting their philanthropic attitudes.

This publication presents a mosaic of experiences, examples and inspiration having to do with philanthropy and donations collected in the four Visegrad countries and the United Kingdom. By nature, it has no ambition to serve as a textbook or give exhaustive answers to all problems mentioned above. Its main goal is to show how to raise funds for development and humanitarian work from private sources, particularly from individual donors. It brings examples of good practices while pointing out some difficulties and problems that need to be considered in the process.

The book is based on the experiences of more than twenty authors – development and humanitarian workers, fundraisers, and consultants. The core of the publication is based on case studies which offer a reflection of hands-on accounts and inspiration for others to follow. Of the wide spectrum of topics out there, in collecting materials for this work, we decided to concentrate on four areas that we believed are of significance to conditions in Central Europe:

1. Examples illustrating various aspects of fundraising for humanitarian assistance and development cooperation using both traditional and innovative methods;

2. Examples of support mechanisms and strategies to aid giving;

3. New methods of fundraising in digital and networked society;

4. Building organisation's trustworthiness and effectiveness through transparency and ethical behaviour.

On the last topic, we offer case studies but also sample transparency guidelines and some thoughts on ethical aspects of fundraising. The transparency guidelines are based on experience from the United Kingdom and are meant as a starting point for discussion and eventual adaptation in the Central European countries. As our focus is on fundraising, we deal mostly with transparency towards donors. The thoughts on ethical aspects expand this narrow view of transparency to broaden the issue to relationship between an organisation raising funds and recipients of its help, and the responsibility connected to it.

In conclusion, we offer an overview of sources – bibliography and online sources – for a more in-depth study.

Among examples from Central Europe are five case studies from Great Britain – a country with a long-standing tradition of philanthropy and the home of organisations with extensive experience with development and humanitarian assistance. The examples highlight new possibilities how to raise funds from private sources.

This book covers wide-ranging experience of a number of people. At times, it is more analytical; at other times it makes references to specific examples. Also at times it describes past experience, whereas in other places it leaves an open end for the future. We hope that the book motivates and inspires its readers in presenting some useful ideas on how to approach fundraising for development cooperation and humanitarian aid.

Editor and team of authors, January 2012

About the project

This book comes out as part of the project *Strengthening Fundraising Capacities of Non-Governmental Development Organisations in Central Europe* funded by the European Union and SlovakAid implemented in the period 2010 to 2012. The project aims to develop cooperation and facilitate exchange of experience among non-governmental development organisations (NGDOs), fundraisers, and practitioners in Central Europe in the field of raising private funds for development and humanitarian causes. It contributes to their mutual networking, learning and sharing and thus strengthens their fundraising capacities.

The project is implemented in partnership led by PDCS (Slovakia) with partners, including People in Need (Czech Republic), Partners Poland Foundation (Poland), Foundation for Development of Democratic Rights – DemNet (Hungary), The Resource Alliance (United Kingdom) and in close cooperation with project associates Czech Fundraising Centre (Czech Republic), and Polish Fundraising Association (Poland).

Electronic version of this publication, the discussion forum, and more in-depth information about the project can be found at the website www.ngdofundraising.net.

Acknowledgments

Our thanks go to all who contributed to making this book possible – especially to organisations and their representatives, described in the case studies. Their openness and willingness to share internal and at times sensitive information allowed us to learn from their experience and make it accessible to the readers.

We also thank those who helped organise study trips and discussions for authors of individual contributions. Mutual meetings and visits to organisations were inspiring and left a permanent positive impact on our activities.

Thanks also to the four leaders of thematic working groups: Katarzyna Tekień, Barbara Erős, Samuel Arbe, and Tomáš Vyhnálek, who coordinated the work of authors and contributed their own texts.

Last but not least, we express our gratitude to the donors without whom this publication would not be possible: the European Commission and SlovakAid. Opinions presented in this publication reflect the opinions of the authors and are not the official opinions of the donors. Final responsibility for any errors or shortcomings lies with the editor and authors of the texts.

Abbreviations

AFP – Association of Fundraising Professionals
CONCORD – European NGO Confederation for Relief and Development
CRM – Customer Relationship Management
CRM – Cause-related marketing
CSO – Civil Society Organisation
CSR – Corporate Social Responsibility
DD – Direct dialogue
DEEEP – Developing Europeans' Engagement for the Eradication of Global Poverty (program of CONCORD)
DFID – Department for International Development
DMS – Donor text messaging service (SMS)
EC – European Commission
ECHO – The Humanitarian Aid and Civil Protection department of the European Commission (formerly known as the European Community Humanitarian Aid Office)
EEA – European Economic Area
EFA – European Fundraising Association
EU – European Union
FRSB – Fundraising Standards Board
IGO – Institute of Global Responsibility
NGDO – Non-governmental Development Organisation (in the text used as umbrella term for both development and relief/humanitarian aid organisations)
NGO – Non-governmental Organisation
ODA – Official Development Assistance

PBO – Public Benefit Organisation
PFA – Polish Fundraising Association
PHA – Polish Humanitarian Action
PIN – People in Need
ROI – Return on investment
UNHCR – The Office of the United Nations High Commissioner for Refugees
UNICEF – United Nations Children's Fund
V4 – Visegrad Four (Visegrad Four countries: Czech Republic, Hungary, Poland, and Slovakia)
WSPA – World Society for the Protection of Animals

Currencies
CZK – Czech koruna
HUF – Hungarian forint
PLN – Polish zloty

Context of Fundraising in Visegrad Four Countries

2

Context of Fundraising in Visegrad Four Countries

2

Jitka Nesrstová (Czech Republic), Hunor Király (Hungary), Robert Kawałko (Poland), Eduard Marček (Slovakia)

Fundraising as a set of strategically focused activities is very sensitive to its context. Individual countries vary in both their willingness and ways to make donations. In its World Giving Index, Charities Aid Foundation takes into account three ways: giving of money, volunteering time, and helping a stranger. Central European countries placed in the lower half of the index. In 2010 Czech Republic and Poland shared 81st place out of 153 countries on the list. Slovakia took 112th place (along with Albania) and Hungary took 121st place (along with Estonia and Kosovo). The ranking reflects the average engagement of the population in a given country in the three ways of giving mentioned above (see Table 1).[1]

Table 1 ***World Giving Index – percentage of population involved in charitable behaviours***

Country	World Giving Index	% giving money	% volunteering time	% helping a stranger
Poland	81	42 %	9 %	35 %
Czech Republic	81	31 %	18 %	37 %
Slovakia	112	29 %	13 %	31 %
Hungary	121	22 %	9 %	32 %

Source: World Giving Index 2010, Charities Aid Foundation[2]

1 *World Giving Index 2010*, Charities Aid Foundation, *https://www.cafonline.org/pdf/WorldGivingIndex28092010Print.pdf*, accessed on 30 November 2011

2 Ibid.

Unlike in countries with developed culture of philanthropy, less than half of the population is engaged in giving. We may see this as a factor which complicates the work of fundraisers. But the real cause may be entirely the opposite. People in our countries face much fewer requests for giving, methods of addressing donors are less effective and ways of giving are more complicated. From this perspective, the quality work of a fundraiser is not just about raising money but also about cultivating the philanthropic environment.

Fundraisers need to take the situation into account. The strategies and methods have to correspond with the environment in which they are used. There are issues of **legal background** (what is allowed and what is restricted in a particular country), **cultural background** (what is accepted, what is perceived as desirable), **social and economic background** (what could be the volume and frequency of potential donations, what behaviour of donors could be expected).

Much can depend on **"infrastructure for giving"**: what channels are created, opened, known, and user-friendly for donors (e.g. giving portals, easy procedure for setting up permanent direct debit, etc.). But the success of any one depends on the level of trust that is earned from the public – **"infrastructure for earning trust"** (including the mechanisms for assuring transparency, self-regulatory bodies, codes of conduct) plays an important role.

To be successful in fundraising, one has to tune the strategy and tools to account for these factors. On the other hand it is crucial to improve the environment itself in order to be able to use fundraising methods effectively.

In V4 countries there are several initiatives on-going that aspire to change the legal settings, improve information-sharing among potential donors, or built up new channels for giving (e.g. see case study Coalition for Easy Giving by Jitka Nesrstová or The Promise of Public Media in Poland by Ilona Iłowiecka-Tańska). Thus the situation is evolving dynamically.

Case studies are the core of this publication. Knowing the broader context and environment can help us understand better and adapt the shared experience to our own conditions. We offer a short description of the situation in all V4 countries from the fundraising perspective with special focus on development and humanitarian causes.

Czech Republic

Legal setting

There are three important laws that every Czech fundraiser should know: public collection law, personal data protection law and income tax law.

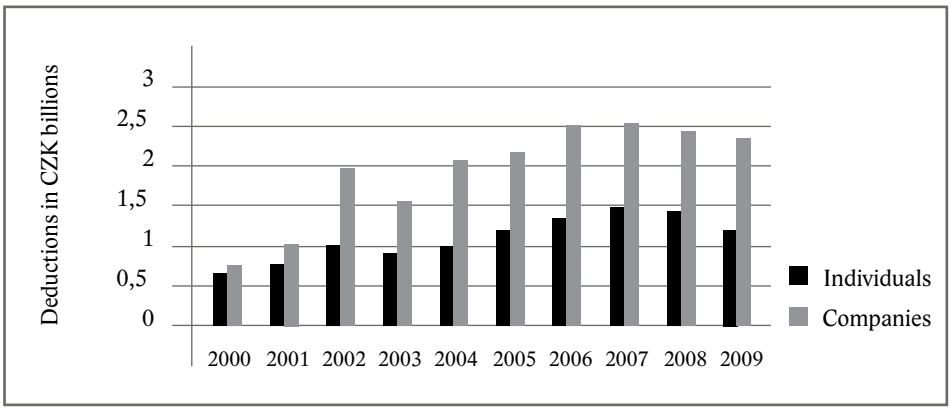
NGOs have to receive an approval from state authorities if they plan to collect gifts from anonymous donors. The law requires periodical reporting on funds raised and allows NGOs to use only 5 % of total income to cover the costs of the collection. This means that for major campaigns NGOs need to first find a partner (usually corporate donor) who will cover the expenses. The permission is given only for 3 years which creates a lot of problems for long term collections. The amendment to the law is at the moment in the legislative process.

All NGOs (except foundations) that raise funds from non-anonymous donors and administer the database of their personal data need to register at The Office for Personal Data Protection and follow the rules for collection and processing of personal data.

According to income tax law, individuals and companies may deduct donations from their taxable income. For individuals, the minimum total gift is 2 % of tax base or at least CZK 1 000 (approximately € 40) per fiscal year. The maximum deductible amount is 10 % of tax base. For commercial companies the minimum donation is CZK 2 000 (approximately € 80) and the maximum is 5 % of the tax base. The donor needs to receive a written confirmation of donation from the NGO that he/she afterwards attaches to tax declaration.

Ministry of Finance statistics on tax deductions are at the moment the only regular data on philanthropy (see Figure 1). But it covers just a part of total donations as not every donor is informed about a possibility to claim the deduction. Several surveys done over the previous years also show that the majority of donors give less than CZK 1 000 per year, thus their gifts are not eligible for tax deductions.

Figure 1 ***Tax deductions for charitable purposes in the Czech Republic***



Source: Ministry of Finance of the Czech Republic

The data shows the growth in tax deductions over last decade in which individual tax deductible donations rose by 80% and corporate gifts more than tripled. Economic crises in recent years have changed the trend but in 2009 individuals and corporations still together donated more than CZK 3.5 billion (€ 140 million).

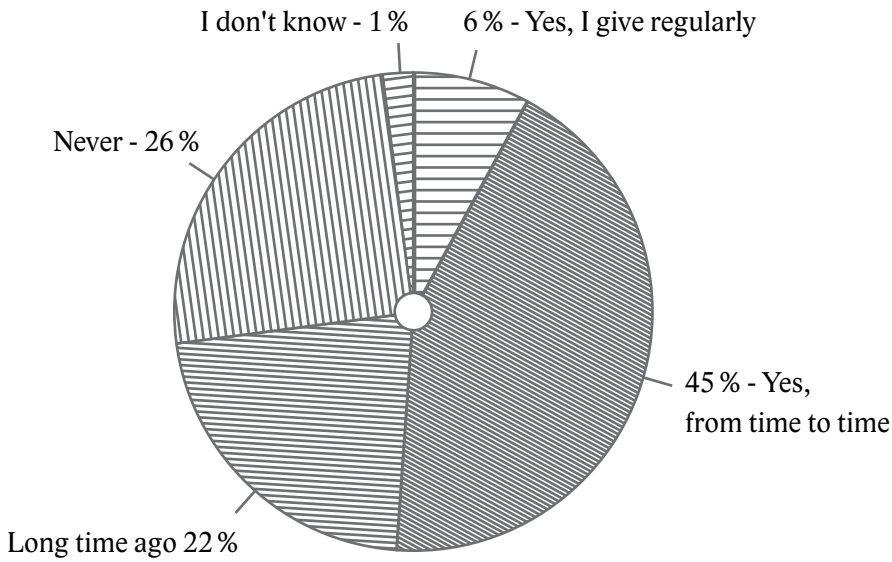
At the moment, the income tax law is quite general in specifying the purpose of charitable giving. Taking into account also the low level of transparency of the Czech non-profit sector, it is no surprise that there is strong pressure to adopt the law on organisations with public benefit status that would afterwards be interlinked with the income tax law.

Infrastructure for giving

Available surveys show that Czechs are getting more generous. In 2010, the Charities Aid Foundation presented World giving index.[3] Even though Czech Republic placed in the second half of the ranking (81st position out of 153 countries) the survey revealed that 31 % of respondents have donated to charity in the last month.

In 2009, Via Foundation conducted a survey among 800 respondents asking them about their giving habits. The results showed that only one quarter of respondents never donated to charity while 6 % of respondents are regular givers (see Figure 2).

Figure 2 ***Have you ever donated to charity?***



Source: Survey of Via Foundation 2009 (800 respondents)

3 http://www.cafindia.org/World%20Giving%20Index%20Final%20Report.pdf, accessed on 30 November 2011

Table 2 ***Ways of giving in the Czech Republic***

Ways of giving	Most frequent	Ever used
SMS/DMS	55 %	72 %
Bank/post transfer	31 %	55 %
Cash	13 %	26 %
Other	0 %	1 %

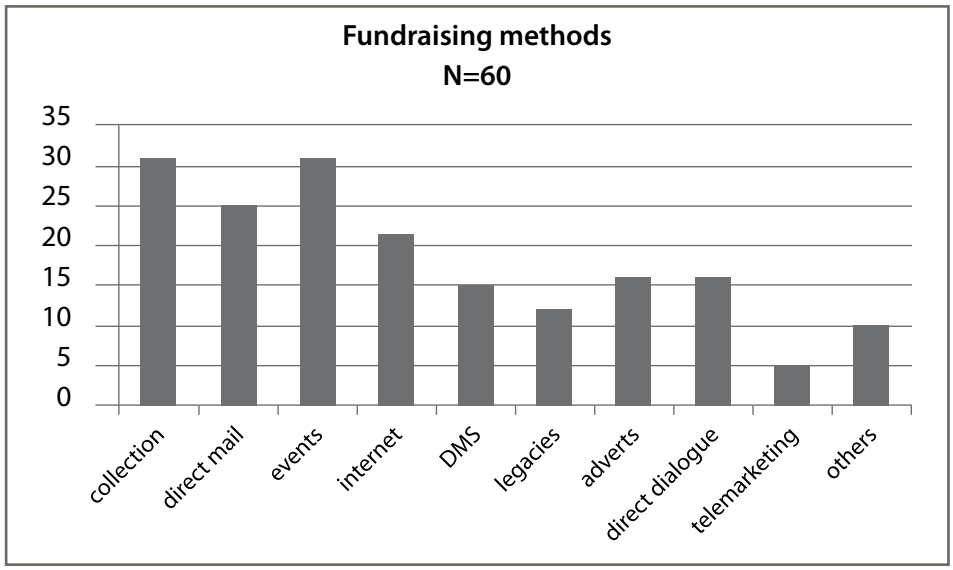
Source: Survey of Via Foundation 2009 (800 respondents)

The examination of the ways of payment shows that the most popular method is SMS giving (see Table 2). DMS (Donor message service) is a system where NGOs running a public collection can receive a unique password same for all mobile operators to receive a donation. One DMS costs CZK 30 (€ 1.2) where 90 % goes to the NGO. Unfortunately these are anonymous donations. Nevertheless, this service has made giving easier, popular and thus far helped NGOs to raise almost CZK 345 million.

Sending donations via bank transfers is getting more common with all banks promoting electronic banking to make it even easier. Setting up a regular payment (direct debit or standing order) or increase an amount of a regular payment is still quite complicated and requires donors' active participation. Czech Post with its direct debit system called SIPO is the only institution that does not insist on donor signature making it possible to make a regular payment e.g. over the phone. In 2003, NGOs active in the field of fundraising from individual donors came together and established a Coalition for Easy Giving in order to make our rigid banking system more NGO- and donor friendly (see also case study Coalition for Easy Giving: Removing Barriers by Sharing Experience and Working Together, p. 175). As a result of this cooperation, Czech banks started to accept direct debit forms directly from NGOs. More details are available in case studies on the work of the Coalition as well as in the case study about direct dialogue The People in Need Club of Friends, p. 81.

In 2010, Coalition for Easy Giving conducted a survey among 60 NGOs experienced in individual fundraising. The Figure 3 shows the methods that they use.

Figure 3 ***Fundraising methods used in the Czech Republic***



Source: Survey of Coalition for Easy Giving 2010

Fundraising methods in the Czech Republic remain still quite traditional. Previously, NGOs received donations mostly through public collections that dropped significantly in the last years. There are only few well-known charities that continue to organise nationwide collections accompanied by media campaigns. However, collections still work very well for humanitarian emergencies. Auctions and events are other common ways of fundraising, some very successful and raising hundreds of thousands, or even millions every year. The direct mailing method is still developing as only few charities run regular direct mail program thus far. Direct Dialogue is a popular method among bigger and more developed NGOs and proved to be an effective method to recruit regular donors. For more information on how to use this technique for NGDOs, see the case study The People in Need Club of Friends, p. 81.

Many NGOs see the Internet as a tool with amazing fundraising potential. In the last two years banks have changed their policy on Internet card payments, finally giving NGOs this tool at their disposal. At the moment, there are two major internet giving projects in the Czech Republic. *Daruj správně* (www.darujspravne.cz) is an online giving portal run by Donors Forum focusing on donors who can choose an NGO and support it via the portal. The second project, *darujme.cz* has a different

philosophy. It offers NGOs an easy way how to receive online payments directly on their webpage through payment widgets (this can be used for email campaigns too). Both projects are quite new so there is not yet enough data available. People in Need successfully uses their website to raise funds through www.skutecnydarek.cz. More information on this project can be found in the case study The Real Gift Project, p. 193.

Fundraising as a profession

There are two main bodies for professional fundraisers in the Czech Republic. Coalition for Easy Giving[4] brings together those interested in individual fundraising while the Club of Professional Fundraisers[5] focuses mostly on experience-sharing among fundraisers, offering them space for personal growth. Both organisations approved their ethical codes for fundraising that are mandatory for their members.[6]

The biggest obstacle to further development of fundraising seems to be the lack of professional fundraisers (not many NGOs can afford a full-time fundraiser). When coalition asked their members about the biggest problems they faces, among the five most common answers were: not having enough time and skilled fundraisers, high cost of postage, not enough know-how for further development of fundraising methods, bank fees and complicated procedures and unclear legislation.

Fundraising for development cooperation and humanitarian aid

In 2002 the Czech Republic was affected by the worst floods in a century. The wave of solidarity that appeared afterwards was also reflected in Ministry of Finance data on donations to the flood victims – corporate deductible donations

4 www.snadnedarcovstvi.cz, accessed on 30 November 2011

5 www.fundraising.cz, accessed on 30 November 2011

6 See http://snadnedarcovstvi.cz/o-darcovstvi/eticky-kodex-fundraisingu.html, accessed on 30 November 2011; http://www.fundraising.cz/eticky-kodex, accessed on 30 November 2011. Both texts are in Czech.

rose by 90 %; individual deductions by 30 %. In 2006 Factum Invenio[7]conducted a research of the support of humanitarian causes. It found that 66 % of respondents donated to humanitarian organisations with 52 % doing so repeatedly. It needs to be said that research was done after the 2005 Tsunami that received huge media attention with strong public appeals to donate.

Results of DMS campaigns also show that willingness to support emergency appeals is high; in fact one-third of all DMS goes to humanitarian causes. The most successful appeals were after Tsunami (1 400 000 DMSs), Haiti (613 000) and the storm that destroyed High Tatras (303 800).[8]

Nevertheless, it seems that Czechs are prepared to support humanitarian as well as development causes with higher amounts than DMS allows. For example distance adoptions of children from the developing world are very popular and the most successful organisation devoted to this cause (Caritas) has already helped more than 26 000 children. For the first time major gifts to development causes were also reported.[9]

People in Need is the most successful Czech NGDO in terms of regular donors and funds raised. They prepared several case studies describing their achievements (The People in Need Club of Friends, The Real Gift Project, Feedback to Donors and How to Use It for Fundraising).

To conclude, the author would like to state her personal conviction: after almost ten years in fundraising she really believes that there would be much more donors and much higher giving if only NGOs approached them and communicated with them in a human way. The potential is huge.

7 http://www.factum.cz/241_cesi-a-dobrocinnost, accessed on 30 November 2011

8 http://www.darcovskasms.cz/7-let-dms/dms-slavi-7.-narozeniny.html, accessed on 30 November 2011

9 In 2009 Mr. Sklenar donated CZK 1 million to build a school in Himalaya and received VIA Bona Award for philanthropy, see http://www.rozvojovka.cz/cena-za-firemni-a-individualni-filantropii_221_730.htm, accessed on 30 November 2011

Hungary

The paper is based on the research that the author has done in the first half of 2011. It consisted of:

- Questionnaires for fundraising practitioners distributed within the project Strengthening Fundraising Capacities of Non-Governmental Development Organisations in Central Europe *(12)*
  Interviews held in the same project with development and humanitarian NGO fundraisers and CEOs *(12)*, followed by a new series of interviews with a broader range of civil organisations in Hungary *(14)*

- Questionnaires and interviews of all applicants to DemNet's fundraising training delivered in June 2011 in Budapest *(34)*

- A series of seminars and consultations for Hungarian grassroots organisations (Grassroots Europe for Local Wellbeing) organised by Open Society Institute *(about 30 participants)*

Legal setting

In Hungary several options and limits regarding fundraising are imposed on NGOs by law. The options to donors are regulated, too.

NGOs with a public benefit qualification are able to collect any type of donation; organisations without that qualification can collect donations using only limited methods. The qualification is not gained by any kind of audit by the authorities, but simply by registering the organisation as a public benefit. Annual reporting is required. A report must be published on the organisation's website, but it is not obligatory to report to any state authority except the National Tax and Toll Authority (Internal Revenue Service).

Public collections are regulated by the so-called 'civil law'. The three most emphasised guidelines of the law are the following:

1. the donation should be used for a public benefit cause regulated by the law, and the same cause that is asked for
2. the donation "must not provide financial benefit to the donor" (the interpretation varies)
3. the beneficiary must provide a certificate of the donation to the donor.

One of the brand new regulations comes into force in 2012: the regulation of DMS goes to the newly formed National Media and Info-communication Authority. This means that every request for a DMS campaign will be considered by the state authority.

In the early '90s there were some tax benefits for donors, but in the last decade they were cut. A company (or an individual donor) can subtract the donation from its taxable income (i.e. decrease its tax base but by 20 % maximum) with quite difficult administration, which makes the regulation rather symbolic than effective.

Every tax payer has an opportunity to choose which NGO gets 1 % of his/her Personal Income Tax. In fact this is not a donation, rather it is choosing where a small part of the income tax goes to. The law that enables the collection of 1 % came into effect in 1996 as the first regulation of this kind in Central Europe. Originally, it was meant to raise awareness about the sector. Since then NGOs in Hungary started to rely on the 1 % assignation and tend to ask for more regulations that would make 1 % campaigns easier (e.g. free adverts, more stimulation of tax payers to choose, etc.).

Years later the side effects of the regulation could be assessed – it creates a competition between the organisations, which is not helping the NGO cause. There is only one organisation a tax payer can choose and the amount on average is rather small – between HUF 2 000 and 4 000 per year. The smallest amount for a regular donor in a fundraising campaign targeting small regular donations would be HUF 1 000 a month; that is a minimum of HUF 12 000 a year. Moreover, a large number of quasi-NGOs were created by schools in order to collect 1 % from the parents of their students. Thus the mechanism does not support civil society and NGOs but it substitutes other missing public policies.

Infrastructure for giving

Giving via a phone call or a DMS are the only easy ways of giving in Hungary. Most of the NGOs ask for a direct debit. However, permanent direct debits are very complicated, as there is no standardised system. In addition, every bank has its own procedures, which makes it almost impossible to use it in broader manner (e.g. like in the direct dialogue method). There are only two banks offering online payment systems for fundraising, and the procedure is still too long and complicated. Therefore NGOs still prefer using PayPal. The problem with PayPal is, however, that it is too expensive for the donor and the beneficiary as well.

The only giving portal that operates in Hungary is *Adhat.hu* (with the sub-portal *Kőleves.hu*). The concept is very similar to the giving portals in other countries, but the interface is not user friendly, and the lack of promotion caused it to languish. At the time of this writing, there are 5 beneficiaries and 0 donors on the site.

Fundraising as a profession

When sending application to DemNet's fundraising training, only 2 of 34 organisations stated in a questionnaire that they have a dedicated fundraiser. Fundraising is an activity that is generally done on the side by one of the staff members, who has at least one or two major duties in the organisation. The author could not reach the fundraiser of one of the biggest Hungarian humanitarian organisations for months, because he was working in the field in Japan as a logistical manager. This is a typical situation in Hungary. During research the author met only 3 trained fundraisers in the country. One of them finished a Master's

degree in Scandinavia while he was working for an international NGO abroad, and two of them participated in a short basic training inside their international organisations led by their colleagues from abroad.

In general, the Hungarian NGDOs lack knowledge and capacity in fundraising. Some fundraising campaigns are made by external communication agencies, who do not know much about non-profits and their fundraising campaigns are more along the lines of emotional blackmail. Other NGOs simply copy some elements from other organisations inside or outside the country. In both cases, the fundraising lacks basic aspects like targeting, communicating and spending the donations transparently, donor care, long term strategy for regular donors, and using new methods in fundraising. Successful fundraising campaigns are mainly the domain of international NGOs that import the campaigns of their parent or partner organisations without relying on their own professionals.

Currently, there is a crucial need to train the practitioners; people who already work in NGOs and are fundraisers, or want to work as fundraisers. It is also important for the CEOs of NGOs to understand that these experts should work full time, if possible. This is a hard decision to make given that there is not much room for remuneration of the employee. Nevertheless, this is the only way to become autonomous and sustainable within a few years. Until the time we see more fundraisers working in their organisations, in the meantime there should be more opportunities for mentoring and assistance.

There are no umbrella organisations in Hungary that deal with fundraising. Under such circumstances it is hard to lobby or negotiate about improvements of the environment (e.g. with telecommunication providers about DMS service). There is a need for two types of umbrella organisations. One is a fundraising association – the umbrella uniting NGOs who are doing fundraising activities with the main goal of lobbying and setting standards. The second one is an umbrella of practitioners, where the members are not organisations, but instead professionals. Its main aim would be to provide the opportunity for learning, sharing experience, and setting professional standards – much like a club of professionals would do.

A Donors Forum was formed in Hungary in 2010, serving as a platform of the for-profit sector – Corporate Social Responsibility experts and marketing specialists who have come together to help the NGO sector. There are smaller

platforms and coalitions created on an ad-hoc basis with a purpose to negotiate with the authorities – even if with rather limited outcome.

Fundraising for development cooperation and humanitarian aid

"Disasters are what motivate us, not media attention." – Executive director of European Disaster Volunteers Andrew Chaggar wrote in Civil Society, a sector periodical. Giving on occasions like a tsunami, a flood or an earthquake is still the most attractive. Experts working for humanitarian NGOs named the following reasons in interviews:

- *The tradition and the euphoria that originated during the democratic change.* Hungarians are willing to donate in cases like this.

- *The ease of argumentation.* There is no need to work on arguments very much: what happened (a disaster) was nobody's fault, the victims were helpless, this could happen to anyone. An organisation that is not working in such a setting and campaigns e.g. for the homeless people or development would face the problem of overcoming arguments and confronting opinions like: 'These people often are to blame for their own situation' or 'Why should we help someone thousands of kilometres away?' etc.

- *The ease of campaign communication.* As one communication officer of a humanitarian aid organisation put it: "It's in the news, people already know about it. The media is covering our activities in the region. It's easy."

- *Hungarian public is easily moved during natural disasters.*
  The donations during these occasions are not regular ones and these campaigns are missing elements like donor care and nursing donor databases.

One of the few remarkable campaigns in the NGDO segment of the civil sector was the Baptist Aid campaign, where donors could choose a child and support its education. The campaign was supported by some media players (magazines and

some newspapers). The campaign of the Foundation for Africa was very similar, but without the same media support (for more information see the case study Adopt a Child: The Online Campaign of the Hungarian Foundation for Africa on p. 211).

Since the fundraising activities of NGDOs are very limited and media coverage is weak there are not known cases of misuse or fraud.

Poland

Legal setting

In 2004 the Polish government enabled organisations to acquire the status of the organisation of the "public benefit." Creating the elite of the third sector was the purpose, privileging the best organisations, among others through the right to accept the 1 % of the income tax and to apply for national subsidies. Soon however subsidies became available to all organisations engaged in the activity of the public benefit, but the status could be gotten by almost every organisation, if it agrees to conduct full bookkeeping, publish annual reports and limit the remuneration of employees to the level of 1.5 the average of domestic average salary. There are almost 7 000 organisations of the public benefit at present in Poland, having by 2009 received a total of 357 million zlotys from taxpayers (approximately 90 million euros). After 8 years of the 1 % tax scheme, it became one of the most effective forms of support in Poland by citizens, even though only about 50 % of them use this tool.

Moreover, taxpayers can reduce their taxes by:

- the donation of the amount up to the 6 % of the income of private entities,
- the donation of the amount up to the 10 % of the income of legal entities, i.e. companies.

The definition of a collection often changes, but all forms of public collections actually require the approval of clerks, unless they are organised within the church – then church authorities are issuing the permission. Also collections being held in private places, at schools and public institutions are exempt from the requirement of obtaining a permit.

In 2010 the act on the activity of public benefit entities was amended by the parliament. It has helped companies to establish their own public benefit organisations. A limit of the remuneration of NGOs employees was increased to the three times of domestic average earnings. The regulations on publishing financial reports were toughened: if the organisation does not send its report to the Labour Department in time, a right to receive the 1 % of the tax is suspended for the next year.

Infrastructure for giving

In 2009, 50.4 % of Poles supported some organisation – with the cash or non-cash gifts – but only a 19 % helped a different beneficiary than the Great Orchestra of Christmas Charity. It is the greatest philanthropic event being held every year in January collecting small amounts from millions of individuals thanks to coverage in the media and collection on streets over entire Poland. It is hard not to be a donor of Great Orchestra of Christmas Charity, because it is an event very much widely promoted. Thus based on its success, we cannot conclude that such donations are changing human attitudes permanently. When it comes to assessing the real situation on the ground, only just one fifth of Poles could be called philanthropists.

So what is the profile of a Polish donor? The majority of those supporting non-governmental organisations are those over 55. They dwell in the country or in small towns (up to 50 000 residents), they have a secondary or higher education and are religious. On account of the employment status, most of donors are senior citizens and persons employed permanently or occasionally. Women are known to make a little bit more donations than men. According to research by Klon/Jawor, those earning little are among the most frequent givers, but at the same time their donations are low – over half of the donors are giving fewer than € 20 a year.

As for methods of transferring money, analysis published in 2008 showed that collections were most popular (64 % of donors choosing this way), followed by direct transfer to the needy (36 %), and SMS or other media campaigns (28 %). At present the popularity of payments through the Internet is growing, and more and more people are also using home banking, due to the transfer being cheaper than the payment at the post office.

The confidence of donors in the Internet is constantly growing, but in 2010 a 22 % of Poles still did not have their own bank account, therefore – especially the elderly – forward their payments at the post office. Fundraisers have a few tools at their disposal to facilitate the money transfer. These are PayPal and its equivalents: Przelewy24, Dotpay or PayU. A part of the donors is choosing the regular bank transfer, as well as direct debit, even though the latter is applied quite rarely, because people have small confidence in this form. Street campaigns of Greenpeace can serve as an example – their donors were asked to setup a direct debit, but according to the fundraisers, even after 4 years the campaign was not profitable. Many organisations cannot use the direct debit option because of procedural requirements – every petitioner must present the documents similar to credit application and prove his/her solvency.

There are a few web portals facilitating payments to charity, however none of them became very popular. The best-known is *siepomaga.pl* (the turnover of approximately € 200 000 in 3 years) and *dobroczynnosc.com*.

Fundraising as a profession

On the ministry's list of official professions carried out in Poland, there has been "a specialist of raising funds" already for a few years. However, fundraising cannot be called a regular profession yet, even if more and more persons are declaring that they are working as fundraisers and have this designation on their business cards. It seems that more time must pass for success in professional fund collecting and for fundraising to be regarded as something more than a curiosity.

The official representation of fundraisers is carried out by the Polish Fundraising Association, established in 2006, with over 200 members. According to PFA data, the 2011 basic fundraising training was completed by as many as over 4000 Poles, but the majority of these graduates were members of management boards

and managers not involved in fundraising duties, only occasionally using the acquired know-how. All in all, the estimated number of full-time fundraisers does not exceed 300.

The main obstacles to fundraising development are mental barriers of managers of the Third Sector and their attitudes, namely dislike for change, adjustment to the lack of money for the development, non-acceptance of the need for investment and the risk, unrealistic expectations towards fundraisers – usually employed on percentage-based commission, which often results in the lack of identification with the organisation for which they are working. Development of fundraising for institutions financed by local government is hampered because of financial provisions which dictate that directors spend the entire received subsidy by the end of each calendar year, leaving no reserves on the account. Incentives to save and to invest are missing, which leaves many institutions constantly threatened with liquidation. Thus, they act in full dependence of the current politics and of the macroeconomic situation – every major crisis is a fatal threat for them.

The Polish Fundraising Association (PFA) was in 2006 – along with representatives of 23 other states – a signatory of the International Declaration of Ethical Principles in Fundraising, which was translated into Polish and is constantly being promoted during trainings and conferences organised by the PFA. The declaration is dis-couraging organisations from paying a fundraiser a commission based on the per cent of the raised funds, promoting the approval of justified administrative costs, respect of donor's will and the transparency in administering collected funds.[1] The Polish Humanitarian Organisation published in 2006 a book entitled "How to talk about the most of the world – solid education about countries of the Global South." It was created within the project "Global School", in cooperation with the Institute of Global Responsibility (IGO), and also contains a guide for dealing with images and messages concerning southern countries. This guide was approved by the European NGDOs platform CONCORD.

1 http://www.afpnet.org/Ethics/IntlArticleDetail.cfm?ItemNumber=3681, accessed on 30 November 2011

Fundraising for development cooperation and humanitarian aid

Church organisations in Poland are achieving the biggest successes in fundraising for developing countries. Many out of over 200 orders and religious assemblies are running permanent missionary work, and they were fundraising for them even in communist times, i.e. before 1989. Other organisations involved in development were formed as soon as after the victory of the "Solidarity" and for the most part, their success relies on charismatic leaders developing activity based on subsidies from public sources. Polish NGDOs have formed the "Foreign Group" – Grupa Zagranica, a platform which has over 50 member organisations at present. In spite of this relatively large number, in Poland little is heard of development cooperation – if there are some media blitzes or campaigns, their organisers are usually the same, few organisations: Polish Humanitarian Organisation, Caritas or Catholic missionaries. Other actions are much smaller and less publicised.

In the last years there were no publicly known cases of unethical fund usage by NGDOs. However, weak results of some collections are discussed, e.g. PHO not managing to collect a meaningful amount for victims of the earthquake in China in 2010.

Poles still do not seem ready for massively supporting foreign actions. They are still too much concerned about the internal needs, to start caring for other nations. Admittedly the number of people giving regularly to missions or participating in distant adoption of children from poor countries is increasing, but the road to aid that would be proportional to the size of Poland is still distant.

In campaigns to help victims of cataclysms and wars, stereotypes and geography are playing a great role: if the aggrieved parties are rich and distant, the commitment is falling. Big media have an important role and by showing pictures from areas affected with disasters, they are arousing sympathy and helping Poles to imagine the local situation. Given that Poland has no historical bonds with none of postcolonial states from the "strange" continent, also a reaction of the government is important – if Polish lifeguards are participating in rescue operations and their work is shown on television, a social solidarity with victims is bigger. The generosity of donors for foreign philanthropic initiatives seems

dependent on personal reports from the given country, knowledge of the subject and the amount of information available about the problem. Therefore missionaries are generally raising the most funds, as for them the main fundraising method is personal visits in parishes where people feel the personal connection with the work they deliver and treat them as their messengers to the developing countries who also provide them with first-hand accounts of the situation.

Slovakia

Legal setting

In Slovakia there are no tax benefits on philanthropic giving of individuals and companies. They were abolished in 2004 with the introduction of a new tax reform. There is, however, a percentage tax mechanism which allows individuals and companies to allocate percentage of their income tax to selected non-governmental organisations. Individuals may allocate 2 % of their individual income tax to one organisation; companies may allocate up to 1.5 % of their corporate income tax to several organisations in 2011. In the period of 2011 – 2020 the percentage tax mechanism for companies (not individuals) is to undergo a gradual reduction from 2 % to final 0.5 % by 2020. In 2011 if the assignation of 1.5 % of the corporation's income tax was matched by an additional 0.5 % of corporation's donation, the government later topped the 1.5 % to 2 % of the corporate income tax. Thus the total amount received by NGO could reach 2.5 % of the corporation's income tax. The percentage mechanism is one of the major indirect public support tools for NGOs and is very popular with organisations and companies alike. The mechanism, however, remains anonymous and prevents building personal relationships with supporters.

Public collections are still regulated by an act adopted in 1973 which does not fully reflect the needs and fundraising realities in the 21st century. Moreover, the law does not restrict minimum allowed costs of running the collections; it only proscribes that the costs not be higher than the amount of gross revenues. Due to weak regulation some organisations run suspicious public collections that have the effect of undermining trust of the public towards giving in general.

Infrastructure for giving

Public (tin) collections are among the most used fundraising methods in the country. Annual campaigns of well established brands address public through charitable events – street collections, concerts, auctions, events, SMS giving, etc. The proceeds of the collections are gradually rising – every year most of them raise more money than the year before. Ad-hoc money collections in the streets with the help of media and volunteers are quite a well-established method, though it still remains in the category of one-offs and anonymous giving.

One of the major fundraising tools are premium rated SMSs, called DMSs. DMS (Donors Message Service) is a non-commercial SMS-based tool adopted by all three mobile operators with the same DMS number 877. The money collected in this way is deducted from the bills or prepaid credit of the users who send in a "DMS *KEYWORD*". However, the system still remains anonymous, which is a basic obstacle for building long-term relationships with DMS donors. Besides DMSs some organisations have negotiated individual premium rated SMS numbers with all operators. The system, however, still remains anonymous.

A more sophisticated and regular way of mobilising resources from the public is by collection through regular donations or permanent bank transfers. In Slovakia the full potential of this method is yet to be explored. It is estimated that only a few organisations have a functioning base of regular donors. There are some shining examples, such as a Good Angel – an innovative online giving system which collects monthly payments from thousands of donors and distributes them to families in need – or a Club of Friends of Children introduced by the Slovak Committee for UNICEF.

A big disadvantage of the fundraising environment in Slovakia is the limited possibility to set up a direct debit by an organisation. Banks are very conservative and not willing to support the method. Direct dialogue[1] as a method of face-to-face fundraising in the streets is thus almost not used at all. The donor would have to go to bank personally and set up the transfer, unlike in other countries where NGOs take care of everything instead of the donor. There are attempts to introduce direct dialogue method through credit and debit cards. The pioneer

1 Approaching donors in the streets and gaining their consent for regular payments through regular bank transfers.

of this approach is the Slovak Committee for UNICEF who recruits regular donors in the streets. The drawback of using debit cards in direct dialogue is the expiration period of the cards, after which the contact and consent of the donors need to be renewed. However, recently there have been optimistic signals regarding the banks' willingness to release restrictions on the use of cards in direct debit giving which may help spread the method further.

Use of the Internet in fundraising is growing in importance, though in general this channel remains only supplementary. The giving system of Good Angel completely relies on online environment – the donor has an overview of all donated funds and all the beneficiaries s/he helped to support. All the funds are redistributed to the target beneficiaries. The system monthly distributes more than € 275 000. There are also 3 other online giving portals – *dakujeme.sk* with focus on individual beneficiaries and families in need; *dobrakrajina.sk* with pre-selected projects and organisations in 5 areas (education, culture, environment, solidarity, participation), and *ludialudom.sk* which is designed to be open for everyone interested.

In 2011 a Coalition for Promotion of Individual Giving comprising 12 Slovak NGOs was established. It aims to develop a favourable environment for individual giving in Slovakia; to pursue and promote the common interests of its members; to remove barriers to the giving process, and to serve as a platform for mutual cooperation and sharing of experiences between the members in the field of fundraising from individual donors.

Fundraising as a profession

There are several NGOs with the longer term tradition of promoting fundraising and philanthropy in Slovakia. Based on the initiative of experts from PANET, PDCS, Greenpeace Slovensko, WellGiving and Center for Philanthropy, the Slovak Fundraising Centre was established in 2009 with the aim to become the national association focusing on developing professional-level fundraising and financing of publicly and privately beneficial activities, NGOs, public and private institutions, and civic initiatives in Slovakia and internationally. The Centre runs a Club of Fundraisers and in 2010 has been accepted as an observer in the European Fundraising Association. There are also other NGOs that contribute to the development and professionalisation of fundraising through their

programs and services in the area of research and policy analysis (e.g. Center for Philanthropy, Institute of Public Affairs, PANET, Slovak Governance Institute); education (e.g. PDCS, Voices); cultivating philanthropic environment (e.g. community foundations, Center for Philanthropy, Pontis); providing fundraising tools (e.g. Slovak Donors Forum – DMS, portals *dakujeme.sk*, *ludialudom.sk*, *dobrakrajina.sk*, humanitarian system Good Angel); and information sharing (e.g. 1.SNSC, *changenet.sk*, *dobrovolnictvo.sk*). Special position in cultivating individual philanthropy is held by a Coalition for Promotion of Individual Giving which was established in 2011 by 12 NGOs including e.g. UNICEF, Slovak Caritas, Greenpeace and others.

The biggest obstacles for a more professional fundraising in Slovakia lie in the lack of understanding that it is about personalised relationships. There is still a lack of understanding of the potential of individual donors to an organisation. For this purpose, sophisticated efforts to build relationships with supporters are needed. There is also a need to develop fundraisers as a regular profession, given that the position of fundraisers is often mistakenly cumulated with other positions such as PR/communication persons or Executive Directors. The profession is not adequately remunerated and often not recognised as such at all. In addition, the organisations have very limited resources to invest into development of fundraising programmes and yet they do not understand the costs as necessary investments into furthering sustainability.

There are few self-regulation codes of conduct adopted in Slovakia: Code of Ethics for Organisations Working with Donors and Code of Ethics for Fundraisers.[2] The Slovak NGDO Platform has joined a Code of Conduct on Images and Messages with the aim to build fair communication strategies with the public.[3]

Fundraising for development cooperation and humanitarian aid

The fundraising of the best NGDOs is based on their reputation and trust they have managed to build over the years. The general public maintains positive relationship towards their activities. Some of them are good at mobilising in case

2 http://fundraising.sk/en/club-of-fundraisers/code-of-ethics, accessed on 30 November 2011

3 http://www.mvro.sk/sk/kodex (Slovak version), accessed on 30 November 2011

of emergencies. They also use various fundraising methods and involve the media. The best known humanitarian/development actors include People in Peril, eRKo, Slovak Committee for UNICEF, Slovak Catholic Charity, ADRA, Magna Children in Need, Slovak Red Cross, and the Integra Foundation. Some of the remarkable campaigns include Good News – an annual public collection run by volunteers of erko, emergency appeals of the Slovak Catholic Charity, People in Peril or Magna Children at Risk appeals to support health care in the developing South.

The biggest obstacles for NGDOs in raising funds are identified as the lack of interest of the general public in Slovakia in foreign topics and related challenges. There is also a lack of understanding of the problems of the others, while the feeling of being rich enough to be able to help others is still missing as well. The general feeling in Slovakia is that the country should still be helped by others and it is not up to the public to help foreign causes. The inclination to support domestic humanitarian causes and organisations is still much stronger than solidarity with those far away. The legacy of an omnipresent state from the past could still be felt in expectations that the government should take care of those in need (even beyond our borders). Some part may be due to little confidence among some donors towards NGDOs. There have also been cases when some foundations got into suspicious fundraising through direct mails. There is more understanding among the public for needs and pro-active approach of donors in cases of emergencies rather than development issues.

In cases of emergencies and disaster situations the well-established organisations benefit from their brand and previous campaigns. The biggest non-public income comes from the DMS giving. Furthermore, a significant amount of donations could be collected through churches. A case in point – a single campaign with official support of the Catholic Church helped raise 1.75 million euros to deal with the aftermath of the Haiti earthquake.

Major challenges for NGDOs include also low average donations by donors. Organisations have trouble attracting and working with major individual donors. And there is a huge room for cultivating the culture of philanthropic giving – majority of people still do not support causes/organisations regularly, but rather on an ad-hoc basis. Besides that some technical obstacles exist too – e.g. a very limited possibility to upgrade donors with telemarketing. Additionally online payments with cards are only slowly gaining traction; postage for direct mail is quite high; alternative post operators are not very reliable. Practically, no serious

fundraising agency serving non-profits operates on the market which forces organisations to turn to solution in-house.

Mobilising domestic donors for development and emergency causes depends largely on how the media covers the cause. What is important is a link between Slovakia and those affected. The coverage of the causes and its quality is rather limited.

The coordination among NGDOs belongs to key challenges as well. Positive example of coordinating efforts of six organisations has been a coordination committee for dealing with floods in Slovakia in 2010. The NGDOs in Slovakia for the first time coordinated their efforts to be more effective. The national NGDO Platform also helped to coordinate and make contacts between raising organisations and the media.

What's next?

The fundraising environment suggests several directions of future work. Fundraisers need to realise the potential of individual philanthropy and turn it into regular support for their organisations. Organisations need to diversify sources of income, which means re-focusing their fundraising efforts from institutional support/ grants to individuals and companies and working with them more systematically. The approach to mobilising resources needs to become more strategic and incorporated into organisational structure and capacities. This requires investment of staff and funds into development of fundraising and cultivating the profession of fundraisers. There is huge potential to help fundraisers to increase their knowledge and motivation and exchange expertise. Successful examples should be promoted to serve as inspiration for others. Negative fundraising cases should be disclosed and communicated to public so that black sheep have little chance to betray the trust of the public and damage the giving environment for everyone.

In raising philanthropic engagement of the general public, it is important to sensitise people about development and humanitarian causes abroad. Communication, concrete stories and connections could overcome the still prevailing feeling that our countries are not the rich ones, not ready to help those far away with greater needs. It is also about raising transparency, building own brand of the organisations and showing the organisations' impact on those in need. Solving others' needs and improving their lives shown through stories is about involving donors and bringing value to them. This is what fundraisers should focus on: developing relationships with existing and potential supporters. After all, the fundraising is not about funds, it is about cultivating mutual long-term relationships which are then channelled into support of organisations' work.

Fundamental Challenges for Raising Funds in Development and Humanitarian Aid

3

7 × CASE STUDY

Fundamental Challenges for Raising Funds in Development and Humanitarian Aid

3

Raising funds for development and humanitarian work is not unlike raising funds for other issues. Essentially, it is no different in its fundamental philosophy or its methods and it faces the same trends in giving. Yet, it does bring a few special challenges of its own that NGDOs need to face. Let us mention at least the two key ones.

Attractiveness of the topic to the donors: tendency to focus on disasters

Different issues attract donors to different degrees. There are issues that are highly attractive – in our region it might be children and health care issues (e.g. oncology). On the other side of the scale, there are issues which most donors find uninteresting or even repelling. Frequently, these include work with stigmatised target groups that – at least according to the donors – do not deserve their support. Luckily, different donors have different motivations and one is able to find such donors who support "unattractive" topics, even though there are fewer of them. Donors' preferences also change over time. Some issues become more attractive due to an urgent need for solutions, or by public being better informed about them, or when new aspects of the issue surface which make the topic more relevant and closer to the potential donors.

Development and humanitarian issues fill the entire spectrum in terms of attractiveness. In our region, the issues that stimulate giving the most include unexpected natural disasters and humanitarian crises. These combine several factors, which raise attractiveness of them, such as:

- They have clearly identifiable victims who cannot be blamed for their suffering.

- They evoke a strong emotional response and are able to elicit empathy (lots of people are able to image being hit by a similar disaster themselves).

- They offer ready-made images and stories and, as a result, are attractive and visible to the media.

On the other hand, they rarely manage to retain the public's attention for a longer time period and quickly lose their mobilisation potential.

The following factors push development and humanitarian issues to the other extreme of the scale of attractiveness:

- *Complicated nature of development interventions.* Often a programme, which appears to be good at first impression, falls victim to negative side effects it unwittingly creates. On the other hand, often minor and "boring" activities may bring excellent results. It is difficult for a donor to differentiate between these and ultimately may result in scepticism and unwillingness to "risk giving a donation" for something that might turn out to be meaningless.

- *Seemingly unsolvable problems.* Development of larger societies cannot be achieved through simple short-term projects. Meaningfulness and true impact of projects may become apparent only many years later and frequently any success cannot be ascribed to a single intervention. The problems that development workers face are often so big (and repeated so frequently) that any effort to contain them resembles an uphill battle, not bringing palpable identifiable results fast enough. And that dissuades donors.

- *Perceived distance of the problem.* The old saying goes "Near is my shirt but nearer is my skin." The problems we see around us, we are better able to relate to and the easier it is for us to see how they are linked to our daily lives. Development topics create the impression that they are "out there far away" with no connection to us. The urgency

of a matter is affected by its distance from the potential donor and its "disconnectedness" from his/her everyday world.

Physical distance of supported programmes

With the exception of several natural disasters which we witnessed in our region in recent years, humanitarian aid and development cooperation typically took place out of direct sight of donors. It is not uncommon to see a distance of thousands of kilometres dividing aid recipients, implementers and their supporters. This makes the work of the development organisation as the intermediary difficult in two ways:

- *Fundraising happens out of sight of aid recipients.* The recipients often have no idea of how they are portrayed or how fundraisers depict their situation, their problems, and their needs. Narrations which may boost donor support in short term, often bring harm in the long term due to the distorted perception of the situation, in the form of prejudice or disappointment of donors. There is the ethical dimension of the (lack of) control which recipients have over how their stories are portrayed in fundraising campaigns. This ethical dimension turns into practical questions with direct impact on how the public supports development programs.

- *It is hard for donors to monitor the use of raised funds.* Few donors have the chance to travel and see for themselves what impact their donations make on the situation of the recipients. Most donors even do not feel the need for this. They often do not do it even when they support a project in their home country. Yet, it is easier for them to imagine the impact of a project run in the home country. They are able to make a guess or assess how meaningful it is because they have the basic framework – they know the economic, social, and cultural context of the donation. With development programmes abroad, understanding of the context is often missing, with only indirect information being available to the donors.

Both of these aspects require the organisation to strengthen its credibility. The organisation must do everything to ensure that its name becomes a guarantee

of quality and inspires confidence of donors. One of the ways to achieve this is to bridge the physical distance by using modern technology in innovative ways to make the impact and meaning of donor help as tangible as possible.

Questions for the fundraiser

The fundraiser for development and humanitarian assistance faces the following questions:

- How to turn attractiveness of sudden and irregular humanitarian crises and irregular surge support into long-term support of development work? How to turn accidental ("disaster-only") donors into stable and potentially major donors?

- How to make development issues more relevant and more appealing to potential donors? How to communicate situations which are socially and culturally very different from the context familiar to the donor? How to bridge the gap between aid recipients and donors?

- How to put development interventions in such a light to make donors see them as meaningful and progressive – despite being slow and seemingly negligible?

- How to ensure that the organisation's brand will be trustworthy enough for donors to use the organisation as a channel for their donations to tackle issues over which they have no immediate control?

Fundraisers in the Central European region have an additional difficult task. It is not sufficient for them to convince people used to giving donations to give to their favourite cause through their organisation. They must work on the elementary conversion of many who are not donors into donors who act with purpose and resolve.

The following seven case studies bring some answers to the questions above.

In the first case study **Making Hungary Count In Post-Earthquake Haiti** David Gál describes the experience of Hungarian Baptist Aid organisation. In 2010

in Haiti, a major earthquake with fatal consequences roused people to activity. Spontaneous initiatives came from ordinary people with the goal to help Haiti. The combination of organisation readiness to make constructive use of and to support these initiatives made it into a very successful campaign. It brought funds but also raised public awareness of the issue. The case study goes even further by showing how the Hungarian Baptist Aid used this wave of interest and tried to transform it into support for long-term development projects.

Allan Bussard and Beata Dobová use the case study **Distance Adoption as a Fundraising method: the Integra Experience** to share their experience with a very popular and widely used fundraising method. Distance adoption serves as an example of a method which tries to bridge a major gap between aid recipient and donor by lending the aid recipient a name and a face. The donation no longer means "paying to the organisation" but rather becomes support to a specific person. The complex nature of this arrangement makes this method demanding for administrative support but it does bring solid and long-term results.

Another case study **The People in Need Club of Friends** brings valuable insight into the experience with a relatively new fundraising method of direct dialogue. Of the four Visegrad countries, Czech Republic is the one country where this tool is used perhaps most systematically (Jitka Nesrstová describes how conditions for this success were laid in her case study Coalition for Easy Giving: Removing Barriers by Sharing Experience and Working Together on p. 175). Additionally, Kateřina Rybová and Tomáš Vyhnálek from a well-known organisation People in Need take the reader behind the scenes, showing how this method and the Club of Friends concept work and how effective they are. They create a system for building a base of long-term donors. This gives People in Need the capacity to respond flexibly to sudden disasters as well as launch and maintain development missions.

Next, two case studies from the UK take a closer look at forms of fundraising with which we have less experience in our region. The case study **Major Donor Start-up in a UK Development Organisation** shows how the development organisation Womankind Worldwide recruited their first major donors, while the case study **Legacy Fundraising** summarises lessons learned from using legacies to raise funds by the organisation Sightsavers. The legislation and the context in Central Europe may differ from those in the UK, but the case study brings inspiration for us to think about.

The last two case studies in this chapter go beyond the major theme of this publication and offer a wider perspective. The case study **Direct Marketing: Stop Bear Bile Farming Campaign** by World Society for the Protection of Animals (WSPA) finds inspiration in fundraising for the animal protection issue, leaving aside for a moment the development and humanitarian issues. It showcases the successful use of direct mailing as a tool for bringing a topic geographically very distant to donors much closer to them. The campaign relied to a large degree on the concept of "Powerful anger", which WSPA chose as the innovative and creative approach for its marketing efforts.

The case study by Alexandra Gutowska **"Water for Sudan" Action** looks beyond fundraising from individuals and highlights the cooperation between the Polish Humanitarian Action and the company distributing Polish mineral water Cisowianka. This is an example of cause-related marketing, which has a limited connection in our region to development and humanitarian topics (the cooperation between UNICEF and Pampers distributor is a similar case). The decision of an individual buyer to purchase a given product (perhaps partly in order to support a meaningful project) increases the volume of donation given by the company. With international companies active in our region and with a gradually rising awareness of national businesses, the potential opens up also for this kind of cooperation. An advertising campaign to increase sales may make people better informed about a development project and may work well for other campaigns targeting individuals.

Making Hungary Count in Post-Earthquake Haiti

David Gál

CASE STUDY

Hungarian Baptist Aid's very own Rescue24 emergency rescue and medical team has arrived to far-away Haiti only a few days after the devastating earthquake that shook the Caribbean country on 12 January 2010. A year on, the small Central European NGO is still present, constructing an orphanage, supporting several others and managing several programs to the value of over € 700 000.

Most will agree that it sounds like a bit of a success story. In this case study I will attempt to briefly introduce the organisation behind it and then talk about what fundraising methods were used back at home to raise support from mostly private donors for a disaster on the other side of the globe.[1] Some of these methods are interesting and even innovative so I will try to elaborate on the best ones including the lessons learnt from them.

This study also focuses on the change in methods as time went by and the Haiti earthquake slowly disappeared from national and international headlines. Please read it as an attempt at describing several ways to involve common people and companies (who are not at all experts in aid, relief or development) to express their sympathy and eventually contribute to the success of a small indigenous organisation that responded to a major natural disaster 8 600 kilometres away.

1 For writing this case study, the following sources were used: Interview with HBAid Communication Director Szilvia Révész, interview and stats from HBAid Adopt-A-Child officer Zita Dombi, HBAid press releases regarding Haiti, media coverage of Haiti efforts

Introducing Hungarian Baptist Aid

In order to understand the methods and approaches of fundraising and the whys behind them, let's take a look at a unique organisation that employed them.

"Hungarian Baptist Aid is a humanitarian relief organisation providing aid, relief, humanitarian and spiritual assistance for the needy, vulnerable, or socially outcast in order to ease their difficult situation, striving to create an opportunity for a more human life to live, regardless of nationality, race, religion, political or social affiliation of the beneficiaries." – says the Mission Statement. Since its founding in 1996, Hungarian Baptist Aid has grown to become one of the largest professional aid agencies in Hungary, named among the 4 major Hungarian civil organisations overall. HBAid is a registered charity with 250 full-time employees and over 300 volunteers. Fifteen years passed since the first small donation of five thousand forints (roughly € 20) has been received, and the value of HBAid annual projects reached over six million euros. Hungarian Baptist Aid's relief and development projects have taken its staff to Afghanistan, Mongolia, North Korea, Iraq, Western Sahara and at least 25 other countries. Its humanitarian activities are special rescue operations, water, sanitation and food security after disasters, the construction of shelters and refugee camps, and also the provision of medical assistance. HBAid's diverse development programs include therapy for children with physical disabilities, teacher training, development education and the establishment of caring institutions worldwide.

Responding to the Haiti Earthquake

Emergency rescue and medical work has started within 48 hours after the devastating 7.3 strong earthquake shook the Haitian capital on 12 January 2010. At the same time, news of the disaster flooded Hungarian and international headlines and Hungarian Baptist Aid issued its first press release about the departure of their Search and Rescue Team.

These first response teams serve the humanitarian imperative and at the same time, if they are sensitised towards the needs of national media, they can serve as an excellent tool for fundraising. First hand news about the actions of "our own people" from the field drastically grabs the attention of the general public and functions as indirect advertising for fundraising activities.

On the 14 January, Day 2 of the disaster, HBAid has issued the second press release about the arrival and work of the rescue team. It included a *nationwide appeal* for money donations supporting Haiti. Several television and radio channels (both commercial and public service) start picking up on the news and the appeal as well as some daily newspapers, and a day later (on Day 3) a *second appeal* is launched for Haitian Children Sponsorship.

"Adopt-a-child", Hungarian Baptist Aid's child sponsorship program is an already existing tool since the year 2000. It is a simple fundraiser asking people, families or small communities – school classes, work groups, etc. – to commit to a monthly donation of 3 000 forints (roughly € 20 at the time) for one year. The money is spent on relief and development projects benefitting the children of the selected nation and a child's photograph is sent to the sponsor.

The program administrator informs that within 15 days of the appeal, in January 2010 only, *793 children were sponsored*, meaning that the sponsors made a commitment to send € 20 each month during the following year. Next 188 followed in February, 46 in March and 96 more during the period from April 2010 to March 2011. This fundraising tool alone generates approximately € 115 000 of prospective income within 18 months after the disaster, even after deducting 20 % as a risk factor of cancellation. This percentage is based on the 2005 experiences of the Sri Lanka tsunami child support program that had proven that cancellation rates are much higher after emergency-triggered sponsorships that in other cases where it is more of a conscious (and not emotional) decision. However, this is an excellent fiscal result, and child sponsorship is a working model worldwide (see Worldvision, Save the Children, ActionAid in the UK) but one must keep in mind that we are looking at *small donations from a lot of people* which involves a lot of administration and the emotional attachment of the participants requires a system very similar to customer service.

Jumping back to the hectic first days following the disaster, Days 4 – 6 see many live reports over the telephone from staff in the field, commercial TV morning shows open up for talking about what is happening in Haiti and for the child sponsorship appeal. Day 7 however, marks the departure of the second HBAid medical team, accompanied by a small film crew who will be sending video reports back home.

Fundraising from a Younger Generation

On Day 7 another important event took place. A small club in downtown Budapest, entertaining mostly people in their 20s, offered to donate its entire nightly income to Haiti relief efforts. The news of this initiation spread across the Budapest club circuit and a small group of activists organised "Party for Life – Party for Haiti!" – a movement that many pubs and clubs joined. Curiously enough, the spreading of this phenomenon was a true grassroots movement without much input from HBAid. While many of these locations did not have money to offer, they had collection boxes out, local bands played for Haiti and nightly beer and cocktail incomes were offered towards the good cause. These special nights took place from the end of February to the beginning of March and they were held in several hip places in Budapest. After the raised funds were transferred to Hungarian Baptist Aid and the collection boxes were collected it turned out that the initiation was a mild success, yielding only a couple thousand euros, but it raised the profile of HBAid and the Haiti cause among the party generation. A lesson learned from these fundraising events is that with more input, for example a fundraiser systematically contacting *all* the clubs and pubs in the City could have multiplied both income and impact. However, during the hectic times of having to coordinate several fundraising systems at the same time, it could not happen.

Coming back to our chronology once again, the second week (Day 8-11) sees HBAid reporting on a newborn baby saved by Hungarian doctors in Haiti and a 6.1 aftershock affecting their work. The photos and the news go around to boost awareness of the organisation's work in the disaster field. A *30 second TV advertisement* is produced in support of the money collection appeal that will be put in rotation by most major commercial and public service channels, free of charge. HBAid CEO returns from Haiti and is a frequent guest of the morning and evening shows of many TV and radio channels. This provides an excellent opportunity to reinforce all appeals put out since the disaster.

"Songs for Haiti" – Fundraising on the Radio

One of the leading commercial radio channels, *Juventus Radio* approached HBAid with the idea of a relief day on radio. The basic idea is that listeners can call in during songs played on this special day and make offers, donating any amount to Haiti for that particular song. Commercial radios usually play 12-16

songs per hour. Well-advertised and fully supported by the channel, the program took place on 27-28 January and raised over 2.7 million forints (approximately € 10 000) in 24 hours. This excellent opportunity required only trust and built excellent contacts for the future. With relatively little organisational work and by "lending its name" the organisation raised its profile and funds, the radio channel performed a great CSR event and established itself as a socially sensitive medium on a very ruthless commercial market.

Targeting Major Donors

When it comes to fundraising it does not matter what sector your partner is coming from. While relief and development managers do not see any connection with luxury services markets, fundraising is the common platform where the two sectors can intersect.

When the already existing consortium consisting of the luxury hotel Sofitel Budapest Chain Bridge, the publisher of "Hotel and Guest" Magazine and star chef academy Hungarian Bocuse d'Or approached Hungarian Baptist Aid with the idea of a high profile Charity Dinner, the answer was an immediate yes.

It does take a lot of time, effort and good fortune to involve major donors – all of this in the midst of fundraising chaos and time pressure – so HBAid chose the following target groups: Embassies in Hungary, many of them involved with Haiti in some way, companies that have already given towards the issue but not to their fullest ability and top managers in the hotel and catering sector. With the Ambassador of Canada and the Director of a Haitian orphanage as honoured guests, with many dignitaries and commercial high flyers on the guest list, the night was a huge success. The artistic photo exhibition on Haiti was displayed in the hotel for several weeks after the event, over € 21 000 were raised and many valuable connections were made during a fantastic night.

The event was a huge effort on the part of HBAid management and fundraisers with a million details to attend to. However, considering the fact that major donors are hard to involve and there is little a humanitarian organisation can offer them, it was an important step forward in this area.

Transition to Fundraising For Development Work

In any natural disaster, first response is followed by water and food security, medical care, shelter and the transition to development work. After approximately eight days after an earthquake the search and rescue period is over as chances of survival under the ruins are unfortunately almost down to zero. HBAid's second and third teams have also started to get involved in longer term development projects. Several orphanages were located with collapsed wings and limited resources while children orphaned in the earthquake were collected in these centres as all official systems collapsed in Port-au-Prince.

With crossover fundraising tools like child sponsorship already in place, HBAid and its local partners located several development projects including orphanage constructions, assisting children with disabilities and family rehabilitation programs.

The organisation communicated these plans to donor bodies while the heavy media exposure of the previous weeks also raised HBAid's profile among donors. In spite of the closeness of charities in the United States, the global Baptist umbrella organisation Baptist World Aid accepted HBAid's proposal to implement the € 600 000 construction project aiming at building a complex institution in Port-au-Prince that contains an orphanage, community centre, classrooms and a cafeteria.

Several weeks later, the Ministry of Foreign Affairs of Hungary has issued a call for proposals for Haiti – Hungarian Baptist Aid has applied with a plan to assist and rehabilitate children with disabilities and won € 60 000 for the project.

While the above-mentioned two grants finance specific programs, the focus of our study remains public fundraising. HBAid finds that the general public sees little difference between emergency relief and development work. However, as time goes by and we get further away from the date of the disaster, we can see an exponential decrease in public giving. This is somewhat counterbalanced by reserves held from the initial response, corporate donations and the evenly spread income of the "Adopt-a-Child" program. These resources and tools make it possible to commence development work *before* funding institutions release larger grants.

Summary

Based on the above, we can consider Hungarian Baptist Aid as one lucky organisation as it was approached by many donors with many creative ideas after a major disaster with global impact. However, this was only possible because of an existing high level of trust for the charity, a media-sensitive emergency response structure already in place and a high commitment from fundraising and program staff to work extra hard and often overtime in the first crucial weeks after the earthquake. While donors with small or no money but with good connections and other resources initiated some of the campaigns, these same methods can be initiated by a charity (NGDO) if there is an initial connection to future partners. All described methods provided great involvement and exposure from the side of donors and some of their needs were met in the process of implementation. The campaigns cost no or little money but most of them involved heavy organisational efforts and resulted in various but always positive outcomes. Furthermore, they provided workable models of fundraising for future disaster situations and yielded numerous new donor and media contacts. There is a strong feeling among HBAid fundraisers that many of these tools can be developed and implemented even better the next time around.

After any major disaster, there is a sudden burst of sympathy that can be appealed to for fundraising. The above outlined tools are useful for this purpose among different target groups. The child sponsorship tool – mentioned in other chapters of this book as well – provides a more sustainable and evenly distributed income that enables an organisation to start development work on a small scale before large donors and institutional funders get involved.

As closing words, let me quote HBAid Communication Director Szilvia Révész who said *"it is essential that we have our own people on the ground working and feeding back first hand news to the national media."* This is the quintessential fundraising tool that triggers others if it is in place from the first or second day of the disaster. If sending a national team is not possible, it is very important to find a local partner that will represent the colours of the organisation to give *something* to the fundraising team. It may sound stereotypical but fundraisers will work with whatever their organisation can give them and they keep learning and developing to make the most of any given situation. Because to put it simply – that is what they do. I conclude with high hopes that this case study is serving just as well.

Distance Adoption as a Fundraising Method: the Integra Experience

Allan Bussard, Beáta Dobová

CASE STUDY

The Integra Foundation launched its "Malaika" distance adoption program in 2006 in support of impoverished children in Africa. Starting with 1 project in Kenya, Integra now partners with 3 Kenyan projects and one in Ethiopia that provide schooling for more than 1 000 children. For some children housing and health care is also provided. This case discusses this strategy, and looks at the pros and cons of such an approach.

Beginnings

Integra began to invest in social enterprise and fair trade projects in Kenya in 2005. During one of the visits to Kenya, Caulene Bussard joined the trip. With a lifelong interest in children, she asked Integra's Kenyan partners if they knew of any projects in support of needy children. She visited one project in the Kawangware slum of Nairobi, which was a home and school for street children. Upon her return to Slovakia, she shared what she saw with a few friends. They began to think of how to raise funds in support of this program. These friends initially formed a civic association in support of the project, and later this project was taken over by the Integra Foundation, in order to provide stronger administrative and marketing support. Initially funds were raised on an ad-hoc basis. Later, a distance adoption strategy was developed, which proved to be an effective strategy.

How it works

Distance adoption is a strategy for raising funds that is based on a relationship between the sponsor and a child. A fixed amount of money is given regularly, normally on a monthly basis. These funds are sent to a project in which the child is cared for (normally a school, a church or perhaps an orphanage). The money does not go to the child, but to provide support for the project in which the child, together with others, receive education and other types of care. Letters and photos are exchanged a few times per year in order to strengthen the relationship.

The choice and engagement with the local partner agency in Africa is critical. It is important for Integra to visit, get to know and stay in regular communication (at least 1 – 2 times per week, at times daily) with the managers of these local projects. Malaika staff normally receive monthly program and financial reports from these partners and carry out site visits in Kenya or Ethiopia every 6-8 weeks.

The main reason Malaika chose this strategy is that it creates a long-term and quite direct link between the sponsor and the child. This relational element overcomes the anonymity common to many charity projects in which the donor does not feel a direct part of what is going on. Child sponsorship actually creates a relationship that can grow over the years. The donor (rightly) feels that a difference was made in at least one life.

As the project has developed, a few changes have been implemented. A scholarship program has been created for older children to go to secondary school. Closer cooperation and partnerships have developed between Integra and other donor agencies to increase accountability and avoid redundancy. Also we have initiated larger cash projects to meet needs that are not possible to be fulfilled through the monthly sponsorship plan alone. These are things such as a bus to transport rural children to one school, a deep water well to provide clean drinking water for another project, and a small clinic attached to the Ethiopian project to provide basic and preventive health care to the local population. These projects allow donors to participate in helping these children even when they are not prepared for the commitment of long-term sponsorship.

Another newer aspect of the project is the provision of scholarships for vocational training of some of the older children. Often children who come from the street and start primary school at an older age (perhaps 10 or 12 years old) are not able to

catch up and do well academically. For this reason, vocational training programs are important for these children.

The process comprises the following steps:

- A sponsor fills a questionnaire in which s/he requests a child, specifying the gender, age and country. This can happen either online or by mail.

- Integra staff assign a child to the sponsor according to the request. A picture and profile of the child is sent to the sponsor together with guidelines describing the sponsorship program in more detail. The sponsor then begins to send funds, typically on a monthly basis.

- Sponsors are informed about the trips by Integra staff in time for the donors to provide letters for their children. During these trips also letters are gathered and brought back to the sponsors.

- Typically in advance of Christmas and Easter, sponsors are encouraged to provide a special financial gift to provide for gifts or special food for all the children in the project.

- Donors are kept informed through monthly newsletters. Three times per year they receive a letter from their sponsored child, and a photo update once per year. There is also a facebook site for sponsors, as well as public email and telephone numbers that donors can use to call with questions or complaints. The *www.malaika.sk* site offers regular updates with photos, videos and current fundraising projects.

It can be said that distance adoption is a marketer's dream and administrative nightmare. As a strategy it has a number of very strong advantages:

- By creating a direct link between the sponsor and a child, it tends to create long term, highly committed and faithful donors. A sponsor who starts with a young child can end up donating several thousand euros over the term of the sponsorship.

- Marketing is relatively straightforward, as people who have a good experience with their sponsorship tend to tell and recruit others.

- The funds raised are relatively unrestricted, and can be used according to a determination of the most important need in the children's programs.

- The project tends to attract the attention of the media and make marketing relatively straightforward.

On the other hand, there are some definite disadvantages to this strategy:

- It is administratively very time-consuming, as the sponsors need to be kept in touch with the children on a regular basis.

- It is also demanding administratively for the African partner agency, as letters need to be organised and translated.

- The strong link between the sponsor and the child is critical to the success of the program, but if the child leaves the program it can be difficult to transfer the donations to another child or part of the program.

- Sponsors are eager to send gifts to their children, but this cannot be allowed in order to avoid disadvantaging the children who do not have sponsors. This can cause disappointment and misunderstanding among donors.

- The Slovak public at times is quite sceptical of such programs, for a range of reasons, typically believing them to be a cover for abuse and corruption. Also, because it is a popular and effective way to raise funds, there are many "counterfeit" groups that use similar strategies without actually delivering the support.

Results

In the course of the program, more than 250 Slovak sponsors have joined the program, supporting projects which provide education and care to more than 1000 children. Since the program started, the following amounts have been raised:

Table 3 ***Amounts raised***

Year	Income (€)	Administrative costs (€)	Sent to African partner (€)	Administrative costs (%)
2008	18 180	150	18 030	0.82
2009	76 958	10 783	66 175	14.01
2010	82 053	14 179	67 874	17.28

At the start of the program, we attempted to keep administrative costs artificially low. However, we realised that this was at the expense of the provision of adequate oversight and project support. We came to understand that too-low administrative costs are a common, though false, proxy for program efficiency. We began to work on donor education with a focus on impact as a quality measurement. We are working with a maximum of 20 % for administrative charges. This is actually less than most distance adoption programs in Western Europe, which tend to have up to 30 % administrative expenses. For example, the largest global child sponsorship programs such as Compassion, World Vision and Kindernothilfe typically use at least 40 % of funds raised in management, administrative and marketing costs. This is not necessarily a bad thing, since programs that are well-resourced and managed often have a higher impact on alleviating poverty for a greater number of children than those who promise to "send every euro to needy children." Like any "business" child sponsorship needs to have accounting, audits, site visits, marketing, management, training and office overhead costs. The Slovak public is relatively immature regarding charity, and are easily manipulated over this issue.

We have also consulted with a number of European partners who have long histories in child sponsorship programs (Kindernothilfe, Tear Fund, World Vision, Compassion, Stromme Foundation). We have learned many things from them about gaining efficiencies in this program. Also, we discussed with them in detail the question of administrative charges (above). Specifically, the areas we were trained and advised by these groups on were: marketing, quality control

and quality standards, systems of communication with sponsors, accountability and reporting structures with partner organisations, management information systems and trouble-shooting/crisis management.

One issue that often comes up is the relatively high number of donors who sign up for a child and then fail to start donating, or else donate sporadically.

Lessons learned

Due to the demanding administrative nature of the program, it is important to gain efficiencies in the administration processes involved. This administratively demanding character comes largely from the need to act as the interface between the sponsor and the child. It is not appropriate (language, culture, security and cost) for the child to communicate directly with the sponsor. As such, as the program grows, increasing numbers of letters, photos and requests are passed through our organisation to the partner agency and back again. We have gained efficiencies by creating a common Internet-based database with our project partners to enhance communications, creating regular periods when letters can be sent, and limiting these to 4 times per year, creating standard form for letter writing, hiring a person in each local partner agency to manage the letter exchange process, rigorously refusing to handle other gifts, and providing only letters and photos between sponsor and child.

Distance adoption is relatively efficient in generating steady income at relatively low cost from a marketing budget perspective, even though it is high cost from an administrative budget perspective. The costs are due to the relationship-management issues mentioned in the points above. However, the marketing budget can be relatively low, since this type of program wins “fans” who tend to recruit others in their relational circle, allowing for a more viral type of marketing.

The funds generated can be effectively targeted at program areas that have the most need, in contrast to ODA or project funding that is quite inflexible. One of the biggest issues for groups engaged in development assistance is the balance between restricted and discretionary. It is clear to those involved in international development that restricted funding (such as ODA) is less efficient due to its inflexible nature. Distance adoption offers a type of flexible funding that allows money to be used to respond to the most critical and strategic need in a given community.

Ways need to be found to reduce the number of donors who do not start, or only give sporadically. This is mostly a question of efficient communication systems with donors. All donors who sign up to sponsor a child get an introductory phone call to be sure all is clear for them. If they do not start giving within 6 months, they receive a follow-up call to enquire about their intentions. After 3 months of a failure to start donating, they are informed that their child will be assigned to another donor if donations do not start within 14 days. However, it is costly to consistently apply such a follow-through system and we have not always been able to do so consistently. Recently we have hired a new person who will focus only on this process and will see what improvements will be realised.

We learned more on how to manage and educate donors, about what constitutes an efficient and impactful child sponsorship program. Sponsors like to imagine that every euro they donate turns into food or clothing for "their" child. But in order to keep children safe and healthy, as well as educate them, costs such as teacher salaries, electricity, accounting, publicity, travel etc. are all part of running a successful program. A charity without administrative costs is a fiction, and one with artificially low administrative costs is vulnerable. This needs to be explained to sponsors in a simple manner. We think this could also be part of a broader donor education approach carried out by networks such as the Slovak NGDO Platform, the Slovak Donors Forum, and the Coalition for Easy Giving.

Conclusion

Despite the challenges, Integra will continue with and seek to expand the Malaika Distance Sponsorship program. It provides a flexible, steady and generous source of funding. In addition it is a proven method that has been used for decades around the world, and it has much potential for growth in Slovakia, where it is relatively new.

The People in Need Club of Friends

Kateřina Rybová, Tomáš Vyhnálek

CASE STUDY

The study describes the founding of the People in Need Club of Friends that was to become one of the organisation's principal fundraising instruments. It is an in-depth study of the implementation of the face-to-face method of direct approach in the streets, which turned out to be one of the key methods of acquiring regular donors. The study describes advantages and disadvantages of this method of fundraising and the conditions necessary for its implementation.

Implementing agency profile

People in Need (PIN) was founded at the beginning of the 1990s as a humanitarian organisation aiming to help people in regions subjected to a crisis. We provide humanitarian aid to victims of natural disasters or wars; build schools, hospitals, and sources of drinking water in dry regions; or give seed/seedlings and tools to poor peasants. Also, we support observance of human rights in non-democratic systems.

In addition to helping people in "less fortunate" parts of the world, we do work in our home country as well. Mitigation of the consequences of the disastrous flood that had inundated a significant portion of the Czech Republic in 2002 was the largest operation in the history of People in Need to date. In the Czech Republic we were also helping during the most recent floods in 2009 and 2010. Another activity of ours is organisation of a documentary film festival, entitled One World, where we help promulgate information on the problems of development aid and support social integration in 45 Bohemian and Moravian towns and communities.

Today, we provide humanitarian and development aid in 17 countries. The work and assistance we provide is possible above all thanks to the donation collected through public fundraising, as well as the grants and subsidies we receive, for instance, from the Czech government, the EU, or the UN.

The People in Need Club of Friends

The Club of Friends is one of the principal sources of financing humanitarian aid and activities in the area of human rights conducted by People in Need. Founded in 2003, the Club of Friends currently has over 7 000 donors. Members of the Club of Friends are not only private individuals but also companies.

The main impulse for establishing the Club of Friends was the realisation that to be effective, in the event of a war or natural disaster, humanitarian aid has to come to the stricken regions as quickly as possible. However, common sources of humanitarian aid financing used in the past were unable to ensure an adequately quick mobilisation of funds. For instance, in order to have funds released from the state budget, it requires a meeting on the governmental level and announcement of a public fundraising campaign entails procuring numerous permits, in addition to working with the media.

Members of the Club of Friends pay regular contributions (majority on a monthly basis). Most of them choose to pay € 8-12 a month. The advantage of this model of support is that the contributions are collected on a rolling basis and are available instantly when a natural catastrophe occurs.

How the Contributions of Club of Friends Members Are Used

50 % Humanitarian Aid

One half of the funds from contributions are collected in a special fund for quick humanitarian aid, which allows us to respond immediately to a humanitarian crisis. Most often these funds are used for purchases and distribution of food, drinking water, medication, water disinfectants, temporary shelters, etc. The primary objective is to ensure sustainability of the surviving victims of natural

catastrophes, prevention of outbreaks and spreading of infectious diseases, and ensure shipments of food and hygienic supplies.

25 % Human Rights Defence

One quarter of all contributed funds is used for direct aid to persons subjected to political persecution in countries with totalitarian systems. People in Need supports mainly the families of dissidents serving sentences of many years. Our workers supply them with essential medication, food, and money.

25 % Support for Projects and the Organisation's Development

One quarter of the funds are used for financing preparatory trips to countries, where opening of a PIN branch is envisaged and verification of the relevant site and situation is necessary. These funds are also necessary for improving our equipment, means of communication, and assurance of our workers' safety. This part of contributions is also used for financing the recruitment of new Club of Friends members.

Members of the Club of Friends are informed regularly (5-6 times a year) of current events in the organisation and the allocation of their contributions. Once a year, they receive our Annual Report which is also available on the organisation's website.

At the beginning People in Need used to recruit new Club of Friends members in a rather passive manner. Donors would apply of their own initiative, either directly on the website of PIN, or respond to promotional booklets distributed in cafés, libraries, etc. Only as late as 2006/2007 People in Need decided to adopt a more active way of recruiting donors by approaching them directly in the streets (known as direct dialogue method).

Direct dialogue

Approaching potential donors directly, i.e. by opening direct dialogue (DD) with them is a highly effective method of finding donors through personal conversation and initiating direct contact between potential donors and NGO.

In practice, the method calls for trained recruiters who approach passers-by in public areas, trying to engage them in a dialogue with the aim of acquainting them with the organisation and encourage them to sign up for long-term financial support as donors. Donations can be made by signing up for standing payment order.

The first organisation to use the DD method in the Czech Republic was Greenpeace in 2002, which adopted the method from Austria. Following its successful introduction, other organisations joined the trend and so did People in Need in 2007. At first, initiating such a campaign required signing contracts with banks and agreeing to accept standing order forms.

In the Czech Republic the use of public places is generally not regulated by municipal or state authorities, with some exceptions. Coordination of the recruiters of individual organisations is done through the Coalition for Easy Giving, using its website application, which operates a system of equitable allocation codes. Based on these codes it sends DD recruiters to specific destinations in Prague and other cities. The main criteria are based on availability of accessible locations and the number of teams that the given organisation plans to deploy the given week.

Why Use Direct Dialogue

DD is one of the most effective methods of recruiting new donors. Opening a dialogue is a chance to explain everything properly and answer questions. Personal contact provides an opportunity to get one's attention and convince passers-by that humanitarian aid is important and necessary. This direct method is proven itself as more effective than campaigns in the media.

Prerequisites to a successful campaign:

- the organisation should be familiar to the general public;
- its activities must be trustworthy and transparent;
- the project(s) to be supported have to be comprehensible and "attractive" to the public;
- the organisation must have a highly proficient team of well-trained recruiters in the streets;
- it is a good idea to choose a suitable season, weather-wise and in terms of potential reach; only approved bank forms are permitted.

The size of the organisation is not as important, a campaign can be as successful for a small NGO as for a big one. The public's awareness and knowledge of the organisation's activities – or the given issue or cause – is of primary importance. Even a small organisation can be successful at recruiting new donors if it focuses on resolving pressing local problem(s).

A campaign can also be spoiled, if:

- the organisation fails to sell its mission/focus in an inspiring manner;
- the organisation does not have an agreement with banks which are accepting standing orders;
- the fundraisers/recruiters in the streets are poorly trained;
- the public has no notion of the organisation's mission and activities;
- there is no agreement amongst NGOs about division of public areas;
- leakage of donors' data occurs and they are misused by another company or person.

Types of Forms Used

Standing order forms are filled out and signed with potential donors in the street. Donors fill out the form, specifying their personal data, bank account number, personal ID card number, the amount of contribution, and add their signature. The bank accepts these forms on the basis of its contract with the NGO (PIN) and credits the donated amount to the NGO's bank account.

There are two ways of verifying the identity of the donor when the bank processes the payment. First is the verification of each donor's identity by checking the donor's account number and verified signature specimen. We stopped using this method after several years as in some cases banks declined to process the standing order because some donors were not able to sign the form and their signature was not the same as the signature specimen at the bank.

Moreover, having to disclose the account number and signature specimen presented more of a risk to the donor than the current mode, where the account number and ID card number of the donor are sufficient for the bank. This new mode makes abuse by a third party virtually impossible.

Donors who are clients of banks that do not accept our forms have the option of signing our application form, which they can use for issuing a standing payment order at their bank. Applications constitute terms of agreement between the donor and PIN under which the donor undertakes to issue a standing payment order for a certain amount to be sent on a regular basis to the organisation's bank account. However, these donors can change their mind before issuing the standing payment order.

According to our experience, the success rate of correctly processed standing orders by the banks is about 80-85 %. The others are rejected usually by the bank due to wrong ID card number. Typically, the donor may have opened a bank account in the past and has a new type of ID card with a different number.

The success rate for applications (in which case donor has to set up standing order by himself) is approximately 30 %. We contact all donors recruited per application by phone as a way of reminding the applicants.

Managing a Campaign

People in Need runs a relatively large campaign in Prague annually, from April/May until October. Each fundraiser keeps a record of the hours worked and the number of donors recruited. These records are used for payroll purposes, on the one hand, and for monitoring of each fundraiser's efficiency, on the other. Remuneration for their work is set up so as to be motivating. Every fundraiser is paid a fixed-rate hourly salary, plus a bonus per recruited donor. Bonuses are scaled according to the amount of donors' contributions. Also, different remuneration is paid for collection permit form and for standing payment orders. The system is structured so as to keep the basic, fixed-rate salary at a minimum. At the hourly salary plus the per-donor bonus, recruiters may earn slightly more than other seasonal workers, provided that they reach at least an average success rate.

Recruiting and Training Fundraisers

People in Need hires about 150 fundraisers through the campaign every year. In peak days there are about 25 recruiters out in the streets. Their average endurance rate is about 10 workdays. Unsuccessful ones leave after 2-3 days. A few very successful ones stay even longer than a month. In any case, high turnover of fundraisers is typical for this type of job – consequently requiring constant headhunting and training of new ones.

During the peak of the campaign (mid-June to mid-August), there are approximately 20 e-mail or telephone responses. We invite the respondents for an interview – 5-7 persons per day. Prospective candidates are then invited for a training session that takes place twice a week during the campaign peak period; once a week during off-peak periods.

The first phase of training is a three-hour lecture about PIN's projects, the current campaign, street work methods, and filling-out of the forms. The participants should gain a general notion of what the activities of People in Need are about from information material we send them via e-mail along with the invitation to the training.

After the first phase, the hires come the next day to PIN's office, where they get all the necessary supplies: a T-shirt with our logo, clipboards, ID card, forms, and

promotional materials. They are trained in the interview methods one more time with experienced fundraisers who pass out advice and point out mistakes.

This part is followed by real-life situations in the street, where the newly trained fundraisers are to recruit their first donors. This is monitored by more experienced colleagues from a distance, who supervise their work for at least two days.

Fundraiser training is upgraded on a continual basis. Once a week they attend a lecture given by someone from the humanitarian and development section. The lecture usually involves presentation of one of the countries where we run our activities. The lectures are complemented with video projections of a thematically related festival One World.

Managing a Dialogue

Dialogues can be divided into several phases, each with different length and importance. During the dialogue, it is important to follow the respondent's reactions and attention. If a person stops and listens, giving the fundraiser a minute or half a minute of his/her time, this is the time during which the decision is made whether or not it is worth listening any longer. One must make the best of this limited opportunity.

0. Capturing

The fundraiser has to indicate to the passer-by that he/she wants him to stop – this can be achieved with a meaningful glance or a gesture. It is important not to "attack" him/her, but rather allow enough time to get ready for it. An eye expression, a smile, or several steps forward can help.

1. Greeting

After selection of the person, we try to stop him/her by asking a simple question. Mentioning the name of the organisation already in this introductory sentence is a good idea.

Hello. Do you know the People in Need organisation?
Hello, People in Need. Are you interested in helping other people?
Hi. Do you have a moment to spare?

2. Ascertaining interest

During the opening, it is important to find out whether the person has any knowledge of PIN and is inclined to like its mission.

Where have you heard of People in Need?
Have you ever contributed to a cause via public fundraising?

3. Brief introduction

All of the above were just a few introductory sentences. Now comes the most important part that will decide whether the person is going to go on listening. One minute is the maximum a fundraiser has to present his/her organisation. The potential donor has to get the impression that this is about an important and noteworthy issue. There is no point in trying to get into more detail unless the persons asks a question or says something.

Thanks to the Club of Friends we are able to respond to sudden catastrophes, such as the flood in this country or the earthquake in Haiti. Our worker was on the ground there within several hours and we were able to supply him with everything he needed from our humanitarian fund.

We help people who are persecuted for their ideas, e.g. political prisoners in Cuba and their families. We make an effort to help people in non-democratic systems to have access to uncensored information.

4. Dialogue questions

After a brief introduction, a simple question can follow that should give the respondent a chance to react and express his/her own opinion.

How do you like it?
Do you think that such work is meaningful?

5. The presentation continues

If the respondent shows interest in the organisation's projects, now is the time to go into more detail. Suitable are examples and more questions, so that the dialogue continues. At this point, it is advised to mention all the donor's advantages, such as tax deduction, regular information on the cause, etc.).

6. Donor persuasion

The respondent should figure out himself/herself that supporting a cause is a good thing. Good questions are as follows: "Would you like to help, too?" It is hard to say "No" to such a question, yet the potential donor should find helping out very easy – e.g. that it would not cost him/her but a few crowns a day.

If you like our projects, wouldn't you like to support them, too?

You don't have to contribute a lot of money, three crowns a day would be enough.

7. Filling out forms

If the potential donor is willing, it is time to show him/her the standing order form or application for standing payment order, and to recap all the benefits of regular donorship.

8. Saying good-bye

In closing, it is important to say good-bye and thank the donor for making a truly good decision. His/her money will help save lives, and he/she deserves appreciation for it.

Working with donors after filling out forms

As soon as the forms are signed, we divide the donors into those who filled out a standing order and those who filled out an application. We contact the application donors about 2-3 days later by phone asking them whether they got

all the necessary information and when they plan to issue a standing payment order. Standing order forms are only handed over to the bank whereupon payment collection requests are made at the bank every month.

After that, we merely monitor whether monthly contributions have begun to come in. Signed-up donors who have not begun to contribute will be contacted a little later and asked to start contributions.

The database of regular donors is consolidated in the Microsoft Dynamics NAV system, where all the payments received and donors' contact data are recorded. With the aid of this system we can also get in touch with donors who have discontinued paying their contributions. Several times a year, we run a telephone campaign to update the addresses of undeliverable messages via e-mail and any other problematic agenda.

The database of donors is also used as an instrument for sending out regular information and feedback to donors.

Campaign Results

So far, People in Need has run four rounds of DD campaigns starting in 2007, which have enlarged the donor database considerably. The Table 4 shows how the total contributions have grown from 2005.

Table 4 ***Club of Friends – contributions a year***

Year	2005	2006	2007	2008	2009	2010	
CZK	1 900 000.00	5 400 000.00	8 250 000.00	12 350 000.00	15 500 000.00	18 700 000.00	
€	79 166.67	225 000.00	343 750.00	514 583.33	645 833.33	779 166.67	CZK 24 = € 1

Thanks to DD, People in Need gains approximately 1250 new regular donors every year. Persuading one donor takes about four hours of fundraiser's work in the street. The donors acquired in this manner, however, have certain specifics. Their average amount of contribution is somewhat lower (€ 6/month on average) than the contributions of those who decided to join of their own impulse (€ 8 – 10/month). Also, the former are more likely to quit their regular contributions earlier. Some 20 – 30 % of donors cease to send in contributions in the first year of their enrolment. This is the very reason for putting such great emphasis on the quality of feedback to donors.

Salaries paid to fundraisers account for the main portion of the costs of campaigns. Given that over 50 % of the salaries, on average, depend on the success rate of the fundraisers, it is very difficult to estimate costs ahead of time. Without previous experience gained at least during a pilot campaign, it is basically a way of fortune telling from a crystal ball. Other expenses involve printing the forms and promotional materials, T-shirts, the coordinator's salary, and the administrative overhead of the campaign.

Since 2008, People in Need has been gaining donors outside the Club of Friends, too, e.g., for an ongoing collection campaign entitled Real Aid. The collection campaign was initiated in parallel with a campaign in the media, which was partly financed – like the campaign itself – by a sponsor. The Czech legislation allows a mere 5 % of the donations to be used for operational purposes. Thus every year, we look for a sponsor to help us support this campaign as 5 % would not be sufficient.

Negative Experience with Direct Dialogue

People in Need enjoys a very good reputation in the Czech Republic. This is one of the main reasons for the campaign's success. Just to illustrate, below are three examples of organisations that were not quite as successful.

- *Environmental organisation, very successful in fundraising in the region where it operates, including DD campaigning.* However, its endeavour to assert itself in Prague failed because inhabitants of Prague know nothing about this organisation and did not want to support it.

- *Environmental organisation based in Prague, which has organised several DD campaigns in the past.* The main problem here was that its fundraisers were unable to offer the organisation's projects to the public in a captivating manner. Eventually, its fundraisers stopped recruiting new donors and rather concentrated on information campaign handing out promotional materials only.

- *An international organisation that opened its branch in Prague.* The organisation is virtually unknown to the Czech public. This proved one of the reasons for its campaign's failure.

Conclusions

The main advantage of the People in Need Club of Friends is long-term support from donors and regularity of their contributions. This enables People in Need to react instantly to catastrophic emergencies and distribute aid to defenders of human rights.

Direct dialogue can be an effective method of fundraising, provided that the organisation meets the basic conditions described above – namely, to be familiar to the general public, known for its trustworthiness, and able to offer attractive projects.

Precondition to success is agreement with banks on acceptance of payment standing order forms and building up qualified teams of face-to-face street fundraisers.

Some 20 – 30 % of donors acquired through DD cease to send in contributions in the first year of their enrolment. Every following year more than 10 % of the donors stop sending their donations.

Major Donor Start-up in a UK Development Organisation: Womankind Worldwide

Christine Taylor

CASE STUDY

In 2008 Womankind decided to diversify its income sources by investing in Major Donor fundraising to build an additional income stream. The post of Major Gift Manager, responsible for Major Donors and large trusts, was established in 2009. In the first 2 years £ 230 000 has been raised from six donors. Womankind is now working to extend its network of contacts and build on this success.

Background

Womankind Worldwide is an international women's human rights and development charity working with local partners in Africa, Asia and Latin America to help women transform their lives. Founded twenty two years ago its income has fluctuated between £ 2 million and £ 2.77 million over the last 5 years.

In 2009/10 Womankind raised 51 % of its income from statutory and institutional sources, 29 % from individuals (mainly Direct Marketing and Legacies) and 19 % from Trusts and Foundations. Bank interest contributed 1 %, and there was a very small income from consultancy.

The Board had been particularly concerned about reliance on three major institutional donors – the Department for International Development, the Big Lottery Fund and Comic Relief, and so when in 2007/08 the organisation received an exceptionally large legacy of £ 500 000 it agreed to invest some of it in starting a Major Donor programme to diversify fundraising sources. The legacy made it

possible to invest in a form of fundraising that can have a two year lead in before significant income is raised. A member of staff was recruited to spend 3 days a week on building fundraising from Major Donors, and the balance of their time on large Trusts. Womankind has defined a major donor as someone capable of giving £ 5 000 or more.

Building the major donor programme

Case for Support

One of the prerequisites of a major donor programme is being clear about what proposals you can make to potential supporters. Womankind has put a lot of work into identifying 3-5 year funding needs so that it can plan approaches to statutory donors and trusts, and has incorporated Major Donors into this thinking. This means that information is available to write a proposal to a major donor, but it has to be presented in a shorter, simpler way than the technical proposals for institutional donors, and include stories about the lives of women and girls who will be involved in the project. A short overview of Womankind and some one page project summaries have been produced for initial meetings with donors, and projects are written up as needed when a potential donor's interests have been identified through the cultivation process. About six thematic two-page papers are being developed, for example on civil and political participation, and community education.

When potential donors are given project budgets, about 15 % (depending on the project circumstances) is included for overhead costs as part of Womankind's policy of full cost recovery.

Systems

It is important to have a system for logging information about, and interaction with, potential and actual major donors. Womankind uses Raisers' Edge (an off the shelf CRM system designed for fundraising) for its Direct Marketing records, and so has also used this database for its Major Donors, Trusts and Foundations. Information recorded includes:

- Name and contact details
- Age if known
- Total giving to Womankind, and largest single gift (the Major Donor system is integral to the database which has a complete giving record)
- Date of largest and of most recent gift
- Priority for cultivation / likelihood of gift
- Wealth Capacity
- Last contact and record of communications
- Any known link (e.g. known by a trustee)
- Notes with additional information on interests
- Known giving to other organisations (for top 25 prospects)

Reports can be drawn from the system – detailed for staff, more streamlined for trustees. Care is taken to comply with the Data Protection Act – laws on keeping personal information will vary from country to country, and must be observed.

For a small organisation without a database it should be possible to set up a spreadsheet that will contain all necessary information.

Looking for people who can ask

The theory of major donor giving (particularly as pioneered in the USA) says that you form a committee of people with strong networks who are willing to give themselves, and ask their peers for gifts. In practice this can be difficult to achieve, especially in countries outside the United States where the culture and practice of philanthropy may be less well developed. Womankind's Head of Fundraising spent some time trying to build a Development Board. This resulted in the identification of one former trustee willing to help in such a role.

The strategy was then changed to setting up a Pre-Development Board, to identify and approach potential Development Board members and set its terms. It has not yet proved possible to establish this, so Womankind's Major Donor fundraising is currently proceeding without a committee dedicated to identifying and approaching prospects. However, it has been possible to set up a Committee to help arrange a major fundraising event to be held this autumn. This Committee may evolve into a Development Board in due course.

Prospect lists have been circulated to all trustees and committee members, and a small number of links with prospects have been identified. Trustees and committee members are receiving training in major donor fundraising so that those with contacts have the confidence to follow them up, and others are in the position to support the staff by meeting a potential donor if required.

Identifying Prospects

Womankind has a database of 30 000 contacts, of whom about 7 000 have given in the last 18 months. A Wealth Screening exercise was carried out on this by an external agency, which compared the database to various share and property holding and Company Director databases. They identified nearly 1 000 matches of whom 20 % had given in the past 1 – 5 years, and 15 % in the past year. These numbers were broken down into five wealth bands ranging from 18 estimated at £ 50 million+ to 689 at £ 1 million – £ 5 million.

A prospect list was drawn up including leads from the Wealth Screening, names identified through research of people with a known interest in women's issues and/or development, and contacts of staff, trustees and others close to Womankind.

Approaching Prospects

Trustees, Committee members and others close to Womankind were given a list of the top 20 prospects, and a list of 'long shots' who had shown interest in women's issues, but were not known to Womankind. They were asked if they knew anyone on the list and were prepared to contact them on Womankind's behalf. This exercise identified a small number of links, and cultivation plans are being drawn up for prospects where there is a known contact.

The Major Gifts Manager wrote to the top 100 names identified by the Wealth Screening exercise, but where Womankind has no strong personal link, to revitalise their interest in Womankind. Although none of these people objected to the contact, only a few responded, and none of these in a way that opened the door to building a deeper relationship through meetings etc. Other batches of names identified by the Wealth Screening exercise are now being approached in different ways.

Existing Major Donors

Cultivation is more advanced for a very small number of individuals who had in the past given significant donations to Womankind. A plan has been drawn up for each of these to build up the relationship, identify their specific interest and make a proposal that reflects their interests and ability to give.

One of these donors originally contacted Womankind after seeing press coverage of an event of which the organisation was a beneficiary, and the phone call was so well handled by the database assistant who happened to answer it, that she fairly soon made a gift of £ 14 000. A follow-up phone call from the Chief Executive identified the donor's interest in Womankind's Afghanistan programme. She was sent information on this work, and gave a further £ 50 000 within three months. The relationship has been further cultivated by the Major Gifts Manager, with continuing involvement from the Chief Executive. The donor has made two further gifts totalling £ 135 000, and pledged to give another £ 150 000 over the next two years.

In April 2010 a donor who had given two gifts of £ 100 and one of £ 500 over the previous seven years, contacted Womankind after receiving an appeal. She spoke to the Chief Executive and then made a donation of £ 25 000. The Major Gift Manager built the relationship through phone calls and letters, and sent her information on projects that met her area of interest. In the last 12 months she has made three donations totalling £ 80 000.

Future plans

In the first two years of its major donor programme Womankind has been successful at increasing the giving levels of existing high value donors, but has not yet secured new major donors. Strategies to make this breakthrough include:

- In-house identification of and research on active donors using the following criteria:
    - a one-off donation of £ 250 or more, and/or give at least £ 30 a month
    - a noteworthy address or post code
    - have an account with a private bank
    - have a noteworthy name or title.
- Donors who are identified for the above reasons are deemed worthy of further research to establish whether they have the capacity to be major donors.
- A focus on contacting the 100 people on the database who were identified in the Wealth Screening exercise as in the £ 1 million to £ 5 million bracket, and who are currently active donors. The thinking behind focusing on this segment is that these people will not receive so many appeals as those in the higher wealth bands, and will be more likely to deal with the request personally rather than have staff to whom this is delegated.
- Further work with trustees, committee members and others close to Womankind to identify prospects with whom there is a personal link (directly or through an intermediary)
- Establishing the role of 'Womankind Ambassador' to help build networks among people of affluence and influence, and raise profile and money. They would seek to recruit between 2 and 4 high profile people sympathetic to Womankind into this role.

- Establishing a programme of events to build networks and help cultivation and engagement of prospects, e.g.
    - A lunch for professional women is planned for November 2011. Womankind have found that people who would not be willing to be on a Development Board have been happy to serve on the event committee, so this is an alternative way to reach their networks.
    - When the local partners who deliver the programme visit Womankind, supporters and prospects are invited to evening events to hear them speak about their projects and talk to them informally. This is a good way of bringing the work to life and increasing supporters' and prospects' understanding and commitment.
    - It is planned to set up a small series of hosted dinner party discussions on development issues as a way of increasing the understanding and engagement of key prospects.

Results

- The Wealth Screening exercise identified matches with just over 1 000 people on the database, of whom 150 had given in the last year.
- In the first 2 years £ 230 000 has been raised from six major donors.
- Cultivation plans are advanced for five donors/prospects where a personal link has been established.

Learning

- All staff who communicates with donors and/or members of the public should be trained to respond helpfully in answering their questions – they may be a future major donor!

- Good stewardship of Major Donors, keeping them up to date with the project and/or issues to which they give, brings repeat and improved results.

- Personal contacts are very important in enabling engagement with a potential major donor. These are difficult to find, and time needs to be spent with the potential asker to give them the confidence and the correct approach to maximise support.

- Success does not necessarily come from the richest prospects – they have many approaches from charities. Without a personal contact it is very difficult to reach them.

- Those who are wealthy but not super-rich are more likely to feel special and involved.

- Some people with valuable networks are willing to become involved in the organisation of an event even if reluctant to commit to directly asking their contacts for gifts. This can be used as a stepping stone to further involve them, and reach their contacts.

- Take time to get it right – asking too soon may result in a relatively low gift compared to the donor's actual wealth capacity.

- Be aware of the cultural and legal context of major donor fundraising in your country, and adapt your strategy accordingly.

In conclusion, building a Major Donor giving programme is a long and difficult business, which brings best results when personal contacts are made. Any charity wishing to embark on this path needs to maximise its networks with people of affluence and influence. However sometimes a donor will proactively make the initial enquiry, in which case good relationship management will reap rewards.

Legacy Fundraising in a UK Development Organisation: Sightsavers

Christine Taylor

CASE STUDY

Legacies are potentially a rich source of unrestricted income, requiring relatively low investment in fundraising when integrated into the organisation's individual fundraising strategy. Although development is not a cause that normally attracts high legacy income, Sightsavers has consistently raised around 20 % of its income from legacies in the last 10 years. During this time it has moved from an emphasis on proactively seeking legacy pledges, to a long term approach of raising awareness of legacies within supporter communications, and an annual small, well-targeted, dedicated legacy mailing to established supporters. It has also adopted a strategy of working with other charities to grow the size of the legacy market, and found this to bring positive results.

Although the legacy market in Eastern Europe is different from that in the UK, there are applicable lessons in taking a long term and collaborative approach.

Background

The UK Legacy Market

In a recent survey in the UK 35 % of people said they would happily leave a gift to charity in their will once family and friends had been provided for. In practice only 7 % actually do. Annual income to the UK charity sector from legacies is around £ 1.9 billion. Persuading an additional 4 % of the population to remember a charity in their will would boost the sector's income by £ 1 billion.

There are different types of charitable bequest, the main ones being:

- A residual legacy, which is all or a proportion of an estate once other commitments have been met.
- A pecuniary legacy, which is a gift of a specific sum of money.
- A specific legacy, which is the gift of a specific item, e.g. jewellery, stocks and shares or a property.

On average people die five and a half years after they make their last will. Inflation means that in real terms a pecuniary legacy is worth less at the time it is received than it was when the will was made. Residual legacies are worth far more, as they usually comprise stocks and shares and property which increase in value in the long term, even though they are subject to the fluctuations of the property and financial markets. It is common for a residual to be left to be shared between a number of charities.

Given that a growth in the proportion of wills that include a charitable gift would result in significant additional income for the charity sector, there is a history of collaboration between UK charities to grow the number of charitable bequests. Sightsavers belongs to two consortia:

Will Aid (*www.willaid.org.uk*) was founded in 1988 to encourage people to make a will with a solicitor and at the same time raise money for the Will Aid charities. Eight of the nine members are development charities. For its annual campaign Will Aid recruits solicitors who agree to make out a simple will for no charge if the client makes a donation to Will Aid. The benefits are twofold – the context of Will Aid makes people more likely to think about making a charitable bequest (particularly to the member charities); and the Will Aid member charities receive the donations – a total of £ 1 million in 2010. Sightsavers' income from Will Aid roughly equates to their expenditure on legacy marketing, and in addition they receive the names and addresses of people who included them in a will made through the Will Aid scheme.

Remember A Charity (*www.rememberacharity.org.uk*) was formed in 2000 and now has over 150 members who work together to encourage more people to consider leaving a gift to charities in their will, after they have looked after their family and friends. It raises awareness of leaving money to charity through PR and advertising. By acting together the members aim to do what no single charity can do alone, making legacy giving a social norm.

The British Government wishes to encourage people to leave a gift to charity. This contrasts with the concept of 'forced inheritance' found in some European countries which prevents someone leaving money to a charity rather than their children.

Sightsavers

Founded in 1950 as the British Empire Society for the Blind, Sightsavers is an international charity which works to combat blindness in developing countries, restoring sight through specialist treatment and eye care. It also supports people who are irreversibly blind by providing education, counseling and training. It helps the people who need it most – those living in poverty in some of the world's poorest countries. In 2010 Sightsavers' legacy income was £ 7.3 million, 20 % of total income.

Legacy marketing at Sightsavers

It is necessary to take a long term view when measuring the effectiveness of legacy marketing. On average legacies received in 2011 will be from wills made in 2005, although there is obviously a lot of variation within this. To gauge its success Sightsavers is a member of Legacy Monitor, which enables its 50 member charities to benchmark their legacy income growth against each other.

With no immediate way of seeing what works and what doesn't work Sightsavers has evolved its legacy marketing over the last 15 years, moving through a number of identifiable phases.

Until 2000 a vigorous approach was taken to getting people to request legacy information and pledge to leave a gift. Mailings that were just about legacies, as

opposed to part of a wider fundraising appeal, were sent, and a dedicated legacy fundraiser was employed. There was no joint working with other charities.

2000-2004 There was no dedicated legacy fundraiser and less mailings, although legacies were still actively promoted through dedicated mailings and inserts that were just about this form of giving. Sightsavers joined Will Aid and Remember a Charity and started getting involved in more joint initiatives, based on the concept that an overall increase in bequests to charities would benefit everyone.

2005-2010 There has been an increased emphasis on raising awareness of legacies in Sightsavers' general marketing and promotion, rather than proactively asking people to pledge. One reason for this change was the outcome of research that showed supporters questioning being asked to pledge (leave a gift to the charity and let them know you have done so) in order to help with a charity's forward planning – they saw no use for this information since they were not planning to die soon! Since 2005 Sightsavers has not sent any large mailings just asking for legacies. Legacy giving has been highlighted by using inserts or back page articles in the supporter newsletter promoting legacy giving and/or Will Aid, and on Supporter Care stationery such as *thank you* letters. The Sightsavers website has a section on legacies covering how to leave a gift to charity, will wording, and different types of legacy, and invites supporters to request an information pack.[1]

Once a year Sightsavers does a small, carefully targeted legacy mail shot to supporters, raising awareness of legacies as a way of giving, but not centred on asking for a pledge. The recipients selected are older, more affluent, established givers identified using lifestyle data.

Sightsavers has continued its involvement in Remember a Charity, and increased its input to Will Aid, which in 2009 moved from running every two years to annual campaigns.

Throughout this period costs of promoting and administering legacies have been around £ 180 000 a year, split equally between the administration of legacies received; membership of Will Aid, Remember a Charity and Legacy Monitor; and Sightsavers' own legacy marketing. Return on investment is more than

1 http://www.sightsavers.org/support_us/remember_us_in_your_will/default.html.

40 to 1 (but remember that a direct link between investment and income cannot be proved).

In 2010 Sightsavers carried out a review of its legacy marketing in order to form future strategy. Key findings were:

- The core strategy of a low key but persistent integrated approach to raising the profile and awareness of legacies is working.
- Two thirds of people requesting legacy information or pledging are already giving regularly to Sightsavers.
- A third of people who have left a legacy in the last 15 years first donated to Sightsavers more than 15 years previously.
- Information from estates, donor giving patterns before the bequest, and research amongst pledgers show that legators are essentially motivated in the same way as any other donor – they want to help the beneficiaries. Sightsavers is seen as an effective way of doing this. Donors leave their money to improve the lives of blind people rather than out of loyalty to the organisation per se.
- It is important that all fundraising and marketing staff understand key legacy messages and use them in their relationship building with supporters.
- There is no point in marketing legacies to non-supporters, for example using adverts in the press or solicitors' directories.
- Demographically the key audience for legacy marketing is single/widowed people, predominantly (about two thirds) women. At the moment the number of women dying childless is falling to 16 %, but in the next 20-30 years it will rise to about 20 % – a statistic that should increase legacy income to charities in the long term.
- Sightsavers should continue to invest time and resources in Will Aid and other cross-sector initiatives as they bring tangible benefits.

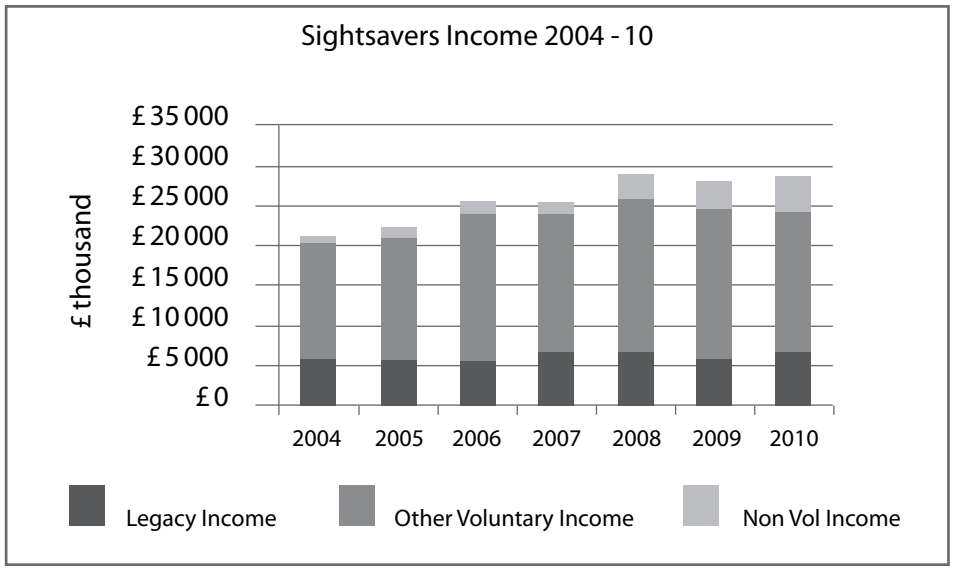
As a result of this research Sightsavers will continue its strategy of increasing supporters' awareness of legacy giving, and invest in an additional approach focusing on securing legacies from high value supporters. A new member of staff has joined the Key Supporter Team to work with the 'top hundred' supporters selected by demographic (age, marital status, size of family etc.) and wealth indicators. He will build relationships with them with a view to securing a major gift either during their lifetime and/or as a bequest. All fundraising teams will be encouraged to integrate legacy messages into their communications with supporters using the supporters' preferred means of communication whether this is mail, telephone, the website or face to face meetings.

Results

In the five years 2005-2009 Sightsavers received £ 31.7 million in legacy income, virtually all of it unrestricted so it can be spent on core costs and development work that would not attract grants. Over the same period around £ 900 000 was invested in generating legacy income. It takes a very long time to track the link between pledge and bequest. For example in 1998 Sightsavers received 89 pledges. By the end of 2009 twenty six of the pledgers had died and left a gift in their will.

The average value of a pecuniary gift to Sightsavers is £ 3 000, whereas the average for a residual is £ 34 000. Residuals account for 75 % - 90 % of legacy income, with 24 % of income in the last 5 years coming from 1 % of legators. High value legacies do not necessarily come from people who have been identified as very wealthy in their lifetime, and may well be from people who were low value supporters in life. A residual legacy received at a time of rising property and financial markets can be worth a lot more than the legator would have realised at the time they made the bequest.

Figure 4 ***Sightsavers income in 2004 – 2010***



The Figure 4 shows legacy income, other voluntary (charitable) income and non-voluntary income (mainly bank interest). As can be seen from the table the percentage of income attributable to legacies has been consistently around 20 %.

Benchmarked against the other charities in Legacy Monitor, legacy growth in the 5 years to 2010, Sightsavers was 16th out of 51 charities with a growth of 4.2 %. Oxfam, Christian Aid and UNICEF, all much larger organisations, were the only development charities to exceed this figure. In assessing the benchmarking it has to be born in mind that a small charity receiving a one-off large legacy would show high growth that is probably not sustainable, whereas Sightsavers' performance has been consistent.

Learning

- Legators are motivated in the same way as all supporters. Leaving a charitable bequest is a particularly effective way for someone to support your beneficiaries.

- Information on legacies should be integral to communications to all established supporters. Do not set up a Legacy Department, rather ensure that all fundraising teams are promoting the idea of leaving a legacy in the appropriate way for their target audience.

- Life-time giving levels are not an indicator of a potentially large bequest.

- Any investment in solus legacy marketing should be focused on older supporters who are sufficiently affluent to be likely to make a will.

- Supporters may be put off by vigorous requests for a legacy pledge.

- There is unlikely to be a return from investing in marketing legacies to people who are not already familiar with your charity.

- Understand the legislation and cultural environment concerning legacies in your country, and join with other charities to improve this.

- When forecasting future legacy income take into account the external environment – trends in financial and property markets; the demographics that will affect legacy giving in terms of an ageing population, projected number of deaths, numbers dying childless etc.

In conclusion legacies are a particularly valuable way in which supporters can help your beneficiaries. Ensure that they know how to leave a gift, and encourage them to do so. In addition work with other organisations in your country to increase this way of giving.

Direct Marketing: World Society for the Protection of Animals' Stop Bear Bile Farming Campaign

Christine Taylor

CASE STUDY

In July - September 2010 World Society for Protection of Animals (WSPA) undertook an integrated appeal using direct mail, e-communications and telemarketing to fundraise for a campaign against Bear Bile Farming. This was the first time the organisation had asked its supporters to give to a long term campaign rather than tangible animal welfare projects. The campaign was WSPA's most successful ever, raising £ 549 385.

Background

WSPA has been promoting animal welfare for more than 25 years. Their work is concentrated in regions of the world where few, if any, measures exist to protect animals. They have 17 member offices around the world.

In 2009 their income was £ 19.6 million, 43 % of which was from gifts and donations, the balance mainly being from membership fees.

In 2009/10 WSPA developed a new creative direction for their marketing, which they call 'Powerful Anger'. This recognises and builds on the 'anger' supporters feel when they hear about cruelty and suffering, and gives them the 'power' to protect animals through WSPA, by moving them to channel that emotion into positive action by donating, campaigning etc. The key ingredients that make 'Powerful Anger' work are:

- A named, photographed animal to tell the story and create emotional connection;
- Aligning the scale of the problem with the scale of the gift;
- A 'hero' who helps to protect the animals. This would usually be the person who signs the appeal letter, someone working on the front line;
- At least one and preferably all of the key success factors – cruelty, case studies, rescue;
- Non-financial engagement – campaigning, consumer power, spreading the message.

In the first year of using this approach WSPA's return on investment (ROI) for appeals rose from £3.46 to £5.18 raised for every £1 spent.

The Stop bear bile farming campaign

At the point WSPA was planning its summer 2010 appeal their global strategic review was only part-way through, and available themes were thin on the ground as future animal welfare priorities were still being established. Supporters are sent 6 appeals a year so the more obvious work had been featured relatively recently. Since 1998 bear-related themes have done well, and so they decided to rejuvenate the Bear Bile Farming theme. This campaign is to prevent the practice that affects 12000 bears across Asia, whereby they are kept in tiny cages and have bile extracted from their gall bladder twice a day so that it can be used in the manufacture of traditional medicines, toothpaste and shampoo.

Appeal Objectives

The client/agency team worked together using the 'Powerful Anger' creative direction to define an appeal proposition around bear bile farming. Though probably the worst case of animal cruelty in the world, this theme has a number of inherent limitations: a lack of tangible outcomes (no rescues, no sanctuaries); a lack of case studies and, because of political sensitivities, an inability to name

the perpetrators (neither the farmers, nor the governments that allow it or even the countries where it takes place).

Some important decisions were made. WSPA would:

- Persist with bear bile farming as a theme.
- Be honest about the difficulty and long-term nature of a campaign to stop bear bile farming.
- Set up a restricted fund to help communicate the organisation's long-term commitment to a Stop Bear Bile Farming campaign – and to take supporters with them on that journey. (Such appeals would normally be unrestricted, but because of the perceived weakness of the theme this additional incentive to give was thought necessary.)
- Not allow the political sensitivities to stop them telling the truth about the cruelty.
- Not let the lack of a case study stop them from bringing the animal welfare problem into the hearts of supporters. It led to the creation of Lily, their name for a representative of the many nameless bears trapped on bear bile farms.

The July cash appeal to warm supporters was so successful that two further objectives were subsequently added:

- The Programmes team approached the fundraisers for help with political lobbying on Bear Bile Farming, and a campaign action was added to the appeal. This meant re-contacting those who had already given.
- The strong response indicated that restricting donations was not necessary, and so the Bear Bile Farming creative was used in the upgrade, conversion and reactivation campaign for unrestricted regular giving planned for August. Supporters who had already given a one-off cash donation to the bear bile campaign were thanked by phone and asked to make a deeper commitment to the cause.

Target Audience and Campaign Focus

WSPA's supporters are animal lovers, who may view people as the perpetrators of animal cruelty. Thus their audience overlap is with other animal welfare charities, not international development organisations. They have an active database of 104 000 of whom 69 000 are regular givers. The supporters are predominantly female and over 50. Recruitment is greater than attrition so the database is gradually growing, with a spike in 2007 when they first moved to online recruitment which is very successful. The WSPA staff takes time to get to know their supporters, working closely with their Supporter Services colleagues to learn what interests supporters from their letters and phone calls.

The Bear Bile Farming campaign used direct mail, e-communications and telemarketing to:

- Warm supporters to make a single donation
- Approach lapsed cash and lapsed regular givers to reactivate their support
- Turn to existing regular givers to upgrade the value of their gift
- Appeal to all to campaign to stop bear bile farming.

They wanted supporters to fully engage with the campaign, not just financially, but intellectually and emotionally. They asked them to "donate, speak out, sign up and share" to show the breadth of how they could help.

WSPA created a multi-channel campaign, with multiple ways to engage:

- Direct mail was used to ask for single donations, backed up by a personalised insert and various e-communications with dedicated landing pages, supported by a banner and stories on their website. Different versions targeted active supporters, lapsed cash supporters and supporters of other animal welfare charities as a recruitment drive.

- The creative treatment was turned into a telemarketing script for the purpose of an upgrade (in regular gift value), conversion and reactivation (to regular giving) campaign.

- Traditional (a poster and an insert) and online (an e-action) media were used to actively engage supporters in the goals of the campaign, asking them to lobby their MP / the UK government to get behind the campaign and use their influence to help achieve a phase-out of bear bile farming. Posts to social media channels also spread word of the campaign and supporters were encouraged to write and share a personal statement about why they wanted bear bile farming to stop.

Planning and Preparation

Meticulous planning was needed to integrate the multiple strands of the campaign, since it involved several messages to different audiences using a range of communication channels. Key elements were:

Developing the creative

WSPA use an agency for the creative work. Once the theme was agreed the staff collected all information available about the project, gaining a thorough understanding of the work so that they could answer the agency's questions. A Creative Brief was then written, stating the objective of the appeal; the proposition "Bear Bile Farming must STOP. Donate now to help end it forever"; the target audience, and the desired response.

From the Creative Brief the agency developed three creative concepts for the appeal design and copy. After discussion the concept using a case study of a representative bear, Lily, was chosen for the agency to further develop, and copy and design went through at least two drafts before finally being approved.

The creative developed for the cash mailing appeal was adapted for website pages, e-mail templates and copy, and the telemarketing script. A telemarketing agency was used to deliver that aspect of the campaign.

Data Brief

The setting up of the database for segmented communications was all done in-house. There were various versions of the cash appeal depending on whether supporters were just cash donors, gave cash gifts on top of regular donations or were supporters of other animal welfare charities. The amount of the suggested donation was personalised according to giving history, and laser printed before mailing.

The e-mail was sent to 80 000 people, of whom 30 000 were also on the mailing list. Different versions of the e-mail were sent depending on whether the supporter had also received a mailing, if they were a high value supporter and if they were a lapsed donor. The e-mails were worded in such a way that they complemented the postal version for those supporters who also received a mailing (for a sample e-mail see Figure 5).

Print, Mailing and Response handling

A print specification was written, tenders invited and a supplier selected. WSPA use one agency for fulfilment – printing, enclosing and mailing, and another for response – receiving, recording and banking donations, and thanking supporters. WSPA provided copy for the *thank you* letters. Reports from the response-handling agency were run daily so that WSPA could react on an ongoing basis to the progress of the campaign with follow-up e-mails reminding supporters to give, asking them to take campaign action or thanking them and keeping them informed.

Excerpt from Copy

The campaign against Bear Bile Farming is still featured on WSPA's website.[1]

The following excerpt from the appeal letter gives an idea of the messages and tone of voice used:

1 http://www.wspa.org.uk/wspaswork/bears/bearfarming/, accessed on 30 November 2011

Figure 5 ***Sample e-mail***

Dear Ms Vandersypen

What I am about to tell you doesn't make for easy reading. But I need you to understand the horror a bear is subjected to when its bile is extracted. I need you to understand because I need your help to make it stop. **Please support help protect bears from this cruelty with a donation of £15 to WSPA's Stop Bear Bile Farming Fund today.**

Stop it. Take action now

Let me tell you about Lily. I have given her that name – to those that farm her for her bile, she is just a nameless commodity.

Lily is cramped in a tiny cage. Her head is injured and she has broken teeth from butting and biting at the bars of her cage in repeated, hopeless attempts to free herself. An open wound has been carved into her body in an act of horrific mutilation. It is through this wound that bile will be extracted from her gall bladder. Lily's bile will be sold as an ingredient for use in medicines, even beauty products.

PLEASE STOP IT

What I am describing is happening not just to Lily but to thousands of bears every day. **Please give £15 to WSPA's Stop Bear Bile Farming Fund. Every pound you give will be dedicated to stopping this terrible cruelty.**

YOU CAN HELP STOP IT

Please help protect bears from this terrible cruelty. **Please donate to WSPA's Stop Bear Bile Farming Fund today.**

Victor Watkins
Senior Wildlife Advisor, WSPA

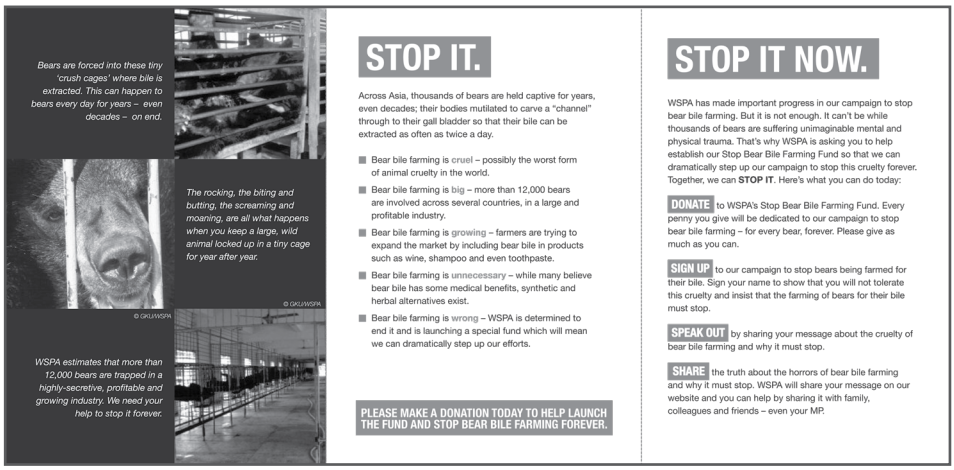
PS We cannot stop bears being farmed without your help. Please give a donation of £15 today to WSPA's Stop Bear Bile Farming Fund.

Your supporter number is:
Our reference is: **EMA0356**

Subscribe | Feedback | Website | Forward to a Friend | Donate

"...bears like Lily are still held captive, subjected to inconceivable levels of physical and mental trauma. We need to do more, much more, to stop bear bile farming forever. This is a big industry and it will take a big investment to stop it. But that cannot be a reason to turn away and give up. Bears like Lily need you. Can you really tolerate a world where Lily and thousands of bears like her suffer so horrifically? I know I can't. It won't be easy and it won't be quick but succeed we must – and with people like you who care so much about bears, I believe we will."

Figure 6 ***Leaflet***



Results

The appeal captured the hearts and imaginations of WSPA supporters and a very good response was received to all aspects of the campaign. Rather than be put off by the scale of the problem and the long-term and unreliable nature of the solution, supporters were moved by the vivid descriptions of suffering that "Lily", their named but nameless bear, endured every day and inspired by the simple (and much-repeated) message to "Stop it".

Not only did supporters respond in their thousands with a cash donation, but 26 % also sent a message to show their support of the Stop Bear Bile Farming Campaign and over 10 000 WSPA supporters signed an online petition calling the UK Government to put pressure on South Korea to phase out the trade.

The money raised will fund the Bear Bile Farming campaign for the next two years, and so the theme cannot be used again for a while. WSPA will report on the progress of the campaign in its hard copy and e-newsletters, and on its website. If and when the appeal is repeated it will be for unrestricted donations.

Table 5 ***Results of the Bear Bile Farming campaign***

Cash donations (Warm direct mail appeal, cold acquisition through reciprocal lists, e-communications)

	Forecast	Result
No. of responses	7 719	15 222
Response rate	4.47 %	7.07 %
Income	£ 182 532	£ 350 069
ROI	3.00	4.57

Telemarketing campaign (Upgrade in regular gift value, conversion and reactivation to regular giving)

	Forecast	Result
No. of responses	4 862	4 405
Response rate	26 %	22 %
Income	£ 175 032	£ 199 385
ROI	1.55	1.61

Lobbying campaign

Number taking online action	11 148
Number making a personal statement	8 044

Learning

- Having a clear creative direction such as the WSPA's "Powerful Anger" gives consistent guidelines and strengthens all communications.

- Collect telephone and e-mail details from your supporters, and permission to use them, in order to give you the ability to reinforce mail with e-mail and/or telephone contact.

- It is important for fundraisers to thoroughly research the project that is the subject of their appeal to give the creative agency (or staff if you are doing it in-house) as much information as possible from which to write copy that will resonate most with supporters.

- Time and effort should be put into segmenting recipients so that they receive messages tailored to their preferred communication channels, method and level of giving.

- It is possible to create the power of a case study without knowing about a specific individual as long as you are honest about it being representative. Individualising the story with a "named but nameless" bear enabled the audience to emotionally connect.

- It is advantageous if the person signing the appeal letter is someone on the front line the supporters feel that they can trust to use their money to make a difference.

- Vivid and distressing descriptions of bile farming meant supporters were moved by the campaign, even though the goals are long term, and no specific strategy of gaining them was described. Although a development organisation working with people is unlikely to use such graphic and disturbing language, the successful approach of

using tangible and moving descriptions to fundraise for a long term campaigning goal is applicable.

- Run frequent reports on the response to your campaign so that you can react accordingly.

- Be prepared for success – WSPA's response handling and thanking arrangements were set up for a lower volume. This meant reminder e-mails had to also allow for the fact that a donation may have been given but not yet recorded. Also staff had to manually count donations in order to prepare for the campaign action.

- Be prepared to build on success. Despite having no additional resources WSPA seized the opportunity and extended their appeal to encompass a campaigning action and unrestricted regular giving ask.

In conclusion this case study shows that a powerful creative, good integration of communication channels and a willingness to seize and build on success can result in a theme that was perceived as weak being turned into a very successful appeal.

"Water for Sudan" Action: The cooperation between Polish Humanitarian Action and Polish Bottled Mineral Water Distributor "Polskie Zdroje" – Cisowianka[1] Brand

Aleksandra Gutowska

CASE STUDY

Water Campaign was launched in 2004 by the Polish Humanitarian Action (PHA). Aside from raising money for water and sanitation projects run by PHA in Chechnya, Iraq, Afghanistan, Sri Lanka and currently in Southern Sudan, the aim is to make Poles realise that water is the most precious resource and that its supplies are not inexhaustible. Part of the fundraising campaign is based on cause-related marketing of the Polish bottled water Cisowianka. Even though cause-related marketing does not qualify as fundraising from individuals (donation is given from the profit of a company producing bottled water) it can be a good example of bridging individual interests of customers with needs of people far away. In this sense it has awareness raising potential, which can contribute to individual giving of customers.

Polish Humanitarian Action[2]

The Polish Humanitarian Action is the biggest Polish Non-Governmental Development Organisation, which has been operating since 1992. It was established by Janina Ochojska, who is currently the president of the board. She was inspired by the activities of the Equilibre Foundation, a French humanitarian

1 Cisowianka water is produced by Nałęczów Zdrój and distributed by Polskie Zdroje (sales, marketing, public relations).

2 I would like to acknowledge the assistance of Ms. Olga Blumczyńska, the Communications Officer at PHA, who has provided me with useful information on the history of PHA, its activities and the Water Campaign.

organisation, where she worked as a volunteer responsible for coordinating support to the victims of the civil war in the former Yugoslavia. In December 1992, Janina organised the first convoy to Sarajevo within the framework of the Polish branch of the Equilibre Foundation (it was renamed the Polish Humanitarian Action in December 1994).[3]

The aim of the organisation is to create a better world, reduce the number of people in suffering and promote humanitarian values by providing humanitarian and development assistance as well as organizing social education activities. In 2011, PHA has around 70 employees and more than 90 volunteers working daily in the headquarters in Warsaw, in one of the two branch offices in Torun or Cracow and on missions abroad. PHA has several departments: *Missions Abroad*, *the Pajacyk Progam*[4], *the Centre of Assistance to Refugees*, *Humanitarian Education*. Its activities abroad consist of improving access to proper sanitation, providing potable water and quality education and, in case of emergencies, providing humanitarian assistance. So far the PHA has operated in more than 40 countries (Afghanistan, Sudan, Iraq, Chechnya[5], Sri Lanka, Lebanon, and others). Currently, it has missions in South Sudan and Palestine, and it is providing humanitarian assistance to Libya.[6]

The programs, projects and activities of the Polish Humanitarian Action are funded by different sources. PHA has received grants from the Ford Foundation, the Stefan Batory Foundation, the International Rescue Committee, ECHO, EuropeAid, INTI, the International Red Cross Committee, the Polish Ministry of Foreign Affairs, the Office for the Coordination of Humanitarian Affairs,

3 Janina Ochojska (she prefers to be called Janka) was born on the 12 March 1955 in Gdańsk. In 1984 she stayed in France where she started to work with the French humanitarian organisation Equilibre, providing assistance to Polish hospitals and organizing humanitarian convoys to Bosnia. She has received many awards. In 1994, she was granted the "Women of Europe" award from the European Community. One year later, Janka was awarded the Pax Christi International Peace Award and in 2010 she received the award of Lech Walesa for her humanitarian work. For more information see www.pah.org.pl

4 Pajacyk is a campaign aimed at providing meals to the poorest schoolchildren in the most remote areas of Poland.

5 Chechnya is a republic in Russian Federation.

6 In March 2011.

UNHCR, UNICEF, the World Health Organisation and many other national and international institutions and organisations.

PHA has launched payroll, loyalty and partnership programs directed at private companies and/or their employees. The payroll program involves regular (e.g. monthly) contributions (fixed amount of money or a percentage of the salary) being donated to PHA. The loyalty program is designed to involve not only the company but also its clients in providing support to the organisation. A good example is PHA's cooperation with BP (British Petroleum) within the framework of the Pajacyk Program. Each client of BP who is a member of the BP partner club receives points for every purchase or payment made on BP stations. Then the client can exchange the points for a present from the catalogue or support the Pajacyk program. Partnership programs are designed in close cooperation with private sector companies. There are several options of involvement: normal, silver, gold, strategic partnership, attributed according to the terms of cooperation.[7]

The Water Campaign

"Water crisis – our common problem!" is the motto of the Water Campaign launched in 2004 by the Polish Humanitarian Action. Aside from raising money for water and sanitation projects run by PHA in Chechnya, Iraq, Afghanistan, Sri Lanka and currently in Southern Sudan, the aim is to make Poles realise that water is the most precious resource and that its supplies are not inexhaustible.

The Water Campaign consists of several initiatives. There are events organised to celebrate World Water Day on 22 March), with the active participation of many Polish celebrities. *Blue Concerts* are music events dedicated to support the Water Campaign. Artists and clubs organise concerts and the income generated from the entrance fees is given to PHA. Additionally, a few new products have been designed and put up for sale at the PHA e-shop (a souvenir water drop with the statement: *I collect water;* a T-shirt with the inscription: *Water for Africa*) to support the Water Campaign.

7 More information on: www.pah.org.pl

The Water Campaign is very visible on the Internet. The websites: *www.wodapitna.pl* (PHA) and *www.cisowianka.pl/sudan.php* (Cisowianka) have been launched to inform about the activities, share information, knowledge and educational materials for those interested in the water crisis issue.

The Campaign has had very broad media coverage.[8] On several occasions, PHA missions were visited by journalists accompanied by Janina Ochojska. It resulted in a number of articles and radio appearances about the water crisis.[9] Their role was not only to inform the Polish society about the issue and the PHA's activities, but also to educate and activate the society by fostering solidarity and identification with those who suffer from water shortage.

According to Grzegorz Gruca, PHA's fundraising specialist, thanks to the Water Campaign around 60 % of Poles now realise the value of potable water and the problems related to the lack of access to it.[10] He compares it to the situation in 2004 (the year when the Campaign was launched), when the majority of the Polish society was not aware of this issue at all. He underlines that apart from the events organised with the assistance of various celebrities and considerable media coverage, the promotion of PHA's cooperation with Cisowianka aimed at building wells in Southern Sudan also helped to raise social awareness.

8 Czysta woda dla każdego, Fakt: Gwiazdy, 26 March 2010

9 Studnie ratują życie, Fakt: Wrocław, 25 March 2010; M. Rębała, Co wybiorą pasterze ? Mieszkańcy południowego Sudanu chcą się odłączyć od północy kraju. Pytanie czy zdadzą egzamin z niepodległości. Newsweek nr. 15, 11 April 2010.

10 The survey done for PHA in 2010.

Cisowianka – PHA's cooperation

Cisowianka is a brand of Polish Bottled Mineral Water Distributor "Polskie Zdroje", produced by Nałęczów Zdrój, one of the biggest Polish companies on the bottled mineral water market. According to Nielsen, in 2008 Danone was the leader of the bottled mineral water market in terms of sales and quantity (30.9 % of sales and 22.8 % market share). Danone also owns Żywiec Zdrój brand, the most popular on the market. The other producers in terms of market share in 2008 were: Nałęczów Zdrój (8.1 %), Nestle Waters (7.1 %), Coca Cola HBC Polska (5.6 %), Muszyna (2.7 %), Zakład Uzdrowisk Kłodzkich (2 %), Bewa (2 %), Ustronianka (1.9 %), and Hoop (1.8 %). The other producers in terms of sales in 2008 were Nestle Waters (9.8 %), Coca Cola HBC Polska (9.4 %), Nałęczów Zdrój S.A. (6.9 %), Muszyna (3.5 %), Hoop (2.9 %), Zakład Uzdrowisk Kłodzkich (2.6 %), Ustronianka (2 %), and Bewa (1.1 %).

Cisowianka has been produced since 1979. The sources of water are located close to the Cisa River near Nałęczów. Nowadays, Cisowianka's water is produced using hi-technology equipment and very specific and detailed laboratory tests ensure the high quality of the products.

PHA intended to establish a partnership with a Mineral Water producer from the very beginning of the Water Campaign. Initially, the companies did not respond to the requests and proposals sent by PHA fundraisers. In mid-2008, Cisowianka's managers proposed cooperation based on the CRM (cause-related marketing) strategy.[11] They created a new product, water in 0.33 ℓ bottles. The income generated from its sales has been used to support the Water Campaign. The proceeds ranging from 10 – 25 % of the cost of one bottle, depending on the production and distribution costs, went primarily to build wells in Southern

11 The idea of Cisowianka is very similar to the campaign launched by Danone (the producer of the bottled mineral water Volvic) in cooperation with World Vision in March 2008. Volvic 1 l = 10 l is an educational and fundraising project. Its aim is to build wells in Ghana, Malawi, Mali, Zambia and provide 1.7 billion litres of potable water to local communities in remote areas and to train people how to use and conserve wells. The partners strongly believe that their program will improve the quality of life in Africa. The campaign is based on the cause-related marketing strategy. For each liter of Volvic Natural Mineral Water or Volvic Touch of Fruit with a logo of the program sold, the company will provide 10 l of potable water to African countries. See the website www.volvic.co.uk.

Sudan (currently the campaign targets building wells in different countries of the African continent). Thus the new Cisowianka differs from other similar products of the company in a number of ways. It is targeted mostly at women. The bottle contains only 0.33ℓ and thus is small enough to put in a woman's handbag. It has an interesting design and the label includes information about the joint cooperation. Apart from launching the new product, Cisowianka initiated broad marketing and promotion activities. In most major Polish cities, billboards appeared informing about Cisowianka and PHA's cooperation aimed at improving access to potable water in Southern Sudan. In 2010 Clear Channel media house gave access to 2 000 City Light Posters and 850 spots sized 6 m x 3 m in cities and towns around the country. The marketing, promotion activities and media relations were coordinated by PURE PR company. According to Katarzyna Pióro, from PURE, it did not cost much because the partners agreed to barter their services.[12] The Action was supported by TVN (the biggest Polish private television), Polskie Radio, Onet.pl, National Geographic Channel, Clear Channel, Zumi.pl and magazines Zwierciadło, Cogito, Victor and Gimnazjalista.

The cooperation between PHA and Cisowianka within the framework of the Water for Sudan Campaign is called: "Action for Sudan." It was officially launched in November 2008, and each year new agreements between the partners are signed. In 2010 the partners decided to show the results of their joint actions. The first wells, financed with the income generated from the sale of 0.33 l bottles of Cisowianka Mineral Water, were built in March 2010. Until March 2011 PHA received donations in the amount of PLN 180 000 (€ 45 000)[13] from Cisowianka.[14] Potable water for five thousand Sudanese was thus being provided on a daily basis. Additionally, Cisowianka experts are involved in the educational component of the Water Campaign, conducting lectures and taking part in discussions with academics. Cisowianka, in cooperation with the National Geographic Channel,

12 The company did not want to share more detailed information. The stated reasons were: it would breach the rules of cooperation between the partners; some of them have been contributing to the Water Campaign for a long time and the conditions are the result of the successful cooperation, good recognition and media coverage of the PHA-Cisowianka joint action. It is worth stating that the PHA changed the focus from the short-term to long-term results. They prefer to focus on partnership building than on large amounts of money received randomly.

13 In 2010 the turnover of Cisowianka was approx. PLN 34 000 000 (€ 8 500 000).

14 Cisowianka donated the amount of money reduced by the costs of production.

requested TNS OBOP pollster to make a survey asking if Poles were aware of the water problem around the world and in their home country. Almost 80 % of the respondents declared that water was the most important natural resource and that they were aware of its scarcity, especially on the African continent. In 2009, Agata Buzek, a young, internationally recognised Polish actress became the Ambassador of the "Water for Sudan" Action.

The "Water for Sudan Action" received several awards. It was granted the title of "the Social Campaign of 2009" in the category of NGO-business cooperation from the Foundation of Social Communication.[15] The jury wrote in the verdict that the campaign received the award because it was managed for a long period of time with the use of various methods, and included a very meaningful awareness-raising component concerning one of the most tangible global issues. In April 2010 and March 2011 Cisowianka was awarded the Superbrand title (from the marketing, branding, and promotion experts), for its uniqueness and probity. Grzegorz Gruca points out that there are various important aspects which make this cooperation successful: the close partnership, visibility, consistency and coherence of all the activities and actions.

Although the "Water for Sudan Action" is recognised as being a successful enterprise within both business and non-governmental sectors, there have been a few failures, negative consequences of the cooperation and challenges to overcome.

The new product – 0.33 ℓ bottles of Cisowianka mineral water – is available only in some shops and supermarkets[16]. The broad campaign has led to a misunderstanding among customers that the income generated from the sale of all Cisowianka products is allocated for the Water Campaign.

In 2010 Cisowianka decided to share information about the results of the action. The information put on billboards indicated that five thousand Sudanese had gained access to potable water. Taking into account the period of PHA – Cisowianka cooperation and the broad promotion activities launched, the number seemed quite small and, what is more important (from the perspective of the organisation), many people began to think that the results of PHA's overall activities in Southern

15 See more on www.kampaniespoleczne.pl/konkurs.

16 According to Katarzyna Pióro it is the result of the selling policies of many supermarkets which are unfriendly to charity activities.

Sudan also have not been too impressive. On the other hand, Cisowianka has taken a risk by supporting projects in countries which are politically unstable.

In 2009, several NGOs (including PHA) were removed from the Darfur Province in Sudan. This issue was commented on in the Polish media. Unfortunately, there was hardly any information given concerning the fact that PHA was still operating in the Southern part of the country, which affected the results of the "Action for Sudan" in 2009.

"Water for Sudan Action" has become a synonym for the Cisowianka – PHA cooperation. The initiative is strongly associated with these two brands. PHA may find it difficult to involve new private companies in the Water Campaign in order to provide them proper visibility while considering their competition as well. Due to broad promotion and public relations activities, many private companies and individuals want to be involved in the Water Campaign. One possible solution is to identify new areas within the market which could be covered by new partners and which are still somehow related to "water", e.g. instead of looking for a new water producer, it would be perhaps better to initiate cooperation with producers of bathroom fittings.

Cisowianka is the leading Mineral Water producer in Poland. It is challenging for an NGDO to maintain partner relations with such a strong private company, or to negotiate a change in its operations. Natalia Ćwik from the Responsible Business Forum stresses that the Corporate Social Responsibility code of conduct should be implemented within the overall activities of the company to make its policy coherent and transparent. A few months ago, Cisowianka launched a new product called "Cisowianka Perlage." The bottle is made of thick plastic material, which does not fall in line with the company's declarations of support of sustainable development. The partnering NGDO should be well informed and concerned about the activities of its corporate partners, otherwise it may start to lose its social legitimacy.[17] It seems advisable to the organisation to

17 In June 2010, there was an article about the PHA – Dow Chemicals cooperation published on the website of the non-governmental sector in Poland www.ngo.pl, written by an Amnesty International activist. The PHA received quite a large sum of money in June 2010 from the Dow Chemicals company for the construction of houses for people who had lost everything in the floods. Meanwhile, Dow Chemicals is accused of contributing to one of the largest industrial catastrophes in India, which resulted in many deaths.

reconsider going into a partnership that may be contradictory with its code of conduct.[18]

One could say that it was a courageous decision on the part of Cisowianka managers to join PHA's Water Campaign and to provide support for the project in Sudan. The general public in Poland is still not interested in the problems of developing countries, and people consider themselves to be poor. Producers of consumer products are rather choosing problems which are closer to home for their clients at a local or national level. Natalia Ćwik emphasizes that it is difficult to judge if Cisowianka actually introduced a new trend among Polish companies, because the Cisowianka – PHA cooperation began in November 2008 and since then there have not been any similar initiatives.

The future of NGDO-corporate collaboration in Central Europe

Since Poland's accession to the European Union and the creation of the Polish development aid system many new NGDO's have been established. These organisations have been operating mainly in the post-soviet or the Global South countries. Despite this evolution, the Polish private sector is still not fully involved in the Polish development aid system although there are a few exceptions – Cisowianka being one of them.

Polish consumers do not know much about the situation in developing countries. What is more important, they excuse their lack of involvement by stating that "Poland is a poor country" and "we have many hungry children here." Producers, well-aware of these tendencies are more inclined to support local (or, if they have more capacities, national) issues.

Polish corporations and representatives of the business sector are aware of sustainable development issues (through Multinational Corporations), but they have not started to change their policies and strategies to accommodate such

18 The story of Bottled Water (http://storyofstuff.org/bottledwater/) is an interesting, short film showing that production of the bottled mineral water causes pollution of the environment. The demand for the product is driven by selling strategies showing mineral water as much healthier, even though research has shown that it is a false claim. The film was released on the "International Water Day" in 2010.

an approach. They do not consider themselves to be members of the global system and do not feel that their company should become involved in charity activities in the name of global solidarity and responsibility. On the other hand, the Polish market has changed considerably in the last twenty years.[19] Shops offer a wide selection of products of similar quality and their prices[20] do not differ much. There is a need for other factors which would encourage the consumer to choose a specific product. In such cases, social responsibility of the producer could constitute a crucial, decisive argument.

Sources of information

Interview with Mr. Grzgorz Gruca, the Director of the fundraising department in PHA (7 March 2011);

Interview with Ms. Olga Blumczyńska, Communication specialist in PHA (8 March 2011);

Interview with Mr. Robert Zduńczyk, the President of Polish-East Africa Economic Foundation, business and management advisor, former partner of the Andersen Business Consulting (25 February 2011);

Interview with Ms. Natalia Ćwik, Expert of Responsible Business Forum (12 November 2010);

Interview with Ms. Katarzyna Pióro, PR manager of PURE PR (18 April 2011);

websites: *www.pah.org.pl*, *www.wodapitna.pl*, *www.cisowianka.pl*, *www.ubostwo.pl*, *www.volvic.co.uk*, *www.ngo.pl*, *www.kampaniespoleczne.pl*, *www.storyofstuff.org*;

P. Bagiński, Odpowiedzialny Biznes i globalny rozwój: wyzwanie czy szansa dla polskiego sektora prywatnego?, Global Development Research Group, Policy Paper 4/2010;

19 After 1989.

20 About 70% of Poles make their decision based on price.

M. Yaziji, Jonathan Doh, NGOs and Corporations conflicts and collaboration, Cambridge University Press 2009;

Edelman Trust Barometer 2008;

Czysta woda dla każdego, Fakt: Gwiazdy, 26 March 2010;

Studnie ratują życie, Fakt: Wrocław, 25 March 2010; M. Rębała, Co wybiorą pasterze?;

Mieszkańcy południowego Sudanu chcą się odłączyć od północy kraju. Pytanie czy zdadzą egzamin z niepodległości. Newsweek nr 15, 11 April 2010.

Support Mechanisms and Strategies for Mobilisation of Private Funds

4

5 × CASE STUDY

Support Mechanisms and Strategies for Mobilisation of Private Funds

4

Success in fundraising from private sources is closely linked to the conditions that a society creates for giving. Donors must take notice if there is a need within the society and possibly get more information about it. They need to decide on how much and for what purpose to give support and they must also have readily available and fitting tools not only to provide the support, but also verify how it was used. Not every donor is going to use just any one available tool or method. If organisations are to win over a wide spectrum of donors, they must have at their disposal a wide spectrum of ways of giving. Moreover, from the donor's perspective, if funds are to be released, there has to be an underlying infrastructure for giving. Availability of such infrastructure and its use encourages engagement of donors who would by themselves never overcome barriers to giving.

In the following section we delve into several examples of mechanisms and strategies which are constituent parts or contribute to building such infrastructure. By mechanisms and strategies we mean procedures and tools which make giving possible or facilitate it. These may be grounded in legislation, institutional guidelines and customs, or traditions and culture (e.g. procedures and guidelines for public collections, direct dialogue, or tools for presenting donor opportunities in the media etc.).

The first prerequisite for acquiring a donor is having the opportunity to address him/her. When raising funds from individuals it is often important to be able to find fitting channels for reaching tens of thousands of potential donors. In this regard there is a strong role of the new media, to which we pay special attention in the section on fundraising in a digital and networked society. Still, for the greater

part of the society, the traditional media still has an important role. There is no doubt that having visibility of a development organisation in traditional media contributes significantly to the success of its fundraising efforts.

This chapter opens with the case study by Christine Taylor **A Small Development Charity Maximising Opportunities from Partnerships: AMREF in the UK**. The tradition of well-established printed medium in Britain offering major space to an NGO selected in a competition in the pre-Christmas period made it possible for a relatively small and lesser-known development organisation to gain visibility and expand its fundraising activities considerably.

A new model of presenting nonprofit organisations in public media was created in Poland. It involves a regulation requiring national television and radio to provide airtime to public benefit organisations. As with any new tool, its introduction is fraught with several dilemmas, with its effectiveness and impact yet to be proved in practice. Ilona Iłowiecka-Tańska treats this issue in more detail in her case study titled **The Promise of Public Media in Poland**.

A major part of infrastructure for giving is represented by legislation in place, including opening of new opportunities for giving. This includes conditions for organisations to run public collections. Peter Guštafík and Marian Čaučík describe the situation in Slovakia in their contribution titled **Engaging the Public in International Development Through Public Collections**.

Also, assignation of 1 % (or 2 % in some countries) of income tax was intended to stimulate the funding of the nonprofit sector. Yet, every such tool impacts not just donors but also organisations using it. In her case study **The Effects of the "1 % Campaigns" on Fundraising Techniques Targeting Private Individuals**, Brigitta Jaksa addresses how this tool affects the behavior and campaigning of organisations in a wider context. The case study shows that a decision to employ a single tool for fundraising may eventually make an organisation less prepared to use other tools.

Also changes in donor behaviour and donor needs require new fundraising procedures. To ensure they are effective, changes need to be made to legislation, rules and strategies. What's more, some institutions need to be modified and prevention against abuse of the new methods must be put in place. In her case study **Coalition for Easy Giving: Removing Barriers by Sharing Experience**

and Working Together, Jitka Nesrstová describes an example of cooperation among nonprofit organisations in successfully establishing conditions for using the new method of direct dialogue in the Czech Republic.

A Small Development Charity Maximising Opportunities from Partnerships: AMREF in the UK

Christine Taylor

AMREF in the UK was set up 50 years ago to raise money for and give support to AMREF (African Medical and Research Foundation), which had been founded in Africa four years earlier to provide medical services to remote regions of East Africa. Over the past decade AMREF in the UK has experienced huge growth, with grants to Africa significantly increasing from £ 771 710 in 1999 to £ 4.1 million in 2009. In addition it has raised unrestricted money to cover its own costs, currently £ 1 million a year.

Historically AMREF has made good use of its connections with the ex-pat community who have lived or worked in Africa, and its Board Members (some of whom have come from that community), to forge strong corporate partnerships. They have also used their unique 'story' (originating as a flying doctor service) to increase emotional responses for giving and support from this network.

More recently, in 2007, it successfully competed against much larger charities to win a three-year media partnership with the Guardian Newspaper. As part of the pitch AMREF brought in Barclays as a second partner. The Katine project focused on a remote community in north-eastern Uganda, with extensive coverage in the Guardian Newspaper and website, and raised £ 2.5 million. The AMREF in the UK fundraising team are now consolidating and building on this success, aiming to convert Guardian readers who gave to Katine into long term supporters of the organisation.

Background

In 1956, three doctors drew up a ground-breaking plan to provide medical assistance to remote regions of East Africa, where they had all worked for many years. Medical facilities were sparse, with rough terrain and often impassable roads making access to medical care difficult for people in rural and remote areas. AMREF was founded as an air-based service to get health care to remote communities. Over time AMREF moved into community health development, and is now Africa's leading health development organisation.

In 1961 one of the three founders established AMREF in the UK to lobby the UK government, other institutional donors and corporate partners for increased funding for programmes in Africa. AMREF built on the good will and connections of people who knew its work in Africa, and several valuable corporate partnerships were forged. Fifty years later, AMREF in the UK's aim remains nurturing, maintaining and building partnerships to maximise opportunities for funding projects in Africa, but the remit has extended to include raising awareness of African health issues in the UK in order to create policy change. Over the past decade AMREF in the UK has experienced huge growth, with grants to Africa significantly increasing from £ 771 710 in 1999 to £ 4.1 million in 2009. In order to do this the staff team has grown to 19, and the organisation finds raising the funds for its own costs, currently a minimum of £ 1 million a year, an ongoing challenge.

Fundraising by AMREF UK

Like all fundraisers, AMREF in the UK's fundraising team needs to fully understand the work in the field to develop creative, unrestricted messages, campaigns, themes and products. They also need to know in a timely manner what projects are available for funding so that they can respond to unplanned opportunities. This entails maintaining good relationships with the staff of AMREF in Africa, and ensuring they understand the benefits of close co-operation.

Most of AMREF in the UK's income is grants from institutional donors, companies and trusts for specified projects in Africa. It secures between 7 % and 12 % towards overhead recovery and/or administration as part of these grants. The majority of unrestricted income comes from Individual Givers, Events, Community Fundraising and some Major Donors.

Currently AMREF in the UK has a strategy of investing to raise more, with a focus on sustaining and increasing unrestricted income. It has enlarged the fundraising team and diversified income streams with a new focus on strategic relationship building with Major Donors, Trusts and Foundations and Corporates. It seeks to maximise contacts in existing partners, for example employees, customers and senior stakeholders. It focuses on individuals and organisations with interests that resonate with its cause – Health and Africa.

Institutional Donors

Programme funding from Institutional Donors has grown rapidly in the past five years. In 2005, funding from Institutional donors was £ 313 000. In 2010 this has grown to £ 2 100 000, contributing 39 % of AMREF in the UK's funding. Institutional Donors include European Commission (EC), Department for International Development (DFID) and Island Governments: Jersey Overseas Aid Commission (JOAC) and Guernsey Overseas Aid Commission (GOAC).

Corporate and other Organisational Partners

Many of AMREF in the UK's corporate partners are international organisations that know of the high quality of AMREF's work on the ground in Africa, and are motivated to give to effective work that supports communities in which they operate. AMREF in the UK is also looking to partner with membership organisations that have similar aims or areas of work, e.g. health professionals.

Support is usually linked to a specific project, but AMREF in the UK is bringing new funding dimensions into current corporate partnerships. For example in 2010 a Run for Africa event was set up for GlaxoSmithKline (GSK) staff, which raised an additional £ 50 000 in unrestricted income, to add to the project funding given by GSK that year. GSK has supported AMREF in the UK since 1990.

Other corporate partnerships include:

- Accenture: Partnership started in2005, income £ 1 244 250. Support linked to five-year e-learning programme for developing health resources.

- AstraZeneca: Partnership started in 2004, income £ 2 000 000 – links to AstraZeneca's strategy to learn about healthcare in resource constrained environments, how to build sustainable capacity of healthcare systems, and ensuring product availability.

- Bartle Bogle Hegarty: Partnership started in 2004. Based on pro-bono support culminating in an innovative awareness-raising social media application called the 'Status of Africa'.

Individuals

By 2008 AMREF had built a small database of 2 000 including 1 500 regular givers contributing around £ 250 000 a year. This has now been bolstered by the Katine Project (see below) which has been the key recruitment focus in recent years. Supporters receive four mailings a year, including the Annual Review. A monthly e-newsletter covering African health, AMREF's work and fundraising stories is sent to around 3 000 people.

The Katine Project: Partnership with the Guardian Newspaper and Barclays

In 2007 the Guardian Newspaper invited charities to pitch for a three year partnership which would involve regular coverage of a development project in the newspaper, linked to fundraising from readers and awareness raising. AMREF in the UK saw this as a golden opportunity to bring about a step change in its awareness and income. It engaged Barclays (a partner recruited through a well-connected AMREF UK Chair) in the pitch and they pledged to match readers' donations. The competition included much larger and better known charities such as Oxfam and Action Aid, but AMREF in the UK offered the advantages of a smaller organisation – more flexible, less bureaucracy, lower overheads – and won the pitch.

The objectives of the Katine Project in north eastern Uganda were to improve community health, access to safe water, hygiene and sanitation, income generating opportunities and increase community engagement with local government.

Daily coverage on a Guardian website, Christmas appeals and regular newspaper clippings contributed to increasing reader donations matched by a yearly Barclays grant for the first three years of the project (2007 – 2010).

The amount of coverage was a challenge for the staff in Uganda who had to provide a continuous flow of information. This was particularly the case when, as with all development projects, things did not go completely to plan, as such intense public scrutiny demanded transparency. Ultimately the project needed a fourth year to meet its objectives, and an exemplary explanation of why this was the case can be seen on the website.[1]

Not only has the project met its target of improving the quality of lives for the people of Katine village and the wider sub-county but also the awareness of development in the public eye has increased. In 2010 the project won the prestigious Business in the Community Coffey International Award supported by DFID Example of Excellence.

The Fundraising team now faces the challenge of consolidating the advances made by this unique opportunity. The project brought in over 7 000 supporters, but AMREF's profile was low, so the supporters thought of themselves as giving to the Guardian's Katine project rather than to AMREF. Their donations were restricted to the Katine project, which is now fully funded, and so they need to be converted to ongoing supporters of AMREF. A telemarketing campaign to regular donors has resulted in a 60 % conversion to unrestricted giving to AMREF UK. A second telemarketing campaign is about to be undertaken to ask one-off Katine donors to sign up to unrestricted regular giving.

The fact that the relationship with the Guardian was negotiated by Programme, not Fundraising staff meant that some potential opportunities were missed. For example no plans were made for AMREF in the UK to fundraise from Guardian employees, nor was it given unsold advertising space. It may well be the fact that, being small, AMREF had not demanded these things in the original pitch that made them more attractive than their larger and more demanding rivals. The fundraising team hopes to maintain the relationship with the Guardian so that they can approach employees.

1 See http://www.guardian.co.uk/katine/2010/feb/18/amref-year-four-explainer

Results

In the five years 2005 – 2009 AMREF in the UK's income grew by nearly 130 %. Within this the proportion of unrestricted income rose from 10 % to 21 %.

The Katine project raised £ 2.5 million, of which £ 1 million was matched funding from Barclays. Of the approximately 3 500 supporters recruited to restricted giving for Katine who were telephoned, around 2 100 have converted to unrestricted regular giving, more than doubling the number of regular givers. Additionally AMREF in the UK now has a rich resource of photos and case studies it can use to communicate its work. The Guardian still has all the Katine information on its website[2], and is working on plans to form a legacy fund for ongoing support to the Katine community following AMREF's withdrawal in 2011. AMREF in the UK are talking to Barclays about their ongoing partnership.

Learning

- Understand the work for which you are fundraising, and have information in the form of photos, case studies, facts and figures.
- Ensure field staff are able and willing to meet the information demands of partners.
- Use what is different and unique about your organisation and focus on recruiting and building relationships with partners who share your interests (in the case of AMREF Africa and health).
- Partnerships forged around supporting a specific project can be broadened to encompass unrestricted fundraising (e.g. staff fundraising from GSK).
- Trustee contacts should be maximised to gain access to organisations and individuals.

2 See www.guardian.co.uk/katine?INTCMP=SRCH

- Have the confidence to punch above your weight – you have things to offer that make you more attractive than larger organisations.

- When entering a partnership try and maximise the opportunities, particularly for unrestricted funding.

- Be honest with your partners and supporters about the fact that development work does not always go to plan.

- Supporters giving restricted income can be converted to unrestricted giving, and telemarketing is a good tool for doing this. This learning may be applicable to converting donors who first gave to an emergency to unrestricted giving, although the conversion rate is unlikely to be as high as for the Katine project where donors were already giving to a development project.

In conclusion an important factor in AMREF successfully increasing its unrestricted income has been entering into strong partnerships involving restricted income, and then broadening the relationship to secure unrestricted giving.

The Promise of Public Media in Poland: How the New Law Helps Public Benefit Organisations Take Advantage of Public Media

Ilona Iłowiecka-Tańska

CASE STUDY

In December 2010 the National Broadcasting Council in Poland accepted new regulations about obligatory and free of charge production and broadcasting in public media materials about public benefit organisations (PBO).[1] In December 2010 the document was sent to the Minister of Labour and Social Policy and was expected to be signed by the end of May 2011.

Announced by experts as unique in Central Europe, the new law describes precisely the form and frequency of the information about PBO activities which will be broadcast by national television and radio. The regulation is expected both to raise awareness of non-profits' activities among the broader public as well to become an important tool to enhance the organisations' fundraising capacity.

Simultaneously the new regulation is expected to result in a better understanding of the public benefit concept among the Polish society. Paradoxically the data of raising percentage of Polish tax payers rendering 1 % of their individual income tax to respective organisation cannot so easily be interpreted as raising awareness of public benefit. The data by the Polish Ministry of Finance

1 Projekt rozporządzenia Krajowej Rady Radiofonii i Telewizji z dnia 7 grudnia 2010 roku w sprawie trybu postępowania związanego z nieodpłatnym informowaniem w programach jednostek publicznej radiofonii i telewizji o prowadzonej przez organizacje pożytku publicznego nieodpłatnej działalności pożytku publicznego (*The Project of the ordinance by the National Broadcasting Council from 7 December 2010 on the free of charge information in public radio and television units about non profit activities by public benefit organisations*)

for 2009[2] shows clearly that 3 of 5 top beneficiaries of the 1 % tax assignation are appeals serving individuals in need. The situation is antithetic to the concept of public benefit law, which sets out as its critical objective the development of common good. The increasing coverage in the media for presenting the broad scale of Public Benefit Organisations' activities is expected to play an educational role in explaining the differences from other types of activities and to increase chances of those PBOs which recently lost the race to appeal to the tax payer emotions.

The case study below looks at the new regulation and its expected impact on development organisations' ability to attract the attention of private donors.

Public Benefit Organisations and media: Law Regulations before 2011

The ordinance by the National Broadcasting Council on the availability of public radio and television for Public Benefit Organisations regulates relations between the third sector and public media. Although in theory ever since 1992 the act[3] on radio and television stated that:

- Public radio and television create the possibility of the free of charge presentation of not-for-profit activities of public benefit organisations.
- The regulation does not limit the right to inform about the public benefit activities on a broader scale.
- The National Broadcasting Council in cooperation with the relevant Ministry will outline in a separate ordinance the mode for securing the free of charge coverage to promote activities by Public Benefit Organisations. According to the planned ordinance, the media would cover both the production and emission costs of the publication.

2 Informacja na temat kwot 1 % należnego podatku dochodowego od osób fizycznych przekazanych organizacjom pożytku publicznego z zeznań za 2009 rok, Ministerstwo Finansów 2010 (*The information about 1 % income tax assignation given by individuals to the public benefit organisations based on 2009 tax returns*)

3 art. 23a ust. 3 ustawy z dnia 29 grudnia 1992 roku o radiofonii i telewizji

However, it took 18 years for the ordinance to be accepted, including the last and critical paragraph of the article 23a. Why was the paragraph so critical? According to the data provided by the Mediaskop (a private media monitoring agency) the approximate value of a two-minute broadcast in prime time in the popular radio program is no less than € 2 000. The approximate value of the emission in prime time in the public TV news starts at € 15 000. Not surprisingly the enthusiasm of media for the free of charge obligation to allot time for free of charge broadcast was limited.

The official data about coverage for non-profits in public media is not available. However, four interviewed media officers from well-known Polish non-profits declare that the media coverage depends solely on the individual relations of the organisation and editorial board or, eventually, cooperation with the media house. The role of law in this case was limited or rather – not relevant.

Public Benefit Organisations and media: The promise of the new law

The ordinance by the National Broadcasting Council guarantees airing of information about Public Benefit Organisations in public media – on local, regional, and national level. Two major Public Corporations – *Telewizja Polska S.A.* and *Polskie Radio S.A.* were obliged to broadcast information on Public Benefit Organisations as follows:

- Formats, such as live show, interview, debate, documentary film or a report for at least 30 minutes a week;
- Information on the 1 % assignation for Public Benefit Organisations at least 6 minutes a week;
- Programs by PBOs at least 9 minutes a week.

The new law describes precisely the expected time of broadcasting:

- Television: detailed information about 1 % assignation possibilities

6:00 – 12:00	no less than 2 minutes
12:00 – 18:00	no less than 2 minutes
18:00 – 22:00	no less than 1 minute
22:00 – 02:00	no less than 1 minute

- Radio: information about 1 % assignation possibilities

6:00 – 9:00	no less than 2 minutes
9:00 – 15:00	no less than 1 minute
15:00 – 20:00	no less than 2 minutes
after 20:00	no less than 1 minute

- Television: materials by the Public Benefit Organisations (social campaigns)

6:00 – 12:00	no less than 3 minutes
12:00 – 18:00	no less than 3 minutes
18:00 – 22:00	no less than 1 minute
22:00 – 02:00	no less than 2 minutes

- Radio: materials by the Public Benefit Organisations (social campaigns)

6:00 – 9:00	no less than 3 minutes
9:00 – 15:00	no less than 2 minutes
15:00 – 20:00	no less than 3 minutes
after 20:00	no less than 1 minute

The estimated scope of time above does not include programs broadcast as part of patronage and sponsorship contracts. However still unsettled is the issue of criteria of availability: the new act does not explain who and how will decide on the distribution of media coverage among the organisations.

Private fundraising: the promise of media

Grzegorz Makowski from the Institute of Public Affairs Foundation[4] noticed that during last eight years since the 1% law appeared, practices in contradiction with the sole idea of public benefit became more prevalent, which strips the concept of its meaning. The fundamental flaw is in allocating the 1 % of tax directly to concrete individuals. The consequences of this are serious and resulting in disaster for this well-meaning institution indeed.[5] Jakub Wygnański[6] underlines that one of the main purposes of the new media law is to increase the public understanding of the public benefit values of solidarity and common well-being, while Wygnański sees the new media regulation as creating a more equitable opportunities in addressing public opinion for lesser - known organisations in sector different than health – the unrivalled leader of the 1 % system. So is this an opportunity for the international development organisations and their fundraising initiatives? For sure the issue is worth a discussion.

The survey "Poles on development assistance" conducted in 2010[7] and published by the Ministry of Foreign Affairs says that 89 % of citizens learn about international development initiatives from the television. Simultaneously, radio plays this role for 19 % of population; press for 20 %.

Taking into account that 42% of Poles declared that they have received information about international assistance during the last 3 months – which is high! – another issue comes up. The problem is the "brand name" recognition. The familiarity with organisations and initiatives is limited to largest three actors on Polish development scene which are Polish Humanitarian Organisation, Polish Red Cross, and Caritas Poland. Not by an accident these three organisations – all having the PBO status – are also the most successful in fundraising

4 Institute of Public Affairs: one of the leading Polish think tanks and an independent centre for analysis and research.

5 Grzegorz Makowski, Wielki problem z małym procentem (*The great problem with a little percentage*), *Gazeta Wyborcza*, 7 April 2011

6 Deputy President of the Program Council of the Public Corporate *Telewizja Polska S.A.* and one of key leaders of the third sector in Poland.

7 Polacy o pomocy rozwojowej. Wyniki badania TNS OBOP dla Ministerstwa Spraw Zagranicznych, Warszawa, grudzień 2010 (*Poles about development aid. Results of the survey by TNS OBOP for the Ministry of Foreign Affairs*, Warsaw, December 2010)

in the development field in Poland. They are also the most effective in the 1 % assignation scheme.

The potential of public media is recognised by the Polish Ministry of Foreign Affairs. On 27 April 2011 the Ministry settled the agreement with the *Polish Radio S.A.* to produce and broadcast reports about Polish development initiatives implemented in 2006-2011. The Ministry hopes to increase the public understanding of development aid, its challenges and strategies.

The relation between the institution's recognition and fundraising success seems to be obvious. The question is if the new media law increases the visibility of development organisations and raises effectiveness of their fundraising. The race for the audience's attention and the competition for its involvement require both wise information strategies and determination. The present limited interest of development organisations in public fundraising calls for a change. Perhaps this change will be brought on by more coverage in media.

Engaging the Public in International Development Through Public Collections: Experience of Slovakia

Peter Guštafík, Marian Čaučík

CASE STUDY

Public collections have an irreplaceable position in the work of non-governmental development organisations as a systematic tool used to build their constituency and raise funds. Focusing on the Slovak Republic, this case study explores their purpose, function, way of organising, and their benefits and attempts to identify ways to make better use of their potential.

Getting public involved

Along with the media, public collections represent a key channel for general public in Slovakia to get involved in international aid/development issues. It is through the media and direct awareness-raising campaigns that citizens learn about efforts to provide humanitarian assistance abroad – but it is through donations in public collections that they become involved in those efforts on a personal level. Whether it is posters in the streets making appeals to donate money to help children in Southern Sudan or door-to-door appeals for contributions to aid Africa, public collections represent the most direct way to financially engage wide part of the population in acts of solidarity and philanthropy towards the rest of the world. Apart from travelling and helping abroad personally (e.g. as a volunteer), donating to a public collection may well be the primary method for a person in Central Europe to express that they care about the needs of people outside their country.

In terms of raising awareness about and forming public opinion on issues of international development, public collections serve one more purpose in former

socialist countries. They help correct the mistrust and scepticism that middle and older generations developed in socialism towards philanthropy and expressions of solidarity in general and towards contributing to developing countries in particular.

Getting the funds

When seen from the perspective of funding available to NGDOs, public collections have their specific characteristics. Their use is reported on differently than e.g. government funding, grants from private foundations, or self-generated income. Susceptible to current moods in the donor population (real or perceived need to save on "luxury" items in the family budget such as charity expenses), public collections may nevertheless prove to be a relatively stable source of income, particularly for well-established public collections with high brand recognition. In terms of restriction of use, they are less restrictive in some ways than e.g. government subsidies (any public benefit purpose is theoretically possible) and more restrictive in other ways (it is harder to justify to the public their allocation to operation/fundraising costs). As a source of income, public collections force NGDOs into higher efficiency and effectiveness, particularly when donors expect high level of transparency and accountability and are less inclined to "pay the intermediary"– the NGDO when delivering aid internationally. Particularly in Slovakia, public collections may bring additional financial benefit – if a person contributes to a public collection run by a specific NGDO, that NGDO is much more likely to receive also that person's 2 % income tax assignation every year. Building upon donor loyalty, the NGDO is able to tap into this additional source of funding without any additional expense to the donor.

Legislation on public collections in Slovakia

What exactly is a public collection as defined by Slovak legislation? Defined in the Act on Public Collections, Lotteries and Similar Games, it is a time-limited and (public-benefit) purpose-specific effort coordinated by a registered legal entity (not an individual) to request and receive donations from individual and business donors among the general public. Such donations are often anonymous and do not present an opportunity to establish a lasting relationship with the contributing person. Public collections whose proceeds are to be used outside of Slovakia

need to be registered and approved by three ministries: the Ministry of the Interior, the Ministry of Finance and the Ministry of Foreign Affairs. Technically, also sale of souvenirs or tickets is considered to be a public collection if part of the sale price is to be used for the same purpose as a public collection. The legislation also limits how a public collection may be promoted and actually run – for example it is not permitted to collect money in buses or trains or bus or train stations, or shops. Door-to-door collections require a special permit.

The law allows for six ways to collect money (donations put into sealed cash boxes, sale of souvenirs, sale of tickets, sending money to bank account, using collection sheets, and setting up specific collection sites) and it does require the organiser to publicise the results within a prescribed time period. Also, the money needs to be deposited in a special bank account open for that purpose. Not getting a public collection registered or providing inaccurate or incomplete data at the time of registration might result in confiscation of the collection proceeds for the benefit of the state.

An example of successful public collection for development

In Slovakia, probably the most visible and most successful public collection for development purposes is called *Good News* (*www.dobranovina.sk*). It has been run by eRko (The Movement of Christian Communities of Children; *www.erko.sk*) for 15 years, inspired by the tradition of carol singing. Being the largest programme of an organisation active nationwide in a large number of small communities, the *Good News* public collection relies on a broad network of leaders of these communities and on two periodicals it publishes. This annual public collection has managed to achieve nation-wide outreach by working closely with Catholic

parishes. An adult person from a local parish takes responsibility for the local group of young volunteers who actually do the public collection in families. Caroling and fundraising appeals in families are preceded by educational meetings, at which young volunteers prepare for the event (costumes, songs, and logistics in the local town).

Ultimately relying on the moral precept of helping your fellow human being and joining the collection with the tradition of carol singing, eRko managed to increase the amount of funds collected in the annual campaign for 15 years in a row.

In the most recent year for which data was available at the time of publication (2010), 21 540 young volunteers in 1 284 communities across Slovakia visited 80 914 families and raised € 884 998.73.

Aiming to spend no more than 12 % of the raised amount for project planning and administration, eRko usually manages to keep the costs of running the *Good News* collection low enough to spend the remaining 88 % on development projects in Africa. The target countries have included Mali, South African Republic, Ethiopia, Madagascar, Sudan, Nigeria, Kenya, Zambia, Uganda, and Mozambique with Sudan (31 %) and Kenya (48 %) accounting together for a prevailing majority (79 %) of the support distributed.

Interestingly, the collection managed to establish its name without working with celebrities of the entertainment industry and without sophisticated technical background for collection of payments. Relying heavily on a large network of volunteers, and having education of volunteers in itself as one of the goals, it managed to overcome two of the most frequent challenges of public collections: 1) the cost of reaching a large number of individual donors and collecting payments/contributions from them, and 2) the inconvenience/unwillingness of donors in Slovakia to give through bank transfers, postal orders, or online payment tools which hinders giving if there is no option to give cash to a collection box during a face-to-face meeting.

The growing success of the collection may be attributed to the following factors:

a) **High efficiency:** The collection is run very efficiently, with only four members of staff producing materials, taking care of administration and monitoring of development projects, and handling cooperation with partner organisations.

b) **Good communication:** All families visited with request for contribution receive a leaflet with information about the collection and its organiser and about the projects that get funded from the proceeds.
Further communication is facilitated by the *Good News* newsletter, accompanying events, lectures and workshops. Finally, the national-level communication happens through the *www.dobranovina.sk* website, media news coverage, documentary films and how-to materials for schools.

c) **Awareness raising:** By raising the awareness about life in African countries and about supported projects, eRko manages to keep motivation of young volunteers high. It runs seminars on international development and produces educational materials for groups of volunteers involved in the collection.

d) **Background support:** By managing to keep its good reputation, the collection retains the official support of Catholic bishops, which allows for better PR at the local level, ultimately making it possible to maintain the local community's focus and draw upon large pools of possible volunteers.

It is important to point out that this public collection (just like its counterparts in other V4 countries) is able to raise money for international development by appealing to a mixture of donors with a range of motivations, many of which cannot be easily replicated in non-religious setting. In *Good News* campaign, some donors give their contributions (1) as a good deed encouraged by faith, (2) because they keep up the custom/tradition – they do so every year and even plan for it, (3) because they might feel a need to "reward" young volunteers for singing carols at their home, (4) because they wish to express gratitude for what they have and want to share with others who are less fortunate, and finally (5) because they wish to help specific projects/countries in Africa.

The secret to success as seen by the *Good News* campaign director

Marian Čaučík, the director of the *Good News* campaign believes the success of the *Good News* campaign lies in making good use of the potential hidden in the tradition of carol singing, of the strong brand of eRko children's organisation, its volunteers, supporters from the Catholic Church in Slovakia and reliable partners working with end recipients of the aid. The paradox is that in 1995 the *Good News* campaign was not launched as an activity to raise funds but rather to enrich the education opportunities for children in eRko. The goal was to give them information on how children live in developing countries of sub-Saharan Africa, to develop their feeling of solidarity and to offer to children and youth in Slovakia a meaningful joint activity for Christmas time.

How is it then possible that *Good News* became widely popular in Slovakia as a fundraising campaign? Marian Čaučík lists the following reasons:

Good News offers a simple and interesting activity carried out by children at the level of community

The unique aspect of the *Good News* campaign is that its main actors are children active in their own communities. Unlike fundraising events such as concerts, it is not just a small group of talented children or artists who

are participating. Rather the real actors are "ordinary" children and their target group could be any family in the community.

The singing of carols is an interesting event for children that allows them to feel important and bring something positive to families around them. Families literally open up the doors of their homes. Our experience tells us, however, that it is important not to be pushy towards people who do not wish – for various reasons – to support our event. That is why it is mostly families who sign up in their parishes expressing interest in having *Good News* carol singers come visit them. This eliminates unwanted visits and rejection of carol singers. Children do not become just decorations of an advertising campaign and the campaign retains its character of a welcome activity, rather than a visit of a pushy door-to-door salesman.

Good News picks up on Christmas traditions and brings them to life

In our region, Christmas is an important holiday which is celebrated by both believers and non-believers, and which brings the whole family together. Under the communist regime, the tradition of carol singing was in many areas suppressed. The *Good News* campaign sought to revive this tradition which was greeted with great understanding. Families used to offer carol singers something tasty for holidays and give them some money, too (even since middle ages, carol singing was a form of fundraising for poor students to cover their study expenses). Following in the steps of a similar event in Austria, the *Good News* offer a "more noble" and common goal for fundraising – to help people in need and to exercise solidarity in real life.

Good News campaign has reliable partners and supporters

What is especially important about public collections is their transparency and communication of what collected funds will be used for. This is how regular and repeat collections manage to build trust and good reputation of the organisation. From its beginnings, the *Good News* campaign has worked with the Austrian *Dreikönigsaktion* carol singing event, which provided eRko with the know-how as well as contacts of well-tested project

partners in countries of sub-Saharan Africa. The Slovak and the Austrian carol singing events continue to work together, particularly in supporting projects, where their help brings about the synergy effect.

Another important aspect for the *Good News* is the support of the Catholic Church. The support given by bishops and Catholic parishes from the beginnings established trust in children and their team leaders (members of eRko) and ensure that the event would be communicated effectively to the public at the local level. Given that people learn about the event from posters and notices posted in churches, no money is needed for billboards or electronic advertisements in the media. After the success of the campaign in the first few years, the network of volunteers expanded into other parishes, which came to form a natural basis for running the campaign.

The children organisation eRko draws on a broad base of volunteers who identified with the goals and methods of the campaign

The prerequisite for launching the *Good News* campaign at the national level was a network of volunteers and multipliers, which eRko as children's organisation already had at its disposal. The broad base of volunteers (both adults and children) represents a major opportunity but also a challenge for their organisation. It is necessary to work with them systematically, to prepare them, motivate them and keep providing them with new impulses. Every year, the *Good News* campaign produces a number of new how-to materials such as games, songs, recordings, interactive activities, articles published in a children's magazine etc. The materials are used essentially for the whole year when working with children communities and in the activities for team leaders. The *Good News* campaign also became a part of the year-long non-formal education and free-time activities in eRko.

Activity which was purely voluntary in the beginning gradually came to require year-long work: preparing the event, communicating with volunteers in parishes and gradually communicating extensively with partners in Africa. The *Good News* campaign is sustainable if the major volunteering-based event gets the support of the professional background (currently, it is provided by four employees) and of resources.

Good News campaign counter-balances the major commercial campaigns

This simple event running in many communities at the same time without major media support is attractive because at its centre, there are no celebrities but rather children living in the given community. Our experience tells us that many people feel overwhelmed by commercial ads which businesses use and even abuse during the time of Christmas. Rather, people are open to simple ways of outreach through personal contact which even picks up on the old historic traditions.

Future of public collections

Not surprisingly, public collections are run by NGDOs most frequently at times of natural disasters to collect donations for humanitarian and relief aid. The Slovak legislation lends itself better to one-time public collections than for running repeat annual collections (those need to re-register every year). While it is possible to obtain a "general" permit and get a specific permit for a specific campaign faster than is customary for a new collection, time is still an issue for public collections that need to be announced within days, if not hours (in cases of tsunami, earthquake etc.)

Running a public collection with the support of media or having thousands of volunteers doing outreach locally is a great way for the NGDO to raise public awareness about a particular issue.

Unfortunately, the disadvantage of most public collections is the inability of the organiser to collect contact information from those who contribute – losing the opportunity of further cultivating relationship with donors.

Strongly dependent on pre-existing trust, public collection as a fundraising tool seems to be most effective for well-established "brands" among NGOs, capable of forming partnerships with media or working with a broad network of volunteers and communicating their trustworthiness, effectiveness, and transparency. When done right, it is a surprisingly stable source of funding and a way to strengthen the organisation's reputation and widely promote its cause.

Sources

Act no. 63/1973 on Public Collections, Lotteries and Other Similar Games

www.erko.sk

www.dobranovina.sk

The Effects of the "1 % Campaigns" On Fundraising Techniques Targeting Private Individuals[1]

Brigitta Jaksa

CASE STUDY

"Our marketing strategy is that we do not do marketing" – interviewee at a foundation collecting a large share of income from the 1 % scheme

The 1 % tax transfer scheme is not considered private giving, because individuals decide on a small portion of what would go to the national budget anyway. However, it was imagined that this scheme would serve to further encourage private individual donations in a context where such commitment is generally very low, and most of civil society is heavily dependent on institutional funding.

The objective of this case study is to describe the 1 % personal income tax transfer scheme and to examine the extent the 1 % mechanism influences NGOs in their fundraising in Hungary. In other words, how the choice of tax-payers affect NGO s and their campaigning for private giving. The case study uses document analysis, secondary literature and interviews.

In Hungary, the financial structure of the NGO or third sector as it is referred to is heavily dependent on public grants; the civic sector is financed to a great extent from state and EU sources. The share of private source income in the sector has decreased over the past two decades.[2]

1 At the moment of editing, the new legislation on civic organisations has been passed in parliament (on 5 December 2011), but it has not yet been officially published. Act No. 175 of 2011 on the freedom of association, on the public benefit status and on the legal status and support of civic organisations brings a major reform to the sector.

2 http://nol.hu/kep/437711 , red: state funding, blue: income of core activities, grey: other, yellow: economic

Regulatory framework: some basic characteristics of the law

The Act[3] on rendering a proportion of personal income tax by the taxpayer contains all the provisions on eligibility, as well as the criteria for the recipient. Private individuals may assign a proportion of their personal income tax to be transferred, if their tax report is duly submitted and tax paid. The share being transferred cannot be divided among many beneficiaries.

A wide array of organisations is eligible:

- Associations (except for trade unions, employer's organisations and political parties) registered at least 2 years before the respective tax reporting year;
- Private foundations registered at least 2 years before the respective tax reporting year;
- Private foundations, associations, public foundations which have been registered as exceptional public benefit organisations,[4] and have been

activity, green: private donations. Compiled by the National Statistics Office, graphics by Népszabadság. http://nol.hu/belfold/20101001-milliardokba_fojtott_civil_szervezetek, accessed on 10 June 2011. The line of data ends with 2006, but in fact the tax-benefits of private donations have been cancelled since.

3 Act No. 126 of 1996.

4 Originally an organisation was qualified as and registered by the court a public benefit organisation, if it met the list of criteria in the Act No. 156 of 1997. A public benefit organisation was registered as exceptional, if it fulfilled an explicit public task.

At the moment of editing, the new legislation on civic organisations has been passed in the parliament, but it has not yet been officially published. Act No. 175 of 2011 on the freedom of association, on the public benefit status and on the legal status and support of civic organisations brings a major reform to the sector. The two-geared public benefit status was superseded by a single category, "public benefit", and the conditions for achieving this status significantly changed. Conditions include: the mission of the organisation focuses on a public task (originally a concept in the legislation on public administration and local governments); annual revenue has to be over HUF 1 million on average of the previous two closed business years, or the aggregated profit of the previous two years may not be negative, or the personnel costs, excluding all payments to chief managers, have to match at least 1/10th of all the costs and expenditures. It is expected that the number of organisations in public benefit status will decrease significantly.

maintaining exceptional public benefit activities for at least 1 year before the respective tax reporting year.

Of these listed organisations only those are eligible which have Hungarian domicile and are *operating in the interest of the Hungarian community, as well as for Hungarians abroad*. This obviously limits the eligibility of NGDOs, or rather restricts the use of the 1 % tax funds to mainly global and development education activities, awareness-raising campaigns, as well as to Hungarian target groups outside the borders. For the above beneficiaries, a number of procedural criteria are set as well (declaration of no outstanding debt, declaration of continuing activities in accordance with their scope or association agreement, etc.).

Further beneficiaries of the 1 % tax transfer may be:

- National Academy of Sciences, National Scientific Research Programmes, national public collections, National State Opera, National Archives, National Széchényi Library, National Film Archives, János Neumann Multimedia Center and Digital Library, national museums and other organisations of libraries, archives, cultural and other creative activities;
- Higher education institutions (colleges and universities);
- National Disaster Relief Fund.[5]

There is another category of beneficiaries, outside all of the above listed subjects, which are eligible for another 1 % tax donation, but only limited to that (formally none of the subjects were eligible for both of the 1 % contributions).

These beneficiaries are:

- Churches, communities of belief, sects, registered in accordance with law;
- Chapters of the respective annual national budget, in the form of a "featured appropriation" (for example a specific type of social service or educational mandate for disadvantaged groups of children, etc.).

5 Not part of the list of eligible beneficiaries from 2012 on.

In effect taxpayers may designate 1+1 % of their tax transfer to be assigned to two different organisations.

The declaration on the 1+1 % tax transfer by the taxpayer is subject to tax confidentiality and receives data protection accordingly. This has a number of consequences. The beneficiaries of the transfer do not know the donors of 1 %, so they are unable to maintain private donor relations. In cases of taxpayers when the employer collectively prepares tax reports, the content of the rendering declaration is protected, so the employer does not learn about the beneficiaries, including any potential religious affiliation. The tax authority may inform the beneficiary about the sum of the transfer, the ID number and valid declarations. The beneficiary may also learn about the reasons of invalid declarations, so they can provide their supporters – from among the public – with better information on how to fill the declaration form.

The law also provides for controlling the use of the money received as part of the 1 % transfer. In case of the first group of beneficiaries (civil society organisations, scientific research institutions and cultural heritage centres), a proper financial report has to be submitted to the tax authority before 31 October, the following year. All of these financial reports are then published by the ministry on their website, as well as on the websites of the reporting organisations. The recipients are allowed to put the transferred money into a reserve, but only for a maximum of 3 years. The 1 % transfer qualifies as budgetary support, thus the tax authority is mandated to inspect the use of the funds. Furthermore, the law stipulates that the transfer can be used only for public benefit goals as stated in the charter of the organisation, and maximum 30 % of the funds may be spent on operational costs (overhead). The law even proscribes the eligible overhead costs: salaries, office expenditures, communication costs.

One may wonder about the reasons for such a strict regulation prohibiting for example reinvestment of the income from the 1 % assignation for further fundraising. However, it is even more striking that the above regulations on reporting on expenditures, overhead limits, and the use of funds for purposes stated in charters, etc. do not affect churches and religious communities. No transparency whatsoever is required of them in the case of 1 % tax transfers.

All of these regulations and gaps encourage mixed messages and widen the gap between faith-based organisations and churches on one hand, and humanitarian and development NGOs on the other hand.

1 % campaigns

1 % tax transfer is regarded often as "individual giving," albeit from a public source: taxpayers are not giving on their own accord, but from the national budget. If they do not assign the 1 % tax makes it into the state coffers. Therefore it is in the best interest of the potential beneficiaries to urge the public and their supporters to make that decision. As shown in the table below, the growth of the total sum of 1 % transfers and the number of donations is reaching a plateau as there is a definite number of taxpayers to be converted to giving.

In terms of competition among the beneficiaries, there are similarities in the 1 % campaigns and appeals for individual donations. First and foremost, a 1 % tax transfer campaign is as costly as ever and requires long term investment to achieve any significant returns. There is a wide gap between those who are able to invest in communication and those who are not. However, it has been shown that 1 % transfers constituted a significant income also for mid-size organisations, outside the capitol city as well.[6]

Table 6 ***1% tax assignation in Hungary***[7]

	1997	1998	1999	...
Valid CSO declarations	1 058 362	1 190 041	1 152 402	...
Total valid declarations	N/A	N/A	N/A	...
Number of beneficiaries*	15 949	16 886	17 967	...
Sum to CSOs (HUF billion)	1.85	2.28	2.87	...
Sum to all (HUF billion)	N/A	N/A	4.43	...

* Including churches and featured appropriations

6 Horváth Ákos, Az „1%"-os adománygyűjtés hazai trendjeinek vizsgálata, Piliscsaba, 2007, p 76. Available at http://nonprofit.hu/?q=content/az-1-os-adom%C3%A1nygy%C5%B1jt%C3%A9s-hazai-trendjeinek-vizsg%C3%A1lata-2007 (accessed on 30 March 2011).

7 Complete table compiled by and available at NIOK Foundation, http://nonprofit.hu/?q=egyszazalek (accessed on 30 March 2011).

	2007	2008	2009	2010
Valid CSO declarations	1 533 052	1 700 000	1 600 000	1 806 323
Total valid declarations	2 633 000	2 816 000	2 716 000	3 026 656
Number of beneficiaries*	27 785	28 872	29 741	**30 888
Sum to CSOs (HUF billion)	8.8	9.4	9.7	9.97
Sum to all (HUF billion)	14.97	16.2	16.6	17.1

* Including churches and featured appropriations

** Out of the 30 888 beneficiaries 30 701 are CSOs

The above table shows a few trends. The total sum of transfers has significantly increased, as well as the number of beneficiary CSOs. Registered churches and religious communities received almost as much in sums as civil society organisations in 2010, even though the recipient CSOs by far outnumber the number of recipient churches.

A study of the "1 % market" in the period 2000-2004[8] emphasised that organisations in the fields of education, social services and health care received the overwhelming share of the transfers. The same study found that organisations with larger income are able to attract a greater share of 1 % transfers, although the majority of recipient organisations are considered mid-size. Furthermore, they concluded that the organisation's ability to attract 1 % transfers and to increase private individual donations is not reinforcing each other. However, the findings suggest that those which are able to invest in communications and appeal to the wider public are in a better position to compete for private donations.

Fundraising targeting private individuals

Six organisations were interviewed over a period of 3 weeks in October-November 2010. Some of them are considered NGDOs, but they are all well-known organisations in one sense or another. In no way were these interviews meant to be representative for the third sector as such or even for the participating NGDOs.[9]

8 Horváth Ákos, Az „1%"-os adománygyűjtés hazai trendjeinek vizsgálata, Piliscsaba, 2007, pp. 75-78. http://nonprofit.hu/?q=content/az-1-os-adom%C3%A1nygy%C5%B1jt%C3%A9s-hazai-trendjeinek-vizsg%C3%A1lata-2007 (accessed on 30 March 2011).

9 There are tremendous difficulties with covering the group of non-governmental development organisations in the current context. In fact none of the interviewed organisations is member of the NGDO platform, but

There are a large variety of techniques used among these organisations. Even the largest organisations do not seem to have a conscious fundraising methodology and a method for measuring returns, with the exception of a very few. Interviewees explained that they do not run a specific campaign for 1 % donations other than private giving appeals. The general practice seems to be limited to posting appeals, advertisements, concentrating on media appearances, or organizing events in the 1 % campaigning period, which covers a few months before the 20 May deadline for the personal income tax report filing.

Many interviewees complained that there is no way to tell who and why gave their 1 % tax to the respective organisation, and that they cannot follow up with the donor. Interestingly, most of the interviewees referred to the 1 % appeal as a non-campaign, and the adjoining private donation appeal as a sort of "side-effect." One exception is a large environmental NGO, which has a policy of not accepting any support from government sources, thus they have a full-fledged fundraising strategy. It is built mainly on direct mailing and direct dialogue, as well as rapid response appeals during an emergency that may include spots in the movie theatre, or buying a donation number during the red sludge flooding that has afflicted a small town in Hungary. They explained that they also carried out a 1 % campaign recently, but were notable to see who their supporters were. For this very reason it is impossible to adjust a campaign to a specific target group. This is ever so frustrating given that they received just as much as a result of 1 % donations as throughout the previous years. Other interviewees confirmed that they do not really know whom to target, so they end up targeting the statistically most generous group: middle aged, middle class women. However, it is still too wide a group to focus a campaign.

One large grants-donating health care foundation employs techniques mainly targeting individuals: direct mailing, SMS-appeals (not DMS, but SMS pledge by the donor). For attracting 1 % transfers, they placed 1% declaration forms at various tax counselling offices, so the consultants can promote them to their clients. In addition, they have a full range of appearances in the media: TV-spots, radios, printed press, adverts with the help of participating media agencies and creative studios. Nevertheless, the volume of both 1 % transfers and private donations has been decreasing over the past 2 years, which they attribute to the

most of them have international or cross-border charity activities. Some of the largest NGDOs were not willing to give interviews about their fundraising strategies.

financial crisis. Despite the recession they decided to focus on the long-term and work on the branding, which is less profitable in the short term.

Another large foundation involved with the disabled confirmed a similar approach as well, and explained that in reality there is not much difference in campaigning for 1 % transfers or for private donations as long as the tax system favours donations by deduction. The campaign is very important regarding the brand, but makes a less obvious impact in terms of the actual 1 % donations. Their experience shows that individuals that assign their 1 % tax already know who they want to support. One of the largest charities in the country has recently changed its approach to attracting 1 % transfers to maximise this stream of income and to focus the campaign better, targeting the income tax payers. They used to advertise their calls on large posters, as well as TV spots. The new strategy they are developing concentrates on targeting human resource departments and payroll administrations of larger companies to persuade them to raise awareness among their employees of the organisation with regard to 1 % transfers. Another way of earning employee commitment is by supporting the formation of voluntary organisational units in various companies, so that the members of the local unit can promote the organisation to their fellow colleagues. Even if this support group does not formalise into an organisational unit, in the end they can promote various charitable acts within the company, within the workspace, thus reminding the employees of the 1 % transfers.

A large foundation providing services to the homeless in the capital city receives, in their view, relatively high sums from 1 % transfers. They do not specifically invest into campaigning because they find it very expensive. Instead, their general information is to be found everywhere around the city, and they have a long established good relations with the media. Last year they had an offer from an artist for a full-blown campaign, placing sitting/laying persons' pictures in the underground stations with a sign: "it is my name day today." It proved to be a rather good awareness campaign, but as for 1 % campaign it did not result in a significant financial conversion. They explained that it is rather difficult to measure the impact of 1 % campaigns, since they do not really know who supports them in this way. In terms of private giving, they follow up with a group of aproximately 400 supporters (made up of those supporters who "have ever called an ambulance to a homeless person"). Many of them are regular donors and foundation also receives a few larger donations that are tied to a specific purpose. Recently they realised that across all channels of fund-

raising, branding is very important. That is why they started with schools organizing the campaign "Collect socks!" which is more of a promotional exercise.

"Our marketing strategy is that we do not do marketing"

A large faith-based child protection foundation, working across the border, is able to attract a considerable level of voluntary work, including fundraising. According to their own estimation, their 1 % transfer sum is among the ten largest and their individual donor funds are among the five largest in Hungary. They do not accept corporate donations on principle – only those from physical persons.

In terms of a fundraising communications strategy, they use all possible channels, except for paid advertisements. They frequently appear in the media and there are books and a documentary about their work, including websites, events, concerts, press releases, TV-appearances, individual child-support appeals, and other means. A major feature of all communications is "the Brother", a Franciscan friar who is the "face" of the organisation. "*The Brother is also the best marketing tool,*" they claim[10], with giving rates increasing after each media appearance.

They do not have a registry of donors though many are probably religious, but many do not have any relationship with the church. They report back to the public on what the donations have been spent on. They believe it is important that their donors see what is achieved by their donations.

Conclusions and recommendations

1. As was shown, the 1 % tax transfer scheme has proved to be rather popular and created an environment where individual donors are more aware of causes and CSOs which they may support.

2. However, this scheme failed to bring the expected results in terms of generating more personal giving, and turned out to be a bit of a *cul-de-sac* regarding the importance of maintaining donor relationships. Realising this, a number of the interviewed organisations started to

10 One big online news portal called him a superstar at http://index.hu/kultur/eletmod/csabateso564/ accessed on 10 June 2011.

put more emphasis on strategies encouraging personal giving, while treating the 1 % transfers more like an additional channel of income.

3. There are some obvious similarities between individual donor appeals and 1 % campaigns. The run-up to the personal income tax report filing deadline is definitely a peak time, just like before Christmas, and many organisations do not make a conscious separation between the 1% and other appeals targeting individuals.

4. However, it should not be forgotten that **1 % transfers is not private giving**. Eventually this fact makes a great difference when it comes to campaign appeals, as well as communication about how the money was spent.

5. 1 % campaigning experience demonstrates the importance of general brand-building of NGOs and becomes a "side-effect" of brand-building campaigns.

The 1 % tax transfer scheme is most successful when the tax rate is high. Currently, private donations are not favoured by the tax system, so individual taxpayers are not able to deduct private donations from their taxes. Under these circumstances we might argue that the competition for 1 % transfers is increased because individuals are less willing to give otherwise, given that there are no incentives to do so.

The personal income tax rate is expected to significantly decrease from 2012 on, so many expect that it will further increase the "donor" competition. Fierce competition could already be forecast based on the data showing the slowing down of growth. This development might also trigger more planned and pre-calculated fundraising methods targeting private individuals.

Some aspects of the 1 % law should be reconsidered, if the scheme itself is meant to be supporting private giving. One recommendation is to open up the yet restricted use of 1 % transfers, while maintaining a transparent reporting obligation. Another recommendation would be to impose limitations on eligibility to CSOs and churches, thereby easing the competition a bit, but keeping the requirement for transparent use of funds.

Coalition for Easy Giving: Removing Barriers by Sharing Experience and Working Together

Jitka Nesrstová

CASE STUDY

Seven years ago there were only few Czech NGOs that systematically and successfully fundraised funds from individuals. They all had to cope not only with low understanding of civil society concept among Czech citizens but especially with rigid bank system and other technical barriers. It proved extremely difficult and ineffective to use fundraising methods focused on getting regular non-anonymous donors.

Coalition for Easy Giving: who we are and what is our story

In 2004 two NGOs got an idea: let's bring together all interested NGOs to discuss what exactly our problems are and how we can cope with them. During few workshops the Coalition for Easy Giving was born. Today this coalition brings together non-profit organisations from across the Czech Republic. We all believe that individual giving has huge potential and can significantly increase the independence and sustainability of Czech non-profit sector.

Our mission is to develop favourable environment for individual giving in the Czech Republic, to remove barriers that needlessly complicate the giving process and to create a platform for cooperation and experience sharing in the field of fundraising from individuals. Members of the Coalition meet regularly, negotiate with banks, post and monitor innovations in fundraising, as well as discuss ethical, legislative, and practical aspects of individual fundraising.

Author of this case study is one of the founders of the coalition and used to work as Fundraising Director at Greenpeace. In the following text I would like to share our story of cooperation. Our example shows how successful we can be if we work together. Thanks to the collaboration we convinced Czech banks to implement new services for NGOs. Given that face to face fundraising is finally possible and efficient, as a result coalition members recruit thousands of regular donors every year. But that's just the beginning. Our first successes motivated us to become more ambitious and to steadily broaden the scope of our goals and activities.

The power of individual donors: lessons from the west

The Coalition for Easy Giving is all about individual donors. It was started by two NGOs with strong connections to western world: Hnutí DUHA / Friends of The Earth CZ, and Greenpeace. In our international interactions we came into contact with western NGOs with thousands of regular individual donors and consequently permanent and reliable source of income that gives them sufficient independence from public budgets. And we wanted this to become reality in the Czech Republic as well.

So let's start our story with a look abroad. In United Kingdom Charities Aid Foundation and National Council for Voluntary Organisations (NCVO) annually publishe UK Giving Report.[1] According to the report, the estimated amount given to charities by individuals in the UK in the period 2009/10 was almost £ 11 billion plus additional £ 2 billion donated through legacies. Oversees giving has increased as well and almost a quarter of donors (24 %) gave to overseas causes. To find out more about overseas giving check Charities Aid Foundation Disaster Monitor: summary of trends.[2]

It also needs to be said that high portion of donors supports charities via auto payment methods. Regular giving (by direct debits, payroll, membership fees and subscriptions) accounts for 34 % of all giving. Direct dialogue (face-to-face fundraising) proved to be one of the most effective methods for recruiting regular donors. Public Fundraising Regulatory Association[3] whose members are almost

1 http://www.ncvo-vol.org.uk/research/giving

2 http://www.cafonline.org/default.aspx?page=18268

3 http://www.pfra.org.uk/

100 of charities and agencies running face-to-face campaigns in the UK indicates that around 600 000 new donors are recruited every year by this method. Regular donors provide long term, growing and sustainable revenue stream for many NGOs. Face-to-face fundraising also gives the organisation great public visibility and profile and enables NGO to build relationships with their donors and raise awareness on important social problems by talking directly to thousands of people.

And there is one more important point that should be made here. Individual donors are a must if we want to build real and functional civil society in our countries. UK Giving report makes it clear: *"... **the charitable giving of ordinary citizens continues to be one of the defining characteristics of civil society**. Helping others, whether by giving time or money remains a strong tradition in the UK. For voluntary organisations dealing with the ebb and flow of statutory grants and contracts, such **support from individual donors can provide a degree of certainty and, ultimately, resilience. In other words, charitable giving matters.**"* (UK Giving 2010, NCVO/CAF, 2010)

Now let's go back to our coalition. Both Greenpeace and Hnutí DUHA were inspired by the way our foreign colleagues do fundraising and believed that we can also make it work. So we became pioneers of Direct Dialogue fundraising in the Czech Republic. Our colleagues from abroad provided us with their know-how and practical experience. But we suddenly realised that there is still one big difference between east and west – and it is the banking system. Direct dialogue is described in detail in anothercase study,*t so instead of explaining its rules I will rather focus on reasons why we had to unite to make this method work.

Back to the 90s: how it all started

In 1998 Greenpeace was standing at very important crossroad. We agreed with Greenpeace International that we will become financially self-sufficient in 3 years. At the time we had only about 700 donors, thus meeting this plan was a big challenge for us. Direct Dialogue as a method was invented only 3 years

* The People in Need Club of Friends on p. 81

ago, but in Austria it was already very successful. The Austrian agency running a direct dialogue campaign was interested in setting up their Czech branch and soon they had three clients: Greenpeace, UNICEF and SOS Children villages.

The Czech banking sector was at that time very conservative and applied much stricter rules than in the rest of EU. When we started to run direct dialogue campaign, some special services for non-profit organisations were not existent. Banks required donor's presence at bank counter to set up regular payment. Each bank also demanded that only their forms for establishing standing order or direct debit be used and rejected any other documents. It made direct dialogue really complicated and NGOs were losing thousands of potential donors.

Recruiters' trainings are generally focused on NGOs' mission, projects and communication with donors. But we had to spend equal amount of time explaining our recruiters how to fill in an array of different banking forms. We only had few banks that were accepting our forms. In addition, there were usually some technical problems with forms (e.g. the wrong specimen signature), but overall about 80 % of forms were OK and regular payments were set up. But still for majority of banks it was unimaginable to accept payment forms sent to them by NGOs, not brought by clients themselves. As a result whenever we met the clients of these banks we had to provide them with the right form, fill it in and ask them to go to their bank branch to set up a payment by themselves. You can imagine that not many of them actually did it. According to our statistics less than 20 % of these forms were delivered to the bank in the end.

Despite these obstacles, for Greenpeace direct dialogue was the key element that helped us to reach our ambitious financial goals. We cooperated with the Austrian agency for 4 years and by the end of 2001 we had 11 000 donors, most of them sending in regular payments. Since then, Greenpeace Czech Republic is financially independent. At the same time we saw that direct dialogue might be even more effective – if only we weren't losing so many donors because of the rigid banking system rules. Due to the above-mentioned complications, we were able to set up only 40 % of all donation forms signed. The rest of potential donors were simply gone. The lost opportunity was enormous and even though we spent a lot of time talking to banks we couldn't move past this hurdle.

As I mentioned already, some major bank players didn't have a problem to cooperate with us but all the deals were made only on the basis of face-to-face

meetings. We were not able to reach a written agreement specifying the rights and responsibilities of both parties. End of 90s was also the time of bank privatisation that sometimes led to cancelling of these gentleman agreements and ceasing the cooperation with non-profits. Also the Austrian agency has left the market so other NGOs consequently stopped their direct dialogue campaigns and Greenpeace remained alone. We already knew how successful direct dialogue is and kept talking to banks to explain to them that there is huge potential for them as well. But still, no significant progress was made.

The beginnings: establishment of informal coalition

At the beginning of the millennium thanks to Via Foundation's program "Path to Stability" Czech fundraisers started to meet at regular fundraising trainings. We shortly realised that we are all struggling with the banks and their technical roadblocks and that a group of NGOs was really interested in starting their own direct dialogue campaigns. In 2004 we began to work very closely with Hnutí DUHA and prepared a project aimed at presenting Czech NGOs how cooperation with banks works in the west and finding a solution for Czech market.

As a first step we conducted a survey among non-profits in various fields. We found that most of us are troubled by similar problems, which include overly complicated and costly banking services, dissimilar banking forms, and high fees for transfers of donations. We also specified few other areas we think are important for us: namely high postage for mailings and money transfers via post, non-existent online payments or lack of cooperation with mobile operators (it was before DMS – donor text messaging service – was released). We then asked our international partners for help and together with them mapped the ways in which NGOs abroad dealt with comparable problems.

Next we organised a workshop for about 30 fundraisers to brainstorm on how to solve the problems we found. We presented examples of good practices from abroad. During the discussions we collectively decided that we should start to work together on removing those main barriers we identified. Our first goal was clear – we needed to convince all banks to accept unified forms for setting up regular payments from NGOs that will do this operation in the name of the donor. When talking to banks we were also interested in ways to negotiate lower banking fees. In fact when you have thousands of monthly donors, the banking fees you

pay for incoming donations are enormous.
We were lucky that Via Foundation supported the birth of the coalition with a generous grant. We thus had money to pay for the people coordinating all the meetings and negotiations with the banks and to cover other costs too. We invited all NGOs we knew had experience with individual donors or were thinking about starting the direct dialogue to join our efforts. Soon we had more than 20 members and created a working group from those organisations that committed themselves to active membership. A working group was meeting approximately every two months to discuss the overall strategy as well as tactics for different meetings. We were also trying to attract more members to have all the important NGOs on our side.

When preparing our strategy for banks we needed to know what exactly prevented banks from working with us. We thus met with the representatives of the friendliest bank to understand in depth what technical problems banks saw in cooperation with non-profit organisations. The working group afterwards prepared proposal for the solution – safety rules we will comply with – and presented it at the meeting of Bank Association. We had all the important bankers in one room and convinced them that it is worth to work together with us to find a solution. And things started to move forward.

In approximately one year of intensive negotiations we reached a general agreement with major banks. Together with bankers we clearly specified what the direct dialogue model form and the required procedure should look like when new NGOs join in the system.

I believe that there was one very important moment that helped us succeed. For the first time NGOs were able to come to one table and forget about the competition and rather focus on articulating our common interests in fundraising. When dealing with banks we were united and we had a very specific list of demands and ways how we believe we can achieve them. For banks it was an important signal – there is a huge demand from NGOs to implement a new service that can in fact create profit for banks too. And now it wasn't only environmental organisations (often seen as too radical) asking for this service but the coalition was representing different areas of civil society.

We also realised that there are some areas where we need to work collectively (as with bank forms) while in other fields banks prefer one to one negotiations

(e.g. bank fees where success depends on negotiation skills of each organisation).

Main achievements

Now it is about 5 years from the first meetings with banks. In the meantime our coalition evolved and today works in a different way than at the beginning. When we started we could have afforded to pay three part-time positions thanks to 3 years of grant support from Via Foundation. These individuals were experienced fundraisers from member organisations who have dedicated a part of their capacity to coordinate our shared activities and to attend all the meetings with banks to ensure continuity in negotiations. Having this capacity was important especially at the beginning when we were formulating our common goals, strategies as well as tactics for each meeting. Afterwards the workload became slightly lower. I will also describe below our new operational model that allowed us to better divide tasks and responsibilities among us. Thus at the moment we have only one paid part-time position.

When evaluating the successes, I saw the following points as the most important achievements:

1. Agreement with the majority of Czech banks on accepting banking forms for regular donations

Through negotiations with banks we managed to convince most of them to open this service to members of the coalition. Some of them even agreed that they will not require specimen signature (the most sensitive data) on the form. We persuaded them that they can accept NGOs as trustworthy partners and sign long term contracts with us. This opened new fundraising avenues to Czech NGOs and allowed members of the coalition to be able to recruit thousands of new regular donors every year.

2. Coordination of all NGOs running a direct dialogue fundraising campaign ensured that this method is implemented in an ethical and secure way that doesn't harm the image of the non-profit sector.

The agreement with banks also required close cooperation between NGOs to be sure that we all take it seriously and implement adequate rules and procedures to protect donors' data and rights. All NGOs implementing the direct dialogue program became members of the coalition (10 NGOs at the moment: Greenpeace,

Hnutí DUHA, People in Need, Amnesty International, UNICEF, SOS Children villages, Arnika, Čmelák, Automat, and League of human rights). The members regularly met to share experiences and move the negotiation with banks forward. We also created Dialect – a web based platform that enables us to distribute and rotate the venues for recruiters in the streets of Prague and Brno that is shared among all interested NGOs. Last year we also approved a Code of conduct for recruiters that defines rules for important areas. Along with this activity we began to monitor the performance of other NGOs recruiters to see whether the code is used in practice.

3. Establishment of a network of NGOs that share skills and experience in fundraising.

Within the last years we not only achieved above mentioned "hard successes" but what is in my opinion even more important, we managed to create a viable platform for sharing and collaboration. Fundraisers became friends. They trust each other and are willing to share their results, successes and failures with others. In 2010 we again ran a survey to describe current problems we should focus on. And we also asked our members to provide feedback on the coalition's functioning. Most of the respondents valued our ability to articulate common goals, experience sharing, informal consultation and advising capabilities. Thus even though we set up the coalition for achieving effective fundraising methods and we succeeded in this effort, it is obvious that we achieved much more. Last year we approved the ethical code for our members and we plan to pay more attention to different aspects of fundraising as well. We also started to cooperate with Czech Fundraising Center/Club of professional fundraisers and we plan to work together on overlapping agenda.

4. Going across the borders

We also realised that NGOs in neighbouring countries are really interested in our achievements. We will thus invest our time into sharing our knowledge and experiences with them. In January 2011 we participated at the meeting in Bratislava where Slovakian Coalition for Easy Giving was established.[4] They share our mission and we are staying in touch, consulting with them on a regular basis, sharing our know-how and informing each other about the negotiations

4 http://www.darcovstvo.sk/

with banks and postal service.

Lessons learned: engagement is the key

To be honest, not everything was perfect. First problems became obvious when our grants ran out. Since its establishment the coalition was supported by the Via Foundation. We received 3 grants which mainly covered the personnel costs needed for successful coordination of our activities. Afterwards we realised that without funding the coalition loses its stamina, each task takes longer than before and some goals are not achieved simply because of the lack of institutional capacity. We are all busy with our own tasks and if we don't have to report to the donor, we sometimes keep postponing things. Fortunately we found that Batory Foundation from Poland is interested in supporting the development of civic coalitions in Visegrad countries and we successfully applied for a grant intended to increase our capacity to further develop our activities.

That's one of the main reasons why in spring 2008 we started a discussion on future mode of operations of the coalition, our priorities, and especially about the way we want to work. Upon launching the activity of the coalition, the member organisations agreed on an informal method of functioning. Overtime however, it became clear that this lack of formality causes certain problems and reduces the capability of the coalition to act. The founders pointed out the main problems that in their opinion our coalition faced – only few members were actively engaged in the coalition's operations, high fluctuation of fundraisers caused that the member organisations didn't have enough information about our goals and progress towards achieving them. Last but not least, the financial situation was unstable. All this was probably caused by the fact that at the beginning we let the member NGOs choose between active and passive membership. It came as no surprise that the majority of members chose the passive form, with some of them even never showing up at Annual General Meetings.

Our internal discussions showed that the participating NGOs highly value cooperation and skill-sharing among the members. General meeting of members thus appointed a working group to analyse the opportunities and risks of establishing a legal body and prepare a financial plan and other suggestions for the next General Meeting. The discussions about our goals, structure and membership engagement were quite long but very productive at the same time. In the end we decided to significantly modify our operational model. We made two very important decisions in 2010: we would register coalition as a legal entity (civic

association) and our new financial model will be based on membership fees. It also became clear that we need to describe in detail the rights and responsibilities of the members, the decision making processes, as well as rules for representing the coalition in front of third parties. Also having just one working group dealing with all the topics wasn't the most effective method and resulted in some organisations being left behind. Thus we also came up with a new governance structure and division of labour.

From now on the long term decisions will be made at the Annual General Meeting (AGM) to be held once a year. AGM will elect 5 members of the Executive Committee that will manage the coalition throughout the upcoming year and will be responsible for the implementation of the annual plan and economical use of shared resources. Executive Committee establishes and supervises working groups that cover different areas of our work. At the moment we have the following working groups: banks, postal service, direct dialogue, ethics in fundraising, legacies and major donors, and legislation related to fundraising. We also introduced a new position of controller who reports directly to AGM mainly on financial matters but also serves as an "ombudsman" if some member or applicant questions the decision of the Executive Committee. Coordinator is the only paid part-time position providing support to the Executive Committee and working groups and ensuring smooth and effective communication between members.

In spring 2010 we held a strategic meeting where we discussed in detail the results of a survey in which we asked the members and additional 40 non-profits their opinion on current problems we are facing. Based on this workshop we agreed on the following goals for the upcoming period:

1. To negotiate non-profit postage rates and get significant discounts for our postage (we are inspired by Austrian or Italian example where NGOs have 40 % and even 90 % discount on direct mailing postage);

2. To increase the pool of banks that cooperate in direct dialogue and to replace specimen signatures by donor ID numbers in all cases;

3. To make donor upgrade procedures easier (e.g. to be able to easily increase the amount of a regular donation if donor agrees with it);

4. To promote individual giving and to contribute to higher transparency and accountability of NGOs;

5. To follow changes in legislation related to fundraising and inform our members when their engagement is necessary.

You can see that from quite explicit goal we were established for – to make direct dialogue possible and efficient – we moved to much broader goals. Now we are not only coordinating direct dialogue campaigns but also talking to Czech Post, preparing arguments for banks on making upgrade of donations easier, and actively contributing to the discussions on new legislative proposals. And what is most important, it is not only two or three people doing it all but the tasks are distributed among all of us.

We are sure that it is still just the beginning. After rapid start and successes it took a while to move to a new level of cooperation. We believe that last changes of our internal structure will make us stronger and more effective. I hope that our story is relevant to the reader and encourage him/her to contact me if more information about us is needed.

And what would be my recommendations for those who want to do it themselves? First of all talk to other NGOs to find out whether they also feel the need and are able to identify common areas of interest. Then, be patient. Don't expect that you will change the environment overnight. You'll see that it is a long distance run. Don't give it up after first unsuccessful meeting. Some money would be also great to invest in the objective as our experience shows that everything is easier and quicker if somebody is also paid for the work. And last but not least – you need a lot of people to make it all happen. Engage the major charities in your country and bring them to one table to discuss very practical aspects, arriving at specific proposals for commercial partners. Then you have almost won. Good luck!

Resources and Recommended websites

UK Giving Report 2009/2010, Charities Aid Foundation and NCVO, London 2010

www.snadnedarcovstvi.cz – Coalition for Easy Giving website (Czech only)

www.sofii.org – Showcase of fundraising innovation and inspiration

www.fundraising123.org – Do you want to become fundraising superhero? Then this website is just for you!

www.pfra.org.uk – The Public Fundraising Regulatory Association is the charity-led membership body that self-regulates all forms of direct debit 'face-to-face fundraising' in the UK

Fundraising in a Digital and Networked Society

5

5 × CASE STUDY

Fundraising in a Digital and Networked Society

5

Hand in hand with the development of technology, people change the ways to communicate, share experiences and create communities. Through smart phones, the Internet is making its way from offices to private life. The rising Web 2.0 with its high level of interactivity, co-creation and sharing of content, personalised environment and functions became more than just a new space for creative marketing. It creates a new framework for communication and development of relationships among people. That is why it significantly impacts philanthropy and fundraising.

At the simplest level, organisations make efforts to present their mission and activities online. Instead of printed brochures, they use websites and instead of handing out fliers they try and use banners and context ads. Yet, that is no longer enough. Fundraisers are looking for ways to apply traditional fundraising methods in social networks. The phenomenon of Facebook, Twitter and LinkedIn brings new ways to build networks of supporters. Applications for smartphones and tablets can present clearly and playfully the mission of the organisation and offer an essentially barrier-free way to make an instant donation. The young generation who learned to buy in e-shops is now able to purchase gift certificates or use the concept of brick-and-mortar charity shops transferred into the virtual world. Organisations that wish to succeed in the future must take notice of this area and include it into their strategies.

On the other hand, we need to keep in mind that in the coming decades, there will still be a significant group of people who do not use the Internet, who see the computer as a typewriter and for whom a mobile phone will always be a tool to

make phone calls. From the perspective of organisations involved in raising funds, some technologies are out of their reach – due to their price or technical demands on set-up, administration and security. Thus the age of traditional fundraising methods is far from over. On the contrary, it turns out the key to success is to integrate new tools into the organisation's wider fundraising strategy.

In Central Europe NGDOs use online tools at the basic level with only some of them using these tools for fundraising in a more sophisticated way. Still, in recent years we have seen several noteworthy examples to build upon. In the case studies below, we introduce four of them and add one from the UK.

Tomáš Vyhnálek writes in detail about the **Real Gift Project** – an e-shop of the People in Need organisation, which sells gift certificates in the Czech Republic with great success. It is one of the first attempts to test out this tool in this region.

Jolanta Steciuk introduces **The Cool Blackboard Campaign** from Poland. Its success is based on the creative way of saying thank you to the donor through a personalised photograph with a greeting from beneficiaries. Electronic tools make it possible to produce and deliver such thank you messages in relatively simple ways. Worth noting is also the fact that the campaign has been successful in combining electronic tools in virtual environment with traditional ways of addressing potential donors directly.

From Hungary, Hunor Király shows how electronic tools are used for distance child adoption in the case study **Adopt a Child: The Online Campaign of the Hungarian Foundation for Africa**. Apart from other lessons, it highlights the importance of integrating virtual elements of a campaign in the overall organisational strategy. It also shows that absolute innovation may not be the most essential approach to take every time. For the success of a campaign, it may be equally as important to use a concept that is well known in the given environment.

Samuel Arbe showcases the case study **Digital Fundraising of Magna Children at Risk** as an organisation which made the choice to transfer the key portion of individual fundraising into the digital world. Because this happened not long ago, it is too early to make far-reaching conclusions about this strategy's success. Yet, the system set up and used by Magna is in itself noteworthy and may become a key factor in the future success of the organisation.

The final case study in this chapter **New Media Case Study: Merlin** captures the shift in a well-established British NGDO towards strategic use of new media in fundraising activities. The author Christine Taylor places primary focus on e-mail appeals that this organisation has a long tradition of using.

The Real Gift Project

Tomáš Vyhnálek

CASE STUDY

The study describes the origin and development of the e-shop entitled *www.skutecnydarek.cz*.[1] The author focuses on the reasons that had led to the e-shop's establishment, describes the conditions for its successful implementation, and summarises the results accomplished.

Figure 7 ***Posters promoting e-shop***

(The main slogan says "This year choose a present based on its value".)

1 English version of the e-shop started recently at www.real-gift.org.

Implementing agency profile

People in Need (PIN) was founded at the beginning of the 1990s as a humanitarian organisation aiming to help people in regions subjected to a crisis. We provide humanitarian aid to victims of natural disasters or wars; build schools, hospitals, and sources of drinking water in dry regions; or give seed/seedlings and tools to poor peasants. Also, we support observance of human rights in non-democratic systems.

In addition to helping people in "less fortunate" parts of the world, we do work in our home country as well. Mitigation of the consequences of the disastrous flood that had inundated a significant portion of the Czech Republic in 2002 was the largest operation in the history of People in Need to date. In the Czech Republic we were also helping during the most recent floods in 2009 and 2010. Another activity of ours is organisation of a documentary film festival, entitled **One World**, where we help promulgate information on the problems of development aid and support social integration in 45 Bohemian and Moravian towns and communities.

Today, we provide humanitarian and development aid in 17 countries. The work and assistance we provide is possible above all thanks to the donations collected in public fundraising, as well as the grants and subsidies we receive, for instance, from the Czech government, the EU, or the UN.

Real Aid & Real Gift Shop

We founded the public collection Real Aid in 2008, in order to provide help to the world's poorer countries systematically and effectively. After all, poverty and poverty-related problems of the developing world kill more people than natural catastrophes and wars combined.

In 2009 People in Need opened its e-shop *www.skutecnydarek.cz* with the aim of capturing potential donors' attention, show them in concrete terms how they could help, and entertain them a little at the same time. Donors can buy a goat, 20 hens, water canisters and several other gifts. In 2009, there were 10 gifts, and a year later we raised their number to 14.

Set up on the basis of the SHOPIO system, Real Gift functions as a classical e-shop. To start the process, the shopping donor has to put a certificate in the shopping basket first where he can select the number of gift certificates. From there, he may come back to continue shopping or ordering. The second step requires the buyer to enter his contact data: permanent address which will be shown on the gift confirmation; telephone number, and e-mail address. To be able to continue, he has to click off "I AGREE TO THE SALE CONDITIONS." The third and fourth step of the ordering process requires the buyer to select the mode of payment and shipping.

Printed certificates may be ordered for COD delivery by postal services, payable on pick-up at the post office or by bank transfer, or by card. Gift certificates are delivered in 2-3 days upon ordering.

Electronic certificates are sent immediately upon crediting of the amount to our bank account or sent at a later date as per specification set up in the basket. Most of the donors purchase gift certificates before Christmas for members of their families and friends.

The certificates have a blank column where donors may add personal notes, such as the recipient's name, the donor's wishes, and signature. In electronic certificates, dedication can be entered directly in e-shop. Printed certificates are delivered via postal services and donors write their dedication personally by hand. A view of gift certificates and visual appearance of the final signed certificates can be viewed with each product in the menu of offers.

How we inform donors about allocation of their gifts

By purchasing a gift certificate, donors contribute to the Real Aid public collection (*www.skutecnapomoc.cz*) where 100 % of the gift certificate's face value goes.

The gift will go towards projects of the People in Need in one of following four priority programs: **WATER**, **SCHOOLS**, **LIVELIHOODS** and **HEALTH**.

The principles are quite simple. For instance, by purchasing a goat, the donor contributes to the **LIVELIHOODS** program. Thanks to this purchased certificate, somebody will probably get a goat. If, however, too many goats are sold, while

there is shortage of other elements in the **LIVELIHOODS** program, e.g. sheep, agricultural tools or tree seedlings, we buy those instead of goats. Donors are informed of this principle on our website under the category: HOW YOUR GIFT HELPS. We proceed similarly in the other programs: **SCHOOLS, HEALTH** and **WATER**.

Allocation Specifications:

In the **WATER** program, money is used primarily for digging and drilling of wells, building of drinking water reservoirs, and distribution of canisters in poverty-stricken countries of Africa and Asia.

The **SCHOOLS** program brings money primarily for the construction and furnishing for school for children in poverty-stricken countries of Africa and Asia and for upgrading the education of local teachers.

Money from the **LIVELIHOODS** program helps people become independent. Help might come in the form of a purchase of domestic animals, better tools or new fishing nets for fishermen. The ultimate objective is to enable the recipients to become self-sufficient in the near future.

The **HEALTH** program finances primarily better medical care in poverty-stricken countries of Africa and Asia – mainly supply of medication, construction and furnishing of hospitals, training of nursing/medical staff, and organisation of information campaigns.

Media Campaign

Key to the success of the project was an effective campaign in the media. For the campaign's success it was important that People in Need is well known to the public. The first year's campaign relied above all on advertising and PR materials in the press and electronic media, a banner campaigns, and outdoor ads in the form of citylights, ads in trams, and promotional radio spots. More support has also been given to communication with the entire donor portfolio of People in Need via e-mail channels.

An important pre-condition for successful launch of the e-shop was, according to evaluation of most external commentators and journalists, above all the strong recognition of People in Need organisation. Putting it in simplified terms, no campaign, as massive as it may be, would attract donors, if it was not backed up by a trustworthy non-governmental organisation.

The second year, the communication agency MarkBBDO prepared for free a new concept of a media campaign. Television spots were made in Ethiopia and Prague describing the journey of the goat from Prague to Africa. This promotional spot of 30 seconds was presented 124 times in the Czech TV, PIN's main media partner.

Like the first year, the campaign relied – in addition to television – mainly on ads and PR materials in the press and electronic media, a banner campaign, and outdoor ads in the form of citylights, ads in trams, and promotional radio spots. More support has also been given to communication with the entire donor portfolio of People in Need using e-mail channels.

Preparation and Operation of Sales from a Legal Perspective

The amount paid by the donor for the certificate constitutes the donor's contribution to the public collection. Therefore the gift is not subject to VAT or sales tax. According to Czech law only 5 % of the donation may be used for the project's administrative overhead and, *inter alia,* also for the production of the certificates. The actual production cost of one certificate is € 0.1 per piece.

Another law that impacts on our sales operations is the Act of Privacy Protection, which stipulates how to process personal data, such as names, addresses, telephone numbers, and e-mail addresses of donors. Donors have to enter all of the above data, so that we may send them the certificates.

We make an effort, of course, to maintain a long-term relationship with all donors and keep them informed about allocation of their donations. However, if a donor declares that he/she does not want to be contacted, we have to respect it. While filling out his/her order every donor has the option to click whether or not to receive such information – this satisfies the legal requirements and we may enter the donor's personal data in our database.

Other requirements are regulated by the Commercial Code and Civil Code. For instance, the e-shop is obliged to publish its business terms and conditions and claim processing procedures. Both these particular demands may be amended without any problems to suit the nature of the "goods" sold. The law merely requires that the terms and conditions be published.

The Real Gift-shop is an extraordinary setup in that it enables donors to get a tax break in a rather simple manner. For every certificate purchased from People in Need, the organisation sends the donor a confirmation of the donation for the tax administration authority. This confirmation may be included as a deductible amount in the donor's income tax return, thus reducing the donor's tax base. **The deduction option is available both to legal and physical entities. By estimation it can be said that donors get up to** 15 % of the certificate's face value back as a tax deduction.

Managing and Working with Customer Databases

For reporting and the administration of its donor database, People in Need uses the Microsoft Dynamics NAV system. Due to the Privacy Protection Act and refusal of some of the donors to give permission for entering their personal data in our database, we cannot process the e-shop database in this system.

Therefore, we use an internal database system for the e-shop, named Shopio. Compared to the MS Dynamics NAV database, Shopio is rather limited and some of its features had to be specially modified for our purposes. Despite that, its most important advantage is that it enables us to export data from the entire database and convert it into CSV, with which we can work, e.g. in MS Excel.

Order processing and communication with donors is feasible mainly thanks to tools which we had developed ourselves in MS Excel. An important part of it is interface linkage to bulk correspondence for printing, especially confirmations of donation, money orders, labels for envelopes, etc.

Bookkeeping/Accounting

In essence, all work involving accounting and management of the certificates in stock is done outside the e-shop system. Here, too, we had to develop our own tools to facilitate the administration.

Management of the e-shop involves entering and saving the date of each certificate's dispatch, plus the date they are saved, and any other certificate transaction, e.g. to sale outlets in regular shops. These records are also processed outside the e-shop system.

Results Achieved

The Real Gift shop was launched in November 2009 in the Czech e-environment as a very dynamic new project. During December 2009, approximately 5 000 customers bought the gift there. Together with a shop in the city centre that was in operation through December, a total of 9 000 certificates were sold within one month reaching sales revenue of € 210 000.

For Christmas 2010 we therefore prepared an extensive campaign in the media, which included banners in a number of Internet servers, printed ads, TV and radio spots, posters in the streets of Prague and public transportation vehicles. The scope of the campaign was much greater than in 2009 and it attracted twice as many customers – about 10 000. The shop in the city centre was in operation again throughout December. Total revenue in 2010 reached over € 400 000. Over 18 000 certificates were sold and 90 % of the orders were processed in December.

Costs

E-shop was set up free of charge by W3W, which also provides technical support during its operation, also free of charge. The price of the same service for a commercial entity would reach up to € 12 500.

Similarly, the media campaign was created gratis for PIN by the communication agency MarkBBDO. Free-of-charge services were also provided by Mediacom

media agency. Additionally both the Czech TV and Czech radio broadcast PIN's commercials at no charge, while the Municipality of Prague provided advertising space also at no cost.

Advertisements in the press and electronic media are available to us at very low prices. In 2010, most of our media gave us discounts of 99 % for their services. The price for the advertisement for a commercial company would have cost over € 200 000. The above calculation does not include advertisement in Czech TV and Czech radio. All of this indicates clearly that if such campaign was to be run by a commercial company, the sale of gift certificates might easily end up in the red, despite the fact that gift certificates are produced at CZK 3 a piece.

Also the sale operations would not be possible without sponsors. As stated above, the law stipulates that only 5 % of the donations are allowed to be used for administrative overheads. Thanks to our sponsors and the fact that we run our advertising campaigns either for free or with a major discount, we have so far managed to keep the project's budget below the allowed 5 % limit.

The cost of printing of one certificate is about € 0.1. Other major expenses include the salaries of manager of the e-shop and people involved in distribution. They work in the shipping department during December – there were four such workers in 2010.

Reporting Results and Customer Retention

Our massive campaign in the media and interesting form of aid attracted a great number of new donors. With products like Real Gift, it is of crucial importance to interpret properly the entire scheme. Many people expect that we will keep them informed about the specific allocation of their donation, including a photograph of the family that got their goat. Unfortunately, this is hardly feasible for us, yet it is important that customers do not get the impression that we are unable to meet their expectations.

We do distribute the money according to the certificates that donors have purchased. Money for certificates in the categories Desk and Blackboards will be used to equip schools. Certificates for Goats and Chickens will pay for genuine animals.

We also try to use the e-shop as an information channel for publishing videos and stories of people. Once a year we use this website to publish a comprehensive annual report with a detailed list of purchased gifts.

In 2010 the Real Gift team prepared the most detailed report to date on the usage of donations. The report contained an itemised list of the gifts donated by country of destination. The summarised data were complemented with stories of concrete people and published on the shop's website accessible to any visitor.

Thanks to the Real Gift project, in 2010, we were able to purchase 634 goats, 167 sheep, 85 cows, 6 422 chickens, 45 363 tree seedlings, 240 water canisters, furnishings for several schools, construction material for several wells, and material for health clinics. We always purchase animals and material locally, in the country of distribution to avoid unnecessary cost of transport.

Donors who have shopped in our shop and consented to having information forwarded to them are contacted via e-mail containing the link *www.skutecnydarek.cz* and a page containing the latest information. The e-mail message contains also a summary of the latest news.

Challenges

The main challenge when operating a shop is simplicity and comprehensibility. The gift certificate principle has to be easily understandable to people who are shopping this way for the first time and are not sure where their money is going to go. The individual steps of order filling have to be clearly explained. Any superfluous step at this phase of shopping must go. During the campaign's peak, the e-shop visitor rate is very high – tens of thousands a day. If the procedure was not clear and comprehensible enough, it would turn customers off. What's more, those who did not quit would inundate our inbox with e-mail messages and jam our telephone lines trying to find out how the e-shop works.

Another great challenge is setting up the right balance between information about the gifts' usefulness and the sales business. Turning e-shop primarily into a poorly structured source of information might discourage visitors as they would get lost in the stories and complementary texts. Some would drop out, while others would

buy a certificate eventually, firmly convinced of making the right decision. Yet the shop's potential would still be hardly tapped. In e-shop business it is important to ensure that the opportunity to buy a certificate is always within reach. All the information published has to be well structured. Customers must not get lost in it. Whenever they decide to buy a certificate, the right pushbutton must always be at hand. We cannot afford to let that moment slip away as they wander through the shop looking for it.

The evaluation of the 2010 sales was a very unpleasant surprise to us, as only 15 % customers have come back (Christmas 2009 compared to November and December 2010). We wonder whether the gift certificate idea does not wear off too quickly and loses its originality. In any case, it is important to think innovatively and try to offer something new to our customers.

The Cool Blackboard Campaign

Jolanta Steciuk

CASE STUDY

The Cool Blackboard campaign started in Poland in 2010 and in that year it lasted for 3 months. At the time, 1839 internet users donated PLN 136 000 (approximately € 34 000) for the cause to build two schools in Chad, in the district of Gore. It was introduced by Missions Secretary Office Order of Capuchin Friars Minor in the Province of Cracow and The Capuchin and Missions Foundation.

The idea was that a person giving PLN 30 (approximately € 8), or more, received not only a typical thank you letter but also a very special photograph from Chad as an expression of gratitude. Both the letter and a photo were provided to the donor by e-mail.

The photograph presented an African village with children gathered around the school blackboard. The name and surname of the donor with thank you message was written down on it with white chalk (English example of the text would be "Thank you John Smith – pupils from Gore and missionaries"). The key medium around which the campaign was built was the website *www.czadowatablica.pl*.

Capuchins and the campaign

The Capuchins from Cracow have been working in Africa for 25 years. In 2010 there were ten missionaries there from Order of Capuchin, Province of Cracow in the Central African Republic and Chad ("Capuchins and Missions" bulletin, 3/2010). The fundraising campaign was run by the Church entity - Missions Secretary Office Order of Capuchin Friars Minor in the Province of Cracow in

cooperation with the Capuchin and Missions Foundation, which was registered in May 2010.

The fundraising campaign "Cool blackboard" (in Polish "Czadowa tablica") lasted about 3 months from 8 June to 17 September 2010. To understand the campaign's message, one should realise that the title "Czadowa tablica" has double meaning in Polish: "cool blackboard" and "blackboard from the country of Chad."

Figure 8 ***'Thank you' photographs for donors***

The website *www.czadowatablica.pl* played a central role in the campaign. It provided information about the cause and ways of involvement, including:

- Options for payment (payments online or via bank transfer)
- Suggestions how to spread the campaign's message.

As it was addressed to internet users, spreading the information through the internet was crucial. People were encouraged to send e-mails to at least ten friends.

They could simply copy and paste text from campaign's website. It starts: "Hi, I am sending you a link to an interesting initiative – you can do something specific and good, and you will receive a cool photograph. Look at *www.czadowatablica.pl*!" There was a call published to put out information about the campaign using all sorts of new media (Facebook, Gadu-Gadu, Nasza-Klasa.pl – which is a Polish classmates portal). The appeal went on: "If you can afford to contribute, please, donate, if you cannot, please, tell others about our cause. Even though the campaign did not try to approach children, they joined in as well, for example spreading information on Nasza-klasa (classmates portal)", says Ms Diana Bonowicz, director of Capuchin and Missions Foundation.

An integral part of the campaign was an innovative way of saying "thank you" to the donor. A person giving 30 PLN (approx. € 8) or more received a photograph from Chad presenting his or her name on a blackboard, far away from home, in an African village. What was so special about the photograph? People who have never been to Chad, or Africa in general, could see their names there. This may bring about all sorts of good feelings, a joy from the recognition of one's generosity may be one of them. In addition, as the sentence on the blackboard was written in Polish, it created an interesting link between African landscape – probably very exotic to many Polish people, and the mother tongue, very close to them. Also a friend or a grandmother who saw the photograph could easily read the sentence.

Donors, who made their e-mail addresses available to campaign's organisers, received an electronic version of the photo within about 3 days (up to one week) after sending the money for the cause.

Gabriela Łajczak, a student from Cracow, was one of those spreading the information on the cause: "I told my friends that Brothers want to build schools in Africa. It is enough to give 30 zloty to help them, which is not much. And you will receive a great photograph!"

Promotion of the campaign

After launching the campaign's website and encouraging internet users to join the action, other promotional activities followed:

- Information about the campaign published in the "Capuchins and Missions" bulletin (10 000 copies)
- Promoting "Cool blackboard" campaign by organizing public events in Cracow and Wroclaw (concerts, children wearing African clothes, connection with Chad via Skype) supported by sponsors
- Promoting the campaign in churches (altogether about 20 churches in Cracow and Wroclaw area)
- Distributing leaflets (1 000).

The link of the action with the Catholic Church was made visible. Capuchins wear a characteristic habit so wherever they appear, they can be recognised easily. Fr. Benedikt Pączka underlines easy access to the big number of people on Sundays. He says: "As a church person, I can approach people in a parish after the holy mass. And I can tell them: I was in Africa, I saw the great need, please help. During one Sunday I can meet people at, let's say, seven holy masses and talk to 7 000 people."

Ms. Monika Róg, from Bronowice parish, close to Cracow, was one of those convinced to donate while being in the church. After the mass she looked at the campaign's internet site and transferred the money. She recalls: "That day the priest representing the foundation was celebrating the holy mass. He preached a sermon not related to Africa. But... after the holy mass, he says 'we have a guest from Africa'. Everybody was surprised! A camel comes out from the vestry and walks through the whole church. These were two capuchins wearing a camel costume, borrowed from the theatre. I liked it a lot! Usually the calls for support are presented from the sad side and this was so joyful! I also like the leaflets, they are nice as well."

The campaign was covered in the media with national reach:

- Four-minutes spot in a television program "Between heaven and earth" ("Między niebem a ziemią"). It is an hour-long Sunday program on public television with transmissions of prayer from the Vatican, information about the life of the church, discussions about social and religious issues etc.

- Two articles in "Sunday guest" ("Gość niedzielny"); a Catholic weekly program distributed in public channels and in churches; circulation in 2010 was approx. 140 000 copies a week

- Information in "Bulletin of missions" (10 000 copies)

- Radio interviews (Radio Cracow, Plus, Eska).

The Goal and Results

The campaign's goal – announced on the website – was very specific: to attract 2 700 internet users who would donate PLN 30 (approx. € 8). Some people mentioned that they like that the goal was so specific.

Ms Monika Róg, from Bronowice parish says: "I was thinking before about supporting another foundation. But I was asking myself: how much to give then? Ten zloty is perhaps ridiculously small, fifty - quite a lot for a person with a big family. And here we had concrete information. I liked the idea that only PLN 30 can be a real help. This is a price of one pizza and I will not get poorer by giving this money. Later on, at work I told at least ten people about the camel in the church. I also added the link on my Facebook account."

Summing up, there were 1839 internet users who gave money to build two schools in Chad. The total amount donated via internet was PLN 136 000 (approx. € 34 000), which was more than was needed for the cause. Donated surplus in the amount of PLN 36 000 (approx. € 9 000) – as it was announced in the letter after the campaign – would be spent on another educational project in Chad, building and equipping a Cultural Centre for Youth.

The campaign was run as a joint effort of two institutions assisted by volunteers. The costs of the campaign – including the costs of using own resources – were not estimated by the organisers. Probably most of the costs of the campaign were covered in kind and by voluntary work.

Lessons learned

I asked Fr. Benedykt Pączka (director of Missions Secretary Office Order of Capuchin Friars Minor in the Province of Cracow) about the strong and weak sides of the campaign. He enumerated them as follows.

Strong sides:

- Simple, but original idea – photos from Chad with donor's name on the blackboard as thank you letters.
- Good name "Czadowa tablica" using double meaning of words in Polish ("Cool blackboard" and "Blackboard from the country of Chad").[1]
- The financial goal met in a very short time.

Weak sides:

- Taking photographs consumed an incredible amount of time and energy of a missionary and children in Chad (organizing the spot, inviting children, getting permission from their parents, writing donors' names on the blackboard – one by one, photographing, then due to limited access to internet and electricity the missionary could send photos to Poland via internet only between 6:00 and 9:00 in the morning)
- The website and donor's database were very simple. Thus it was a volunteer based in Poland who received all the photos from Chad and distributed them to donors. He had to make sure he was sending the right photo to the right person, which took a lot of time.

1 The website and the campaign was created with assistance and advice of Mr Andrzej Sobczyk, entrepreneur.

The continuation of "Cool blackboard" was launched in the autumn 2010. In addition, the new fundraising campaign "Cool couple" ("Czadowa Para") was introduced. In the framework of this campaign fiancés ask their wedding guests to put some money to the foundation's box, instead of buying flowers. The Capuchins and volunteers approach the couples at wedding fairs all over Poland (in the time of this writing already over 300 couples from Cracow, Lodz, Wroclaw planning their weddings were interested to join the campaign; the financial results will be known in the future). The campaign is supported by a website *www.czadowapara.pl*.

In January 2011, a private television produced a short program "Cool priest" about Fr.Benedykt Pączka who is personally involved in the "Cool blackboard" and "Cool couple" campaigns.[2]

Sources

- Website *www.czadowatablica.pl* (in Polish, some parts translated into English, German, and French)
- Official leaflet of the campaign
- "Capuchins and Missions" bulletin (3/2010)

Personal interviews, phone interviews or e-mails correspondence with:

- Fr. Benedikt Pączka – director of Missions Secretary Office Order of Capuchin Friars Minor in the Province of Cracow (October 2010, January 2011)
- Diana Bonowicz – director of Capuchin and Missions Foundation (October 2010, January 2011, March 2011)
- Michał Kosowicz, volunteer (September 2010)
- Monika Róg – donor (March 2011)
- Gabriela Łajczak – donor, volunteer (March 2011)

2 The program is accessible in the internet at http://www.kapucyni.pl/index.php/info/3598-czadowa-akcja

Adopt a Child: The Online Campaign of the Hungarian Foundation for Africa

Hunor Király

CASE STUDY

This study focuses on the Adopt a Child project of the Hungarian Foundation for Africa to show the critical and typical aspects of using digital tools in fundraising. Though the project is a good practice, it can be used to introduce the peculiar Hungarian situation as well.

Fundraising campaigning in Hungary

Fundraising in many of its aspects is still at the stage of infancy in Hungary with its typical "childhood" problems, especially when we are talking about fundraising from private donors for development cooperation issues. In case of humanitarian causes, when there is an emergency situation, Hungarians are more willing to give. How are the Hungarian NGDOs and humanitarian NGOs using digital tools in their fundraising processes? Unfortunately, the experiences are that these methods are still little known. If they are used, they are often not following the latest trends of technology and they use the possibilities of social networks in a limited way.

Fundraising campaigns that have been proven successful in Hungary are typically in ad hoc, emergency situations, and funds are most often collected via DMS and donor phone lines. There is no standard and organised national Donor SMS system in Hungary, although there is a phone number called "The National Help Line". In cases of catastrophes and disasters, Hungarians tend to give a lot. In other cases the support is usually much lower. It is possible that the roots of this phenomenon go back to the early 90s when some disasters happened

to Hungarians abroad, in Romania and Ukraine. Right after the socialist era, new enthusiastic national pride emerged with a strong feeling of national unity. Voluntary drivers carried goods to Romania with their own trucks, people collected money, food, blankets, even books, to help their fellows in need. Till this day it often moves people when natural disasters happen on the other side of the world, be it Turkey, Haiti, or Japan. The role of the media proves to be crucial in raising peoples' awareness and making them give. Therefore, it is very important to mention the fact that there is very limited media attention paid to international development issues.

These are the typical opinions that fundraisers have to deal with when going for private donations:

- *Lack of global perspective:* 'We have enough problems in Hungary, what do we have to do with the people of Congo? Hungarians should rather focus on domestic problems and put their money and efforts into developing Hungarian rural economy or Roma communities, etc.'

- *Paternalistic political thinking:* 'Why should I give money? Ask the government, I paid my taxes, it's not my business.' Actually more than 60 % of Hungarians cheat on their taxes or in some form or another according to the 2010 EC Report. As economist Lajos Bokros wrote, Hungarian politicians didn't do much in the last 20 years to change this attitude and build a democracy based on active citizenship.

- *Lack of trust:* 'You or your African partner will steal my money.'

- *Lack of information and motivation:* 'It wasn't on TV. Is this really important?'

NGOs often blame the media for not promoting their causes and campaigns, and in fact it's really not easy to get media attention for their work, but it is their failure as well. They do not really work professionally on attracting the media attention, or on establishing good media connections. Writing a good press release, giving valuable and interesting stories and background information would be the basic steps to moving ahead in this regard.

Last but not least, the practice of private fundraising has to earn a certain level of legitimacy and respect in the society. The case study will suggest that **involvement of people** in promoting an issue(s) is key and **learning efficiency** from **social movements** (often not formally organised) **could also be recommended**.

The Adopt a Child Campaign

The overall concept of the Adopt a Child project[1] is relatively new but not completely unknown to Hungarians as this is the second project of its kind. The first virtual child adoption/educational aid project was run by the Hungarian Baptist Aid back in 2001. Thanks to the very well developed media relations of the Hungarian Baptist Aid the campaign illustrated with pictures of children was very well covered by the Hungarian media (for example the biggest Hungarian women's magazine Nők Lapja published materials on the project). The design of the project can be familiar from other fields as well: for example the virtual adoption campaign of the Budapest Zoo has been consistently popular for years. Given that the general method is somewhat familiar to the audience, the Foundation for Africa did not have to make an extra effort to introduce a completely new concept and deal with possible doubts and misunderstandings.

Foundation for Africa covers 65-70 % of its expenses from private donations. In Hungary this high proportion of private donations is very rare, with only religious organisations being able to achieve this level, where the infrastructure, human resources and communication are provided by the denominational infrastructure. Being a local branch of a big international organisation also has its benefits in this regard but this is not the case of Foundation for Africa. The branches can rely on the well-known brand, which provides trust and easy access to the media. The central office often can provide financial support to the campaigns until they become sustainable, with branches having access to the expertise, know-how, and international partnership. Those who cannot rely on such support are at a disadvantage. As the representative of Greenpeace, one of the most successful organisations in collecting private donations, said 'the money invested in large scale donation collecting campaigns starts to return from the third year of the project'. Thus starting a project like this is a brave endeavour for a relatively small organisation which does not have the above mentioned support.

1 See http://afrikaert.hu/en/fogadj_orokbe/tamogathato/, on 30 November 2011.

Even so, the Foundation for Africa has acquired approximately 400 private donors and 30-40 corporate donors from their start in 2004, of which 70 % donate on a regular basis. The Adopt a Child project is among its key activities.

The system running on the organisation's website works just as similar projects in other countries. The children waiting for help are introduced in a catalogue from which one can choose the child he/she wants to support. From the catalogue the donors can learn about the child's family background, the school they attend, their favourite subject and school performance. From a communicational point of view it is a great idea that the last piece of information on a child's contact sheet tells about his/her professional goal. These often moving aspirations serve as reminders for the donors that the children are moving towards the goals assigned by the project and serve to underline the fact that being a qualified nurse or a dressmaker is a dream career for a girl from Kinshasa. In the next step the visitor can learn about the funding schemes. If the child lives with his/her family, a monthly amount of HUF 2 500 (€ 9-10) as an educational support can be offered. In the case of orphans the amount of the financial support is in the form of several different items, from which the donor can choose. For example when opening Majolie's contact sheet, the possible donors can see that her clothing, food and recreation expenses are already covered by the donors – two of them even let the organisation publish their names on the sheet while one preferred to stay anonymous. School support HUF 5 000 (approx. € 18-20) and the so called Future Fund HUF 7 000 (approx. € 25) are still available to possible donors. This structure provides transparency and provides a scheme which is both convincing and assuring for the donors. If a donor decides to support Majolie by covering her Future Fund, in the next step he/she can determine the length of the donation period (minimum 12 months) and the payment method. The system resembles the convenient and transparent functioning of online web shops, which is very important, since many NGOs fail to keep the most important rule of digital fundraising: being user-friendly.

Communication with a donor

One of the most important tasks of a well-developed online campaign is to provide regular feedback to the donors. In the case of the Adopt a Child project the first feedback in the form of an e-mail comes right after registration in which the organisation thanks the donor for registering and informing him/her that he/she

will get the organisation's newsletter if it is confirmed by clicking to the link in the e-mail. This is an important point to emphasise as a good practice, since unlike the practices of many organisations this method is not aggressive. It is a small but important courtesy which helps to create a positive image in an environment where NGOs are struggling with communication problems and grabbing every possibility to collect e-mail addresses and send out newsletters. Recipients who get such e-mails on a daily basis can soon regard those as spam which evidently detracts from the efficiency of these kinds of campaigns. Moreover, collecting e-mail addresses and other personal information is regulated by a law. Besides that it is in the best interest of the organisation to assure that a donor feels comfortable with organisation's actions towards him/her. Foundation for Africa sends out personalised e-mails every two or three months in which they inform the donor about the life and school performance of the adopted child.

Transparency and Accountability to a donor

The Foundation follows all the current accountancy rules and provides the obligatory public benefit report for download on its website. Unfortunately, it is quite typical in the Hungarian NGO environment not to provide widely intelligible facts and figures on how the money was spent each year or for a particular project. Besides financial information there are other important things that need to be communicated to a donor.

As a communication tool the Foundation uses mainly FAQs on its website with questions such as "What is the Foundation's impact in Africa?", "How can you guarantee that the sponsored students receive the financial support? ", "I am sponsoring a child, but his grades are not good. Why?", "Why does the child drop out of school, if I am sponsoring him/her? ", "How do I know that the child I support has permanently abandoned school? ", "What happens to my money, if the child I am sponsoring is not attending the school anymore? ", etc. The answers to the questions are mostly explaining the principles behind the Adopt a Child project. It is a good practice that is not adopted by many NGDOs in Hungary.

The FAQ section also explains some questions that provide a broader explanation of the reasons for this work and serve rather as awareness-raising tool (e.g. "Why should I support Africans far away, when there is a lot of poor people here in

Hungary as well?"). The answers are well written with very deliberate reasoning. The requirements of transparency in the FAQ meet Hungary's customary standards, even going over these standards, which is probably more beneficial for the organisation. As an example, there is a question of 'How do you finance the everyday operation of the Foundation?'. The brief answer explains that the office and administration costs are covered from grants and by sponsors, and it enumerates the overheads costs (employees, office costs, etc.) in general without any further information. For the time being this is much more than an average NGO does in terms of transparency in Hungary.

Visibility of the campaign

The visibility of the campaign and the Foundation itself well illustrates the usual performance of the Hungarian NGOs active in this field. The campaign's marketing is organised by the Foundation itself, or is based on activities organised by other Hungarian organisations working in Africa. Given that there are only limited financial resources for these activities, the Foundation can only reach a small audience, mainly intellectuals, who can become regular donors.Reaching a wider audience would require much greater financial resources and social support. On the other hand, the NGO's website lacks links to the most popular social networks that might serve to spread the information almost at no cost. All in all, the online campaign is based on a well-structured, easy-to-use website, and at the same time it faces visibility problems.

Conclusions and suggestions

Summarising the above mentioned characteristics we can determine those issues which have special importance for online fundraising campaigns. The effective digital tools need to be user friendly, take the habits, characteristics, and trends of the given target group into consideration, and rely on users and donors as multipliers. It is also important to build marketing campaigns, which are effective, but not intrusive.

Other, more general issues regarding digital donations are as follows:

The lack of global perspective and low sensitivity of a population towards development issues cannot be tackled just by fundraising campaigns themselves. Broader **awareness-raising and education** programmes seem to be a necessary prerequisite for successful fundraising. Fundraising campaigns that include educational aspects and intelligible arguments do not raise money just here and now but prepare the ground for future fundraising efforts.

Lack of trust can be cured by increased **transparency.** Organisations need to learn how to publish effectively more information about their financial situation (for example the ratio of private donations and public grants in their budget, the proportion of overhead costs, the proportion of private donations spent to cover running costs etc.) as well as principles they follow in their activities. Moreover, they have to tune their internal procedures and practices to be compatible with requirements and standards expected by donors.

Fundraising campaigns cannot exist without **effective communication and visibility**, or in other words, without advertisement. Although spending millions on marketing of a humanitarian campaign can be displeasing for some segments of the target audience, in the long term it is very important to be visible in the mainstream media. To achieve this level of visibility either a significant amount of money or effective media relations are needed. According to the past experience, two factors are really important in this respect: 1) Having an expert in the organisation who is responsible for effective communication and media relations; and 2) The general positive attitude towards international development among the members of the society, since mainstream media will only cover issues with a potential to attract attention of the broader public. It is also important to map the media landscape of the country and media usage habits of the target audience.

One of the most significant deficiencies in running communications is ignoring media usage habits and online communication practices of the target audience. This happens despite the widely available research results on the issue. The most reliable studies are usually made by independent institutions (like ITHAKA, *www.ithaka.hu*) and are accessible online. For example, it is well known that in Hungary the most widely used media tool has been the mobile phone from the beginning of the 90's and nowadays Android phones have become very popular.

Even though developing applications for Android-based phones is both easy and cheap, almost nobody uses this obvious communication method in donation campaigns in Hungary. Experience with iPhone applications (in those countries where iPhone is the leading technology) is positive and inspiring.

Sometimes it seems that the campaigners believe that social media have magical power and it is enough to make a page on Facebook to attract supporters. They often even mix the categories and make a personal account for the organisation instead of a page, or they ask people to share their posts, but do not provide them with attractive content. Nevertheless, advertising on social networks (e.g. Facebook) can be very effective. Advertisements can be generated easily and one can focus the target group very precisely. If the ad is generated in a sensitive way it can be really cost effective. For example the awareness raising festival BuBi reached more than 8 000 users over the course of a 3 week campaign that cost HUF 30 000. By using other media the same campaign could cost at least HUF 300 000. This form of advertising is easy to learn, cheap and effective, but is of small calibre. It is best to use it for campaigns that focus content and messaging on the supporters and use them as **multipliers**. One of the most effective low-cost Hungarian campaigns of 2010 was run by an animal care organisation, the Noé Animal Rescue Foundation. During the Hungarian red mud catastrophe[2] its members and volunteers were working in the field. Every day one of the activists was designated to handle social media posts – taking photos of the situation, posting them to Facebook and writing a simple message. The message always addressed "Angels!" – the organisation calls its donors and supporters guardian angels – then mentioned what they achieved in the last hours and what is needed (blankets, water, money, temporary adopters, etc.). Finally, the post contained a link to further information about the payment or ways to help. There was always a volunteer available who took a few minutes after the hard work to make the posts, had a cell phone with a camera and online access. Donors and sympa-thisers shared the posts on every channel they could, helping to make the rescue project very successful, even though the Foundation started the work without any financial budget. This case demonstrates that with good timing and proper use of social media, an NGO can make achievements even without a financial background.

2 A dam holding back a vast reservoir of toxic red sludge from an aluminum plant burst in October 2010, killing four people and injuring 120 others. One million cubic metres of red mud covered three villages and a small town, destroying buildings and contaminating the soil for decades.

The key concept behind the above mentioned story is **involvement**. Involving volunteers means much more in the digital age than spending a few hours of unpaid work of some enthusiastic supporters. Successful NGOs, like animal welfare groups and arguably the most successful social movement in Hungary – Critical Mass, developed methods to reach a huge audience without investing large amount of money into the campaigns. For example volunteers create the design of the advertisement materials, and the organisation makes them available on their websites for supporters to download, print, and distribute further. Thanks to the volunteers, leaflets and posters pop-up in every corner of the country in a short time. The power of involvement is a great advantage in a networked society.

A new tool of information and communication technologies is giving the donors a choice and asking their opinion in an easy way. One of the best examples of this is the online fundraising campaign of global Care: Pick the Bucket (*www.pickthebucket.org.uk*). The website provides the donors with the possibility to choose from projects, discuss on discussion boards with other donors, campaign for a cause and more. Fundraising in a networked society brings new possibilities in terms of attracting long-term supporters, friends of the organisation, and learning lot more about them. One of the most important factors – often missing in the communication of the Hungarian NGOs – is the positive attitude and image which works especially well in the online environment, e.g. good viral video that is funny, ironic, or surprising. These are the characteristics that make share it. Other important features are personal intonation, accuracy and candour, because people tend to be increasingly suspicious about ads that are "too professional." Such an attitude, interactivity, direct people-to-people communication, and a positive message should be the way of the future. We should learn from the smiling goat pictured in People in Need's *Skutečný Dárek* campaign described in a case study The Real Gift Project.

Digital Fundraising of Magna Children at Risk

Samuel Arbe

CASE STUDY

The following case study is devoted to the case of digital fundraising of one of the biggest development/humanitarian NGOs in Slovakia. Magna provides unique example of using internet and digital tools which might be an effective and progressive source of fundraising for Central European organisations. The text describes various digital tools and methods of Magna's fundraising from private sources. It explores various functionalities of the web page. The individual web profiles allow the organisation to personalise the communication with the donor, the Magna credit cards make giving easier, and a good mix combining online payment, quality database system and regular SMS donation might provide a solid basis for further development of fundraising by electronic means.

Background Information

Magna Children at Risk was established in 2001 and currently is one of the few Slovak NGDOs using the electronic way of fundraising as the only source of private funding for their causes. Magna runs their web page since 2004 with the main aim to attract people and convince them to donate. Magna operates 70 health care centres and medical facilities in 9 countries across 3 continents.

Magna was selected as a case for this publication because of its well-established system of electronic fundraising in Slovak conditions.

Country Background – Slovakia

The Slovak environment in the field of digital or electronic services might be considered still quite underdeveloped. However, this creates room for many improvements and some of them might be found also in this publication. Almost every development or humanitarian organisation has its own web page. The only difference is how these organisations use their sites for fundraising. For almost all organisations, the web serves as the main tool for communication, but only for a few it is the main source of donations. Among these, Magna Children at Risk and UNICEF Slovakia. Both organisations offer simple and varied types of online donations. UNICEF, as the first NGDO in Slovakia launched Facebook application which allows Facebook users to make a donation instantly via this application. Application *Help a Child* allows users to choose the name, continent, country, sex or age of a virtual child and make a purchase for a child in the virtual world while the donation is used by UNICEF in their real world projects. This application has been developed in Slovakia and is currently in the testing phase. If this application proves to be successful, UNICEF International plans to adopt this tool and use it globally. The information about PayPal donation to UNICEF is then published on the user's wall, so other friends donate as well.

Figure 9 ***The Help a Child application of UNICEF*** (source: www.unicef.sk)

Slovakia might be considered a specific example for its number of online giving portals. The country of 5.5 million people has four different online giving portals, which is in comparison with Czech Republic, Hungary or Poland, the highest number, not mentioning the aspect of per capita ratio. One of the portals is dedicated to families or individuals with the cancer diagnosis. The other three portals collect donations for different causes and they are widely open for both beneficiaries and individual donors.

Online giving portals in Slovakia (translation in brackets) are:

www.dakujeme.sk (Thank You)
www.dobrakrajina.sk (Good Country)
www.dobryanjel.sk (Good Angel)
www.ludialudom.sk (People to People)

Electronic Fundraising of Magna Children at Risk

Magna uses its website as the main tool for raising funds from individual donors. The impetus for starting up a new web interface was triggered by basic goal – make donating simple. This has brought couple of changes to the system of donating.

Single Cause – Magna Life Saver

One of the modifications implemented by Magna is the idea of having and promoting only one cause. Many organisations promote different causes. For example, the donor can donate to hospitals, support orphanages, buy vaccination for specific region or adopt a child. The idea in Magna is to build a trust of the donor towards the organisation and let practitioners working in the field decide where the money should go. Advanced organisation and skilled field workers should be the most competent ones to decide where the resources are needed. Therefore Magna launched the donation program called Magna Life Saver. Anyone who donates to the organisation becomes Magna Life Saver. By shifting to the new program Magna stopped to promote many different causes where donors could decide where to put their money.[1] By promoting mostly one cause,

1 There is a program of child support still running in parallell; however, its promotion is significantly lower since the Magna Life Saver program has been launched.

Magna can make the whole process of giving easier. Promoting one cause of course has to go hand in hand with technical means of the actual donation.

"95 % of people coming to our web cannot go and help in the field, but they can participate anyways"

Martin Bandžák, Director of Magna Children at Risk

How Magna Life Saver donates?

There is couple of ways to become a Magna Life Saver. The most common is the donation via internet where the Life Saver can make:

- Single donation
- Regular monthly donation

And use different means of electronic payment

- Money transfer (using 3 different banks)
- Credit card single payment
- Internet banking (standing order or single donation)
- SMS donations are to be launched soon.

Figure 10 ***Magna credit card*** (source: www.magna.sk)

Moreover, Magna Life Saver can obtain special Magna credit card issued by one of the Slovak banks. By using this credit card, the donor deducts 0.5 % of each transaction as a donation. The sum is matched by additional 0.5 % given by the bank. This means that the holder together with the bank donates 1 % of each transaction to the cause.

Each donation of Magna Life Saver is broken down to a sum per day. For example, if a donor decides to donate € 10 a month, the web page automatically calculates the sum per day. In this case it would be 33 cents. Another way how to motivate the donor to support the organisation is to explain the specific costs incurred in the field where the Magna staff works.

Monthly donations may cover the following:

- € 3 covers two nutritious meals for one child for one month
- € 6 covers 500 capsules of painkillers, anti-inflammatory and febrifugal medicine
- € 30 secures monthly care for HIV positive child
- € 60 provides full monthly health care for one child in the hospital.

This makes the donor think about the sum of the donation. The logic is that if the donor gives € 10 per month, it is only 33 cents per day, while if he/she gives € 30 (just one euro per day) this can cover the care for a HIV positive child.

Currently, Magna receives only 10-20 % of the resources from individual donors. The plan is to increase this number to 70-80 % in a couple of years. This is a very ambitious plan, therefore Magna is focused not only on effective ways of collecting money via the internet, but works on the brand-building as well. There are strong and well established organisations, like UNICEF, which do not need to work that hard on brand-building, since their brand is easily recognised by general public. Magna realises that donating through internet for a general cause requires high level of trust of the donors and thus combines brand-building with user-friendly web page where donors can easily find what they need and the donation is as simple as a couple of clicks.

Unique profile for each donor or how to take care of a donor

Magna decided to establish a unique and personalised profile for each donor. Even to one who contributes only a single donation, because a single donation might become the first step of regular giving. The profile serves as the main communication channel between the organisation and the donor. It collects information about the donations, shows payments in the past and also serves as an information tool.

Every donor receives a monthly report from the field in the form of either a short video, audio or photo report showing different stories of children from different countries. This ensures that donors do not see only numbers and statistics, but also real pictures and stories of people whom they support. Individual donors might instantly change the sum of the donation through their profile.

Besides that, donors receive regular newsletters and occasional messages. These messages are mostly sent during the emergencies and humanitarian crises. Donors might also be contacted through the online profile or regularly via email.

Technical features of online giving

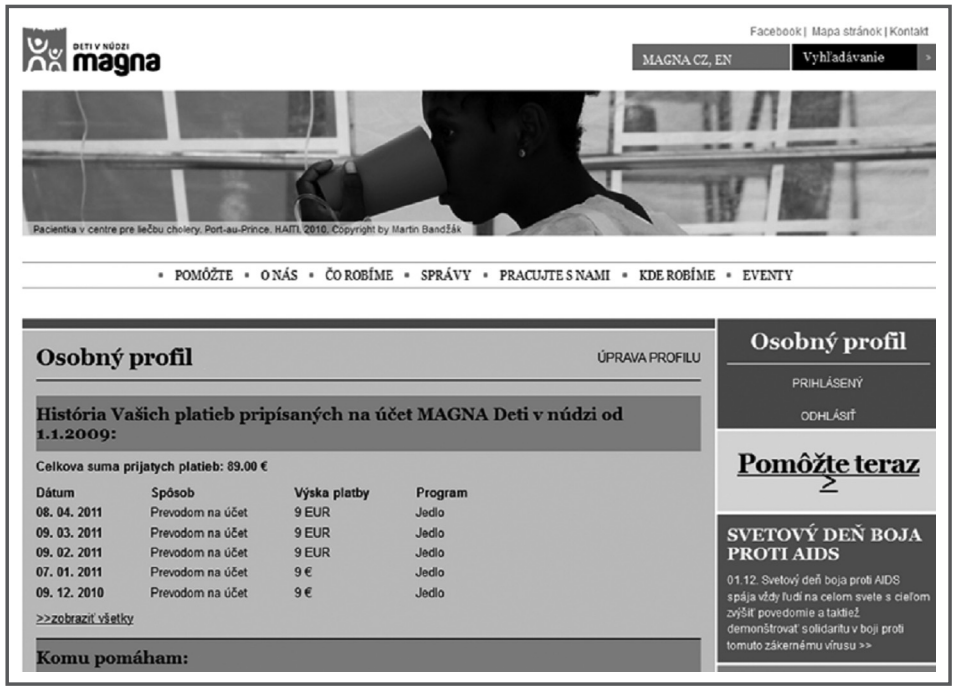
As mentioned above, Magna uses mostly its web page as a way to fundraise and it believes that the web page should be the only and most important online tool. Facebook and Twitter serve rather as the brand-building tools. However, Magna representatives think that both Facebook and Twitter have enormous communication potential and help either directly or indirectly to raise funds.

The important condition for effective online fundraising is the donor database. Magna has developed a database which is automatically able to pair the payment with the donor. Direct inter-linkage of the database with the webpage ensures that the payment is shown in the donor's personal profile as well. This personalisation and automation of the whole system saves time of the personnel and sends immediate "thank you" to the donor.

Instead of a Conclusion

Magna Children at Risk is one of the few Slovak NGDOs which uses its web page and online system as a main fundraising tool and communication channel for its causes. The highly professional web page, well-developed system and usage of interactive interface and a modern way of communication combined with video reports puts Magna in the spotlight among Slovak NGDOs using digital fundraising tools. For more information visit: *www.magna.sk*.

Figure 11 ***Magna Life Saver's personalised profile***



New Media Case Study: Merlin

Christine Taylor

CASE STUDY

Merlin began as an emergency organisation, but its mission has evolved to encompass long term involvement in the health services of the countries where it works. This means that there is an imperative to generate income for ongoing development work.

Merlin has made digital fundraising an important part of its strategy to increase unrestricted income from £ 1.2 million to over £ 4 million by 2014.

In planning this strategy Merlin has brought fundraising to the fore, particularly on its redeveloped website, which provides a sound basis for digital fundraising. A solid e-mail programme is being developed, and use of Facebook and Twitter is growing rapidly.

About Merlin

Merlin was founded in 1993 by three young friends – a doctor, a manager and a logistician – who were motivated by the conflict in Bosnia to create a specialist charity to send medical teams into disaster zones. Since then, Merlin has grown dramatically – evolving into a specialist charity with a unique mandate to respond to humanitarian emergencies, then stay on to rebuild local health services until they're ready to operate effectively and independently. Although its work is initiated by emergencies – conflict or natural disaster – it has a long-term development mission to work within existing health systems to realise everyone's right to accessible, appropriate, affordable health care.

Nearly all of Merlin's individual supporters are recruited from emergency appeals. The majority of the names on the database are a result of the December 2004 Tsunami, and the Daily Telegraph Christmas Appeal[1] that year, of which Merlin was the beneficiary. During the 2010 Haiti appeal all donors were telephoned within three weeks and a 20 % success rate was achieved converting them to unrestricted giving.

In 2010 the charity embarked on a programme of investment to increase unrestricted giving, which at that time was only 2 % of all income. The target is to increase unrestricted income from individual giving from £ 1.2 million to over £ 4 million by 2014. Digital fundraising is a key plank in the strategy to achieve this.

New media fundraising at Merlin 2009-11

Website

As part of the drive to increase unrestricted income Merlin transferred responsibility for the website from the Communications to the Fundraising team, with the key objective of the website to be on-line fundraising. The redeveloped website *www.merlin.org.uk* has a fundraising ask on every page, and boxes for people to sign up for e-mail are ubiquitous.

Website content is key, as other new media direct supporters towards landing pages on the website. The fundraising team has worked internally to build relationships with the Programme Teams, and get good content. Merlin sends interns into the field and they blog and/or write articles that can be used on the website. Pictures and videos taken by staff are used – sometimes those taken by mobile phones look more real and compelling than professional content. Merlin has assembled a large photo gallery that it can draw on. In some countries staff and partners are more web-savvy than in others, so there are countries that are under-represented on the website.

1 Several UK newspapers, particularly the more up-market ones like the Daily Telegraph, run a charity appeal each Christmas, asking their readers to contribute. They usually announce what kind of cause they wish to promote several months before, and charities pitch for the opportunity.

E-mail

Merlin's email list has grown from 2 500 in 2009 to about 8 500 addresses in 2011. The e-mail schedule and content is planned in advance, although there is built-in flexibility to respond to emergencies. Merlin sends a monthly e-newsletter, and about four e-appeals a year. The latter may be in response to an emergency, or a 'created' story around a particularly compelling example of work in the field, or a particular occasion, e.g. Christmas or the International Day of the Midwife. They may echo the theme of, and integrate with, an appeal mailing, or just be used on line. Appeals are used to generate cash donations, convert cash givers to regular giving, or upgrade existing regular givers. Templates reflecting the website design are used, one for e-newsletters, one for emergencies, and a generic one for thank you e-mails and other e-communications.

Tone of voice is important. Supporters react well to a trusted source of information that is warm and credible, and talks about them, and what they achieve with their giving, rather than about the organisation itself.

E-mail response is closely monitored, with repeat non-openers identified and a reactivation programme in place. With costs only a penny an e-mail it is a very good medium for testing. Merlin has tested:

- Different subjects – for example a Mother's Day themed newsletter focusing on mother and child health
- Integrating appeals with mailings, and just running them on e-mail
- Different content – photo slide shows are easy to put together and very popular, as are simple mobile phone videos. These are put on the website and/or YouTube with a link in the e-newsletter
- Subject line – a personal subject line, e.g. "Your latest news from Merlin" works better than "Newsletter from Merlin"
- Time of day and days of the week – for Merlin e-mails sent on a Tuesday or Thursday between 10:30 and noon work best. Other organisations find different times work, but it is not difficult to find out what is best for you.

Most of the individuals on the e-mail list have been recruited during an emergency. Emergencies are a time when e-mail can be used very effectively to make supporters feel involved. For example the first e-mail about the Haiti earthquake was sent three hours after the DEC[2] appeal was launched. One supporter responded:

"This is just a very quick note to congratulate your team on their super swift emergency call out for Haiti, and fantastic supporter care. I will move on to regular giving as a response and look forward to following Merlin's work in the future."

Feedback to supporters included video received from the field, which reassured people that their money was being used, and showed them what it was achieving. Merlin now plans to increase its use of e-mail for donor retention. On-line donations get an automatic e-mail response, and each month they plan to send a welcome e-mail to all new supporters recruited that month.

Facebook

Fans of Merlin's Facebook page increased from 700 to 1 700 during the Haiti emergency, and now stand at 3 900. The page is updated daily apart from in an emergency, when it is updated more often. Comments are regularly checked and responded to, and this helps build the fan base. A lot of the Facebook information is in the form of links to the website.

Twitter

Merlin has 3 100 followers on Twitter, having seen an increase from 420 to 1 800 during the Haiti emergency. Twitter is checked every 30-60 minutes, and updated 3-5 times a day. Updates can be as simple as "done 20 operations in Haiti today", or "Look at our latest slide show" with a link to the website.

Awareness was increased when Merlin was mentioned on Twitter by a celebrity with 20 000 followers.

2 The Disasters Emergency Committee (DEC) co-ordinates emergency appeals for its 13 members, who are all humanitarian aid agencies. The DEC appeal gets free airtime on TV and radio, and places newspaper adverts. During the appeal period the members do not advertise themselves. The money raised is distributed pro rata according to members' ability to spend it.

Twitter is a way of collecting 'friends' but not a good fundraising tool as yet. It has been used to raise awareness of an auction with a link to the website, and links to on-line donation pages, but the conversion rate is low.

Results

Merlin currently has no analysis of overlap between names on the mailing database, the e-mail database, Facebook Fans and Twitter friends. Thus it is possible that supporters will receive more than one communication at the same time. It is difficult to differentiate between on-line donations made as a result of mailing activity and those generated by the website, e-mails or other new media activity unless the supporter uses the specific donation page we will create. However there is no doubt that new media is an excellent tool for communicating with supporters.

Website

Since the redevelopment of the website the number of visits per month has increased by an average of 34 % each month. New visits to the website have also increased an average of 10 % per month.

E-mails

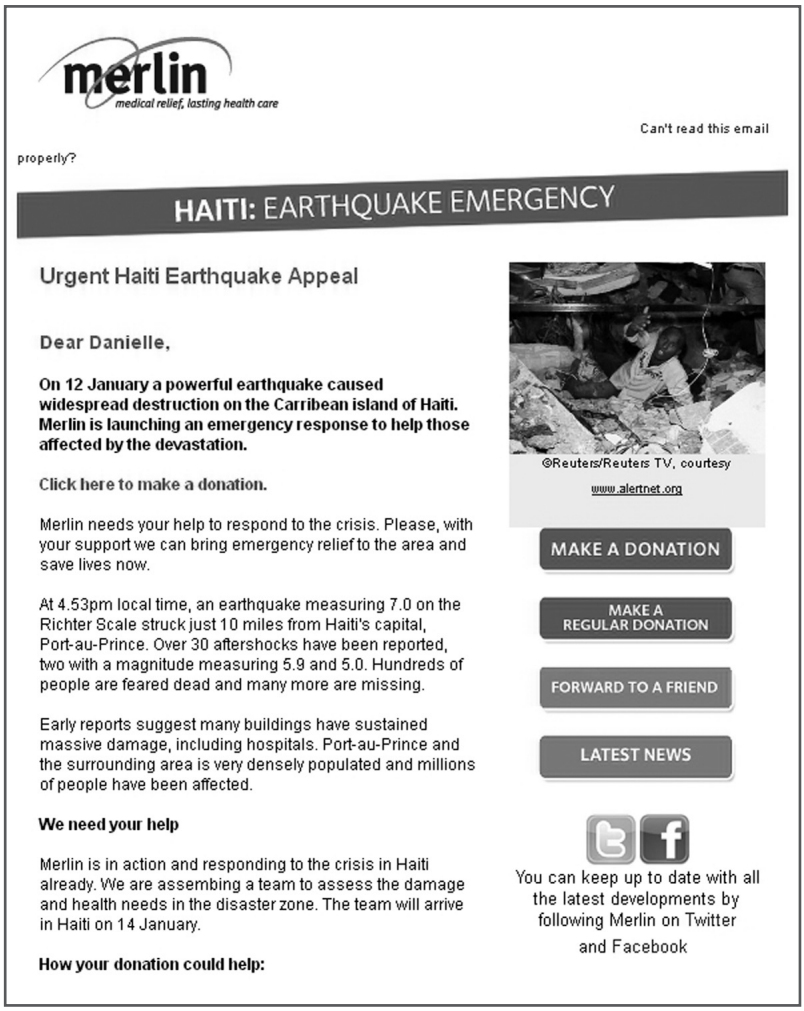
Due to the low cost of sending emails Merlin is currently achieving a return on investment of £ 197 for each £ 1 spent on emails.

Table 7 ***Use of e-mails in Merlin***

	2009	2010
E-mail list	2 500	8 500
On-line income	£ 55 767	£ 272 345
E-newsletters per year	4	12
Average open rate	14 %	25 %
Average click through rate	0.75 %	6 %

The e-mail appeal for Haiti raised £ 26 000 and won the "Best use of e-media" award from the Institute of Fundraising.

Figure 12 *The e-mail appeal for Haiti*



merlin
medical relief, lasting health care

Can't read this email properly?

HAITI: EARTHQUAKE EMERGENCY

Urgent Haiti Earthquake Appeal

Dear Danielle,

On 12 January a powerful earthquake caused widespread destruction on the Carribean island of Haiti. Merlin is launching an emergency response to help those affected by the devastation.

Click here to make a donation.

Merlin needs your help to respond to the crisis. Please, with your support we can bring emergency relief to the area and save lives now.

At 4.53pm local time, an earthquake measuring 7.0 on the Richter Scale struck just 10 miles from Haiti's capital, Port-au-Prince. Over 30 aftershocks have been reported, two with a magnitude measuring 5.9 and 5.0. Hundreds of people are feared dead and many more are missing.

Early reports suggest many buildings have sustained massive damage, including hospitals. Port-au-Prince and the surrounding area is very densely populated and millions of people have been affected.

We need your help

Merlin is in action and responding to the crisis in Haiti already. We are assembling a team to assess the damage and health needs in the disaster zone. The team will arrive in Haiti on 14 January.

How your donation could help:

©Reuters/Reuters TV, courtesy www.alertnet.org

MAKE A DONATION

MAKE A REGULAR DONATION

FORWARD TO A FRIEND

LATEST NEWS

You can keep up to date with all the latest developments by following Merlin on Twitter and Facebook

Learning

- If you want to increase income, the whole organisation must focus on fundraising.
- Making fundraising the primary objective of a website makes a huge difference to design and content.

- Successful use of New Media requires the whole organisation to be committed to the strategy and working together to achieve it. Programmes staff need to provide information, photos, videos, blogs etc. as website content, and communication staff and fundraisers have to work together to maximise the impact gained from the website, Facebook and Twitter.

- Although being small means that there are only a few staff to realise the organisation's ambitions, it makes it possible to respond quickly to events without being bogged down with complex systems for copy sign-off and approval.

- It is important to get the basics right – a good e-mail template, the right subject lines and distribution timing are of more use than fancy technical content that is resource-hungry and may distract from the main message.

- Keep it simple.

- Make it personal – talk about what your supporters have achieved.

- Test different approaches, monitor responses, and adjust all aspects of your e-mail strategy accordingly.

- Build on support recruited in emergencies – see what does, and doesn't work.

- Focus on one ask – do not promote fundraising and a campaign action in the same communication.

- Focus on e-mails – Facebook and Twitter have a role in profile-raising, but are not good fundraising tools.

- Give new media time to build – steady growth, together with being ready to respond quickly to opportunities, will bring results.

Building Trustworthiness of NGDOs

6

4 × CASE STUDY

Building Trustworthiness of NGDOs

6

Trustworthiness of an organisation is key to its success in raising funds – even more so when donors can hardly follow or understand the details of programs their money is funding. Development and humanitarian programs are typically run in geographically remoted areas with great cultural differences from the environment of donors. To make matters worse, from time to time donors are confronted with opinions that portray development aid as harmful in general, or largely being stolen or spent on the bureaucracy of the aid providers. In such context, donors have to be reassured with special trust in an organisation to support its activities.

What is the trustworthiness of an organisation based on? First, it is **quality work that produces results**. The effectiveness in programs and in financing is part of it. To better understand both the intended and unexpected effects and to improve the work, regular evaluation and feedback from beneficiaries are a good start. Unless interventions go hand in hand with reflection and openness to feedback, the organisation slips all too easily into "helpism"— marked by efforts to help regardless of whether the help is requested or effective.

Next the organisation needs to have well established principles and procedures to ensure that its stakeholders are able to oversee **the quality and effectiveness of its work** if they are willing to do so. The organisation must be transparent and accountable to those who finance its activities (donors) and to those whose lives it impacts (beneficiaries).

Finally, all information needs to be communicated to recipients in an **easy-to-understand and accessible** form. It is not enough to publish the data. What is required is also to give context and show connections which the recipient would be unable to get on his own without extensive study. What matters is not just the content itself but also how it is communicated. Making content publicly available without giving it due thought may eventually harm the beneficiaries and the organisation.

The organisation must then be able to fulfil its mission with high standard of quality and with great effectiveness and to communicate these results clearly to be understood. **Continuously improving its work, ensuring its visibility and being easily understood** are all the elements an NGDO needs to use to achieve trustworthiness. In countries lacking much elementary information and sufficient tradition of philanthropy, there is an additional important task to be performed: to cultivate the donor environment. As the case studies below show, donors who are not careful or well informed, cannot distinguish well enough those NGDOs doing good work from those who seek trust by relying solely on marketing and by pretending to be transparent and accountable.

In this chapter we offer four case studies to showcase the tools and procedures for ensuring transparency of NGDOs towards donors and to also indicate their limits.

Jan Kroupa looks at specific examples in his text **Transparency and Accountability in the Communication of NGDOs with Their Donors**, showing what transparency and lack of transparency look like in practice. He describes a short poll among students which warns that in the short term – and particularly in an immature philanthropic environment – very successful campaigns may be based on image only, empty of meaningful achievements or no-harm approach to beneficiaries.

No campaign (and fundraising campaigns are no exception) is divorced from other activities of the organisation. Every NGDO performs development education on what it says and emphasises about its beneficiaries. It influences (potential) donors, forms their attitudes, or reinforces their stereotypes. In their campaigns, NGDOs are forced to shorten their messages to such an extent that in turn creates dilemmas for the authors. Perhaps donors are engaged in campaigns easier through images that stir strong emotions, through context that is (un)explained,

and through too simplistic slogans. But in the long term, such campaigns paint a distorted picture and create the risk that donors will grow numb or disinterested after repeated and disappointing appeals of this type. In worse case, they may come to actively oppose this type of work.

Jiří Cveček uses the case study **Feedback to Donors and How to Use it for Fundraising** to present the tools used by NGDO to communicate with donors. Effective communication goes beyond being polite and just letting donors know how their resources have been used. In reality, this communication serves the important purpose of staying actively in touch with donors and using their donor potential to the fullest.

Allan Bussard and Beata Dobová in the case study **Crisis Communication: When Our African Partner Failed** describe one specific example of crisis communication. Mistakes and faulty steps cannot be fully avoided in development work. The question is how to communicate the mistake with donors and how to be fair in regard to the beneficiaries in case one link of the aid chain fails? How to retain the trust of donors after something irregular has happened, undermining this trust badly? How does an NGDO retain its transparency while containing the damage?

The case study by Péter Pálvölgyi titled **Developing and Implementing a Toolkit to Improve Accountability and Transparency in the NGO Sector** brings one example of how non-profit organisations may work together to increase their transparency. In countries of Central Europe, a centralised regulatory authority may not always be a guarantee of non-partiality and expertise. Therefore, it is particularly interesting and revealing to look at possibilities in such countries for self-regulation within a community of similar organisations.

Transparency and Accountability in Communication of NGDOs with Their Donors

Jan Kroupa

CASE STUDY

This case study is to examine some of the key, publicly accessible communication tools used by major NGDOs in the Czech Republic in order to increase their transparency. It takes a look at several inspiring examples from the United Kingdom. Then it offers a comparison of the tools used by organisations who try to increase their transparency and accountability to their donors and general public and those whose efforts are very limited or perceived as controversial. Finally, it provides a sample of responses given by part of the public (students) as to what people find relevant in transparency communication of NGDOs.

For purposes of this case study we use the example of four major NGDOs in the Czech Republic[1]:

- Adra (AD) – *www.adra.cz*
- Charita Česká republika (CH) – *www.charita.cz*
- Medecins Sans Frontieres (MSF) – *www.lekari-bez-hranic.cz*
- People in Need (PIN) – *www.peopleinneed.cz*, *www.clovekvtisni.cz*

Then we use four major UK NGDOs, members of Disaster Emergency Committee:

1 When we mention Czech NGDOs in this case study we are referring to the four examined organisations.

- Action Aid (AA) – *www.actionaid.org.uk*
- Merlin (ME) – *www.merlin.org.uk*
- Oxfam (OX) – *www.oxfam.org.uk*
- World Vision (WV – originally registered as a US charity) – *www.worldvision.org*

They are different in many aspects as well as operating in different philanthropic context. By comparing them we would like to point out some differences that might open discussion about possible improvements.

Communication Tools for Transparency and Accountability

The web

Today it is taken for granted that NGOs have a regularly updated website. However, there is a notable difference between the Czech and the UK NGDOs. While Czech charities strive to primarily capture the complexity and scope of their operations, focusing on the informational content of the website, all UK websites make fundraising the primary message communicated. There is a variety of options what to support (usually three to five options) on the homepage, accompanied by a variety of payment methods (credit card, bank transfer, setting up a standing order). It is also possible to donate on Czech websites, but it is not the principle message and in some cases it is somewhat hard to find.

The overall impression is that Czech NGDOs are still substantially less confident to make the ask, as if they first had to prove themselves to people and only then ask for support. On the UK websites it is the other way around. Perhaps, making the ask directly would draw people´s interest to the other information presented while making their philanthropic choice.

All organisations are using an abundance of imagery. UK charities use more videos and video reports directly from the field and/or in making the ask. UK NGDOs are also more active in using their blogs and some allow for a public discussion to take place on their website (though never on homepage). No Czech NGDO allows

for that. All invite personal contact, but mostly through a predefined web form requiring contact details.

Some organisations (People in Need, Action Aid, Oxfam and World Vision) have links to other websites they operate – PIN 11; AA 34; OX 15; WV nearly 100. Other examined NGDOs seem to try to keep their visitor on their website and do not offer them an easy opportunity to engage elsewhere. Charitas operates something like 150 branches around the country and each has its own website, but they are operated within the framework of one central portal website. There is a visible difference between the related websites in the Czech Republic and in the UK. PIN´s websites have different, unrelated addresses, very different design and visual style. There is little visual identity that would identify these websites with one organisation. Opposite to that, Action Aid, Oxfam and World Vision International operate country-specific websites which are all identical in design and are immediately recognizable and identified with each organisation.

There is another difference between Czech and UK NGDOs – no Czech NGDO uses a brief, marketing slogan or claim to build brand awareness with potential and existing donors, while all UK NGDOs do so:

Action Aid: *End poverty, together!*

Oxfam: *Change the present, change a future*

Merlin: *Medical experts on the frontline*

World Vision: *Building a better world for children*.

Annual and financial report

All examined organisations issue their annual reports available on their websites, including audited financial statements. There are no fundamental differences as to the content between the Czech and the UK NGDOs – in fact they are all very much the same in structure. Some more interesting comparisons of Annual Reports can be found in a case study Feedback to Donors and How to Use it for Fundraising by Jiří Cveček on p. 255.

Some organisations divide their annual reports into several documents. For instance Charitas Czech Republic has a specific document about social services provided nationally, a specific document about humanitarian and development services provided abroad, a separate document about their large public collection (the largest public collection in the country worth nearly CZK 70 million in 2010) and a separate document about finances. Some UK charities also separate financial reports from action reports. Most UK charities issue separate reports to boast about their achievements (impact report).

It is also remarkable how complicated and difficult to understand are financial statements of all the examined organisations – both Czech and UK: endless pages of listed accounts that most people have no idea what the categories refer to, let alone being able to gain an understanding of the overall economic situation of the organisation. There are some visible attempts to summarise – at least most organisations in both countries break down sources of income, fewer, but still most, also include the breakdown of their spending – usually in a different place in the report. Often, such breakdowns are made separately – either by major programs, or by country. Clearly, more effort could be made to summarise this information in a clear, straight-forward fashion and to communicate it. For instance, on the homepage of Oxfam Great Britain (*www.oxfam.org.uk*), you can find a simple chart showing the expenditure categories: "For every pound you give, Oxfam spends: 81 p on emergency, development and campaigning; 11 p on running costs and support; 8 p on generating future income."

This brings us to a notable difference that stands out in terms of transparency towards donors. All UK charities chart in their expenditure a separate allocation for fundraising (8-15 % of all expenditure) plus operational costs of up to 5 % of the overall spending. No Czech NGDO enumerates its fundraising expenditure in its accounts. For one, it is not nearly that high, for Czech NGDOs are not ready to invest at such a level into their fundraising development. At the same time, Czech donors may not be ready to hear that Czech NGDOs spend 15 % of their gifts on attracting them. The UK example could be an inspiration for Czech NGDOs – it is likely that their investments into fundraising will rise, so perhaps, they could start making a direct link between investment and income and getting their donors used to thinking in these terms, rather than assuming that fundraising expenditures form a part of regular overheads.

New media

Transparency and trustworthiness of NGDOs is supported by use of new media in their communication. Comparatively speaking, there are significant differences between Czech and UK NGDOs. In general, Czech NGDOs use new media to communicate with their supporters and other audiences substantially less than UK NGDOs. Only half of examined Czech NGDOs have links to new media on their home websites (Adra, Medecins Sans Frontieres), while only MSF uses Twitter in addition to Facebook.

The Facebook group of PIN (the Club of Friends of People in Need) has over 6 700 supporters. Adra and Medecins Sans Frontieres have around 3 500 friends each. Charita does not have a Facebook account, with the exception of the Prague branch with 118 friends. All those that use Facebook, do so regularly and their sites are daily updated. MSF uses updated podcasts to communicate news from its emergency and development operations.

The examined UK development charities are substantially more active in new media communications. All four use at least 3 or more new media communication channels and all offer them directly on their homepage. All UK NGDOs use Facebook, Twitter and YouTube; most have a blog, while some use Flickr, MySpace, and other social media networking channels. Oxfam has almost 47 000 Facebook friends; WorldVision Facebook group has over 567 000 friends.

Traditional Media

Appearance in traditional media seems to be still rather important for all examined organisations, though Czech NGDOs place more emphasis on presenting it. The MSF home page is in fact a list of press releases. In other cases, news issued by the organisation are the primary communication messages for all Czech NGDOs. As noted above, the primary communication message for the UK NGDOs is the fundraising ask. News issued by the organisation comes second, for the most part.

All examined organisations have a media or press service, chronologically listing all press releases issued and press monitoring with links. The one notable difference between Czech and UK NGDOs is that it is very easy to contact

the press office/media team of all UK NGDOs. It is usually the first information in the media service section. In the case of Czech NDGOs, this information is either not available at all, or it is well hidden. Charita, for instance, has a press department of two people – but they are hard to find: they are not on the top of the list when you click contacts and in fact you have to search for press department in the general search engine to find the contact. In the case of Medecins Sans Frontieres and People in Need, no media, press or PR person can be found, not among contacts and there are no results with the general search. There are no results of a general search on the Adra website, but a PR manager and press person can be dug up from among the contacts after much clicking and scrolling.

Membership in Networks and Other Certification

It is quite interesting to see whether examined organisations attempt to increase their trustworthiness and transparency by declaring their membership in various broader networks, coalitions and alliances, or boasting about their certification, accreditation etc. The overall answer for Czech NGDOs is "NO". Most of the examined organisations are an international network in and of themselves, so with the exception of People in Need that advertises its membership in the Alliance 2015, no additional networking is mentioned. Charita is the only examined NGDO that advertises its certification as a DMS recipient (donor text messaging service), which the DMS operational agency tries to portray as a certification of a sort, though nothing suggests that it would be perceived as such by the public.

All UK NGDOs advertise to be a registered charity (World Vision being a US registered Charity), which means being inspected and monitored by the Charity Commission as to having complied with basic requirements for a public charity. Also, all of them are members of the DEC (Disaster Emergency Committee), a coordination coalition and fundraising initiative which enjoys wide public recognition.

Feedback Procedure / Complaints Procedure

As mentioned above, all examined NGDOs welcome feedback, though the UK charities tend to be less formal about it, some allowing for an open discussion as opposed to strictly controlled question posting via web forms. World Vision

is the only organisation that publishes fraud alerts, i.e. when any fraudulent or suspicious activity appears, it is immediately communicated to the public through this channel. This usually concerns actions of third parties (phishing etc.).

Poor use of Communication Tools for Transparency

To examine a broad spectrum of practices we use the example of four organisations operating in the region that we consider rather non-transparent:

- Gandhi World Hunger Fund (GF) – *www.gandhi-cz.org*
- Mother Teresa Children´s Fund (MTF) – *nfdmt-cz.org*
- Medical Mission International (MMI) – *www.nmlp-cz.org*
- World Aid Fund (WAF) – *nfsp-cz.org*

The last listed organisation declared bankruptcy as this case study was being written.

We include a brief assessment of the use of communication tools for transparency by the above NGDOs since we find the comparison rather insightful.

Every organisation examined operates a website, though at first sight, little was invested into their static pages. The shortfalls are as follows: missing latest news, limited topical information, no up-to-date statements, no upcoming events to take part in, basically no interaction. However, users are invited to donate on every page. The only way to make a contribution is via standard bank transfer.

The missions of these organisations are described in very general terms: help the hungry, help vulnerable children, assistance to the sick. In this respect, they are not that much different from the respected NGDOs. The difference is that there is very limited specific information to go beyond the mission and/or other general and rather emotional proclamations that cannot be verified or linked with specific action.

It is impossible to find out where organisations operate, for the most part, we can read specifications such as: in developing countries, in poor countries, around the world and so forth. MMI annual report lists organisations supported in 2009. In other cases, digging through the scarce and non-specific reports, we find information about an orphanage in Zambia (GF), helping sisters in Uganda (GF), a well in Bangore, food aid to Darfur (MTF) or anti-parasite medication to Kenya (MMI), but there are no numbers, no specific mentions of how much funding was spent delivering this aid or taking a particular action, no specific number of beneficiaries (except MMI to some degree). Numbers are only used to paint the "big picture" – how many people suffer from starvation in the world, how many people die of tuberculosis, etc.

Websites contain no annual reports, with the exception of Mother Teresa Children´s Fund (last annual report from 2008) and Medical Mission International (annual report for 2009 was posted on the website when this case study was being edited) though all foundations have filed their annual reports at the foundation registry as required by law. Nonetheless, information provided therein did not make the picture any clearer – though they state income and expenditure. Accounts are confusing, using no simple graphical summaries (except MMI); allocation to administrative and other expenses is rather high in comparison to other Czech NGDOs.

Medical Mission International reports to have raised a total of CZK 9 million in 2009 from donors and expended CZK 8 million as follows: 5.5 million on programs, 2.5 million on fundraising and 150 000 on administration – i.e. 35 % was spent for fundraising and overheads.

Balance sheet of MTF reports total income from donations of over CZK 13 million in 2009, of that 8 million went to support projects, 2.4 million to promotion and events, and 3 million to overheads of the funds (salaries). Total expenses for fundraising and administration thus surpass 40 %.

GF reports less than CZK 1.2 million in 2009 of total gifts received. CZK 550 000 was spent on administration and 3.6 million on promotion and events. GF gave out no support in 2009 and ended up with a negative annual balance of CZK 3 million.

WAF raised CZK 1.9 million in 2009. It spent CZK 3.3 million for a promotional campaign and provided no support to third parties in 2009, ending up with a total annual loss of CZK 1.5 million. As we stated above, this fund is currently being liquidated.

Such numbers without closer explanation and clear and verifiable links to the concrete supported programs shed a bad light and seed doubts about the use of the money. On the contrary as positive it might be seen that some of mentioned organisations publish the amount spent on fundraising efforts.

Based on reports of NGDOs from other Central European countries these organisations use comparatively rather massive direct mailing campaigns for which they subcontract a professional direct marketing agency. Even though they claim having offices in many countries, it seems that there is little staff employed and they serve as more-or-less contact points for fundraising and administration of donations. They do not seem to run any development education activities or involve the public in any other way than fundraising. Combined with rather general, limited, and non-specific information provided on their websites they are examples of low transparency and posed accountability toward their donors.

To summarise, comparing the four funds/foundations in question amongst themselves indicates many similarities and co-incidentals, which might add up to doubts for a more sophisticated donor:

- Websites´ structure is nearly the same, including the headings and content of roll-down menus.
- With the exception of Gandhi World Hunger Fund, they have used the same auditor (GF does not provide this information).
- The structure and lay-out of their annual reports is remarkably similar.
- They use anonymous, illustrative pictures and imagery that cannot be associated with any specific situation (exception is a well in Bangore with a sign of MTF).
- Their FAQs are very similar in content and clearly written (or carefully selected) by the authors of the website.

- All published texts are a rather poor translation from English and it is clear that the translator lacks any specific knowledge of the NGDO operation and that the texts were not edited by anybody having such knowledge – in other words, there is no Czech speaking staff that would know what they are talking about as far as emergency, humanitarian or development work is concerned.

- The used imagery of church-like persons (preferably nuns) as "guarantors" of the assistance provided (though e.g. the Archbishop of Prague denied any links between the Catholic Church or any of its orders and the Mother Teresa Children´s Fund and warned people: "The Archbishop of Prague is sorry to inform all whom it might concern that we do not in any way recommend that anyone supports with their gifts the activities of the Mother Teresa Children´s Fund.", statement issued on 1 March 2008).

- Their boards convene small numbers of unknown individuals with permanent residence in California or Oregon, USA.

- All websites are operated in several language versions – GF website has 9 language mutations – CZ, DE, AT, IT, NL, PL, FR, UK and Hong Kong (+ international version); the same is true for the MTF, only this fund also operates a Slovak website; in the case of the MMI, add Brazil and Hungary, the rest of the countries remains the same.

- Positive mentions about the foundations are scarce and they may be found only in few websites such as *charity-news.org*, *www.non-profit-news.org*, *smart-donations.com*, which were registered by the same corporation on the same date (28 July 2008, registered by Domains by Proxy, Inc.).

- Their primary method of fundraising is through very aggressive direct mailing, similarly general and fussy in terms of content, yet very emotional, often tasteless; these direct mailing packages are again poor translations from English.

It is very likely that some of the funds raised by the above mentioned organisations end up in projects in Asia or Africa to help those that may need it. Nonetheless, examination of available resources and practices does not provide reasonable

warrants that the money is used in compliance with what is stated and with internationally acknowledged standards of development practice. It seems to be an example of low transparency, in worse case it might be an example of misuse of the donors' trust.

Response of potential donors to the used communication tools

To get some idea on how donors respond to the tools used and how they view the difference between the trustworthy, well-regarded NGDOs and those who do not aspire to be transparent in their communication, we conducted 6 focus groups (30 minutes each) with students of the Prague College of Psycho-Social Studies – *www.pvsps.cz* (total 24 bachelor level students of Social Work and 31 master level students of Social Services Management – total of 55 students); as a control sample we conducted 10 semi-structured interviews (40 minutes) with existing donors of one of the Czech Charities (People in Need – 6, Charita – 3, Adra – 1) randomly selected based on recommendation made through the Club of Professional Fundraisers and friends. To note, this sample is too small to draw conclusions from, nonetheless, we find that the conducted interviews reinforce the focus group findings.

During the focus group discussions students were presented with direct mailing packages from the four low-transparency organisations examined above. The outcome from the focus groups shows that not a single student recognised them as suspicious. Nonetheless, they claimed that they would not respond to such an ask. They mostly commented that they were turned off by feeling pressured, emotionally black-mailed, or of the message being unclear and exceedingly religious in nature.

Following this, we disclosed to students that these mailing packages might be fraudulent and we asked them to think of what they have seen recently that convinced them that an organisation is fair, that it does good work and that it deserves their trust. There were but three spontaneous answers: advertisement on TV; someone speaking about their work on the radio/TV; a documentary about their work.

Following that, students were invited to consider what an NGDO could do to convince them that it is fair, that it does good work and that it deserves their

trust. In addition to very general suggestions, such as "by their transparency...", "if they do effective work..." etc., students most often mentioned that they would be convinced by a recommendation from a friend, by some celebrity or a famous person supporting the organisation/program, or by some personal experience with the given organisation (public event, telephone, face-to-face contact).

Next, the students were asked to consider what are all the things NGDO can do to convince them that it is fair, that it does good work, and that it deserves their trust. Slowly, students came up with some of the above mentioned tools for increasing transparency, though their suggestion were substantially less sophisticated than the tools described in the first section of this case study. A total of 21 students (more than 1/3) claimed to have seen a website of a Czech NGDO and 8 students (1/7) declared to have seen an annual report of an NGDO, though no one has read it in detail.

Conclusions

We can summarise that major Czech NGDOs apply almost all basic transparency tools used by much larger international NGDOs, though there are some areas where there is room for improvement, which perhaps could be inspired by the international practice. Nonetheless, it is surprising how well Czech NGDOs compare to their older and richer counterparts in the UK. What comes across very clearly is that they are still rather shy in their fundraising and they are not ready to make a substantial investment in it and/or to publicly speak of such investment.

At the same time, research findings suggest that there are organisations that use some of the donor communication tools for rather non-transparent and dubious practices. In the Czech environment it is not easily identifiable by most potential donors. It also seems that NGDOs are much more sophisticated when it comes to transparency because in the end it is NGDOs who need transparency, not the donors. NGDOs need to project their transparency and trustworthiness to support and to justify their fundraising and to be ready with convincing arguments if anything does not go according to plan. Donors generally trust publicity in traditional media (preferably TV and radio), advertisements, celebrities, friends' recommendations and personal experience. In such a situation, public trust tends to be a very fragile commodity and can be easily lost.

Feedback to Donors and How to Use it for Fundraising

Jiří Cveček

CASE STUDY

In 2010, People in Need received over € 1.5 million[1] from small donors in long-term collections. The money came from individuals who donated to the Club of Friends, contributed to the *Skutečná pomoc* campaign or bought a gift certificate at the Real Gift – *Skutečný d*árek, *www.skutecnydarek.cz*. Altogether, this means almost 30 000 small donors. For the majority we have a mail address and e-mail in our database.

With increasing donor numbers, the methods of informing donors of the organisation's activities and results must be extended and new ones searched for so that the organisation's credibility improves. The main purpose is to avoid losing donors the acquisition of whom has required considerable effort. Contrastingly, we have to utilise their goodwill and encourage them to tell their friends of their support and spread the organisation's good reputation in this way.

Donors give their money to the organisation and the organisation must give the donors a feeling and awareness of doing a good thing and provide feedback in return.

Methods of Communication with Donors

In communication with individual donors who regularly contribute up to € 40 a month (this is the vast majority of donors), People in Need emphasises

1 Exchange rate CZK to € (15 April 2011) CZK 24.2 = € 1

primarily communication by e-mail. We only mail the gift confirmation[2], which donors have to submit to the Tax Office in its printed form, to their mailboxes. However, since we must mail this document, there is an opportunity to send something else to the donors, too. Particularly if we send the gift confirmation at the beginning of the calendar year, it is obvious we can attach a thank-you and a summary of the aid provided in the preceding year. Telephone contact with donors is basically only used if there has been a problem; typically when e-mail messages come back as undeliverable mail.

Club of Friends of People in Need

The Club of Friends has existed since 2003; it is the oldest project focusing on acquisition of regular long-term donors. The Club's main purpose is generating funds for any future disasters. Fifty per cent of the donations represent funds collected to an account which enables us to respond immediately to big disasters and send first aid within hours of a disaster. Twenty-five per cent of the donations is used to support the fight for human rights and the rest (25 %) is used to fund the organisation's operation (for more information see a case study The People in Need Club of Friends by Kateřina Rybová and Tomáš Vyhnálek on p. 81).

Up until 2007, the Club of Friends acquired donors primarily amongst the part of the public which tended to be more exposed to and interested in such issues. Leaflets with application for the Club were available at cafés and libraries. Some donors were found amongst the visitors of the One World film festival focusing on human rights. All of these donors applied for membership in the Club of their own accord.

From 2007, we started a massive acquisition campaign through direct contact with people in the street. The method resulted in a fast increase in new donors; this time, the donors came from a wider social range. As a new thing, we started communicating with a group of people whose motive to donate was not so strong; we had to persuade them that they were doing the right thing all the more.

2 Czech tax legislation allows private entities to apply tax deductions if the value of the donation exceeds CZK 1 000 (€ 40). With legal entities, the bottom limit is CZK 2 000 (€ 80).

The visual aspect of the information sent to the donors underwent considerable changes between 2003 and 2010. From a text-only, A-4 sized PDF files sent as e-mail attachments we have gradually converted to materials optimised for reading on the screen, with a large proportion of images; the e-mail only carries a link and the donors download the files from the server.

It is only natural that pictures are included; people want to know where their money is helping. However, photographs of sufficient quality and of story-telling nature pose a problem. Placing the feedback on the server was supported by two reasons. Firstly, there is increasing distrust of e-mail attachments and a number of people avoid such files. Secondly, we can monitor the number of visits to our server and evaluate the interest shown in our feedback.

The frequency of feedback for the Club of Friends depends on the number of disasters during the year and on where the donations are used. After each such disaster, donors receive an information e-mail about the aid provided. However, even if no such disaster occurs they receive a summary of our activities for the year and our activities in the field of human rights once a year.

Figure 13 ***A sample of a PDF sent to our regular donors in the Club of Friends.*** The format is optimised for computer screen.

Poděkování za podporu v roce 2010

Klub přátel Člověka v tísni

Vážení přátelé,

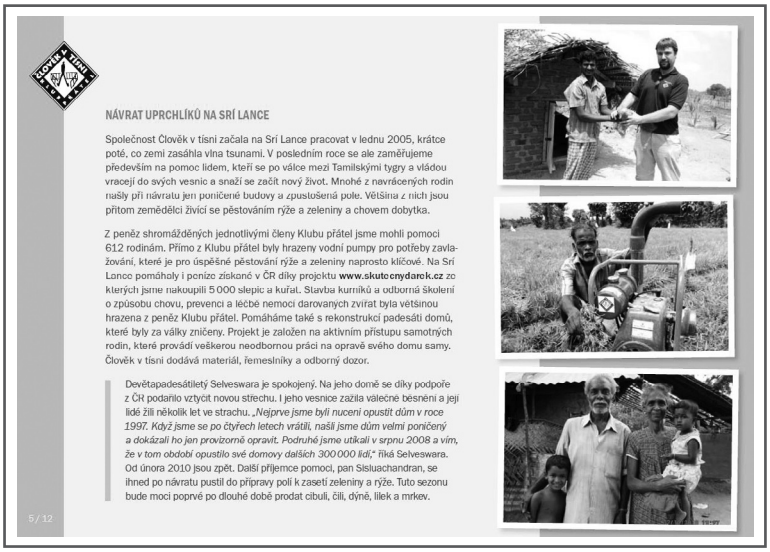
rádi bychom Vám přiblížili, jak jsme v roce 2010 využili příspěvky jednotlivých členů Klubu přátel Člověka v tísni a poděkovali za vaši trvalou podporu. V roce 2010 přesáhl počet členů a členek Klubu přátel šest a půl tisíce, což nám umožnilo pomáhat lidem na Haiti, v Kongu, Etiopii, v Barmě a na Sri Lance a v několika dalších zemích světa.

Díky Vašim pravidelným příspěvkům získali pomoc lidé v nejtěžších životních situacích. Na následujících stránkách se dočtete příběhy některých z nich a popis toho, jak jsme díky podpoře dárců z Čech a Moravy byli schopni pomáhat. Děkujeme Vám jménem všech, kterým jsme mohli pomoci. Bez Vaší podpory by naše práce často nebyla možná.

PITNÁ VODA, STANY A JÍDLO PRO HAITI

Ihned po zemětřesení na Haiti vyhlásil Člověk v tísni veřejnou sbírku na pomoc obětem. Díky pravidelným příspěvkům členů Klubu přátel jsme mohli reagovat okamžitě a nečekat až se na sbírkovém účtu shromáždí první dary. V počátku zajišťovali distribuci pomoci naši partneři na místě, později dorazili i pracovníci z ČR. V prvních týdnech jsme se soustředili na přístup k pitné vodě pro jedenáct tisíc lidí v provizorních táborech. Více než tisíc lidí bez přístřeší dostalo rodinné stany a distribuce byla doplněna i o potraviny

1/12



NÁVRAT UPRCHLÍKŮ NA SRÍ LANCE

Společnost Člověk v tísni začala na Srí Lance pracovat v lednu 2005, krátce poté, co zemi zasáhla vlna tsunami. V posledním roce se ale zaměřujeme především na pomoc lidem, kteří se po válce mezi Tamilskými tygry a vládou vracejí do svých vesnic a snaží se začít nový život. Mnohé z navrácených rodin našly při návratu jen poničené budovy a zpustošená pole. Většina z nich jsou přitom zemědělci živící se pěstováním rýže a zeleniny a chovem dobytka.

Z peněz shromážděných jednotlivými členy Klubu přátel jsme mohli pomoci 612 rodinám. Přímo z Klubu přátel byly hrazeny vodní pumpy pro potřeby zavlažování, které je pro úspěšné pěstování rýže a zeleniny naprosto klíčové. Na Srí Lance pomáhaly i peníze získané v ČR díky projektu **www.skutecnydarek.cz** ze kterých jsme nakoupili 5 000 slepic a kuřat. Stavba kurníků a odborná školení o způsobu chovu, prevenci a léčbě nemocí darovaných zvířat byla většinou hrazena z peněz Klubu přátel. Pomáháme také s rekonstrukcí padesáti domů, které byly za války zničeny. Projekt je založen na aktivním přístupu samotných rodin, které provádí veškerou neodbornou práci na opravě svého domu samy. Člověk v tísni dodává materiál, řemeslníky a odborný dozor.

Devětapadesátiletý Selveswara je spokojený. Na jeho domě se díky podpoře z ČR podařilo vztyčit novou střechu. I jeho vesnice zažila válečné běsnění a její lidé žili několik let ve strachu. *„Nejprve jsme byli nuceni opustit dům v roce 1997. Když jsme se po čtyřech letech vrátili, našli jsme dům velmi poničený a dokázali ho jen provizorně opravit. Podruhé jsme utíkali v srpnu 2008 a vím, že v tom období opustilo své domovy dalších 300 000 lidí,“* říká Selveswara. Od února 2010 jsou zpět. Další příjemce pomoci, pan Sisluachandran, se ihned po návratu pustil do přípravy polí k zasetí zeleniny a rýže. Tuto sezonu bude moci poprvé po dlouhé době prodat cibuli, čili, dýně, lilek a mrkev.

5 / 12

Skutečná pomoc (Real Aid)

Skutečná pomoc is a long-term collection which started in 2008. It focuses on development aid exclusively, particularly on projects associated with potable water, education, medical assistance and economic self-sufficiency. At the beginning, we enlisted an advertising agency which created an attractive visual material for the campaign and a website which included success stories of people who had received assistance from People in Need.

Therefore, the collection is more attractive to the general public than the Club of Friends. It focuses on problems people tend to associate with poor countries, and has an attractive design.

The feedback provided is visually identical to the Club of Friends; this means materials optimised for on-screen reading, downloadable from the server. However, the feedback distribution is more periodic and every six months takes the form of summarising the projects in progress.

Skutečný dárek (Real Gift)

Skutečný dárek is an electronic shop associated with development aid. The donors have an opportunity to buy gift certificates representing material goods, e.g. chickens, goats or water canisters which we subsequently purchase in the countries where the aid is distributed (for more information see a case study The Real Gift Project by Tomáš Vyhnálek on p. 193).

The *Skutečný dárek* donor group differs significantly from the donors involved in long-term collections. These tend to be one-off donors who just like the idea of giving something specific. Moreover, at the time of Christmas shopping, there is a strong media support for *Skutečný dárek*.[3]

Skutečný dárek provides feedback straight from the website where each visitor can read how his/her money is going to help. All gift certificates contain a sample story capturing the story of a family, school class, or poor farmer who received assistance through the Real Gift scheme. If possible, we try to present the stories in short videos. Moreover, the entire shop concept is accompanied by a structured summary of the aid provided where everyone can check the quantities of animals and wares purchased, and find out exactly how much material help each country received.

Direct communication with donors via e-mail only takes the form of calls for purchase with the start of each season.

People in Need Annual Report

The standard method of communication and feedback of People in Need includes annual reports which have been compiled since 1995. Since 1998, they have also included economic audits.

The graphic form of the annual reports has undergone no change since 2005. Each page of the annual report is dedicated to a specific country or project. Almost one half of the page is taken up by a photograph; the remaining space is dedicated to the text describing the project and a summary (table or graphic form). The last few pages contain a table summary of the organisation's budget and the Audit Report.

3 90 % of all gifts are purchased in December.

The 2009 Annual Report is available for download:

English version: *http://www.clovekvtisni.cz/download/pdf/265.pdf*
Czech version: *http://www.clovekvtisni.cz/download/pdf/264.pdf*

The Annual Report is designed to captivate the attention of as many potential readers as possible. Those who prefer images can find a sufficient number of good-quality photographs from our projects. Those readers who usually just page through such materials and tend to focus on charts and tables can get basic summary data. And those who have more time to read the entire material can find more detailed information about our work in our Annual Report.

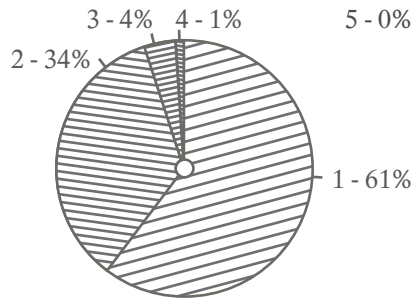
The Annual Report has a unified format for both the printed and the electronic version. However, the form is not very well suited to on-screen reading. Here is a sample of the title page, pages presenting our work in specific countries, and our financial results (see Figure 14).

Survey on the Annual Report

To learn about the quality of our Annual Report, in autumn 2010 we arranged a survey amongst our regular donors focusing on their impressions of the Report. We sent our Annual Report by e-mail to approx. 8 700 donors from the Club of Friends. The e-mail contained a link to the on-line questionnaire. Only 2 % of the people contacted responded to the survey. A few interesting results see in Figure 15, 16, and 17.

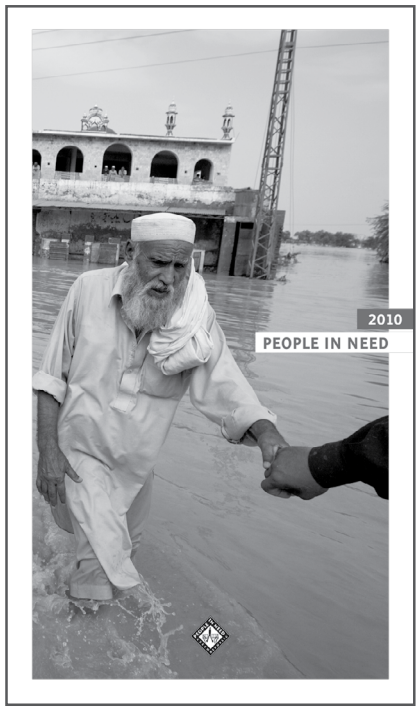
Figure 15 ***Answers to the question "Is the Annual Report comprehensible?"***

Score *	Responses	Responses (%)
1	99	61.9 %
2	54	33.8 %
3	6	3.8 %
4	1	0.6 %
5	0	0.0 %



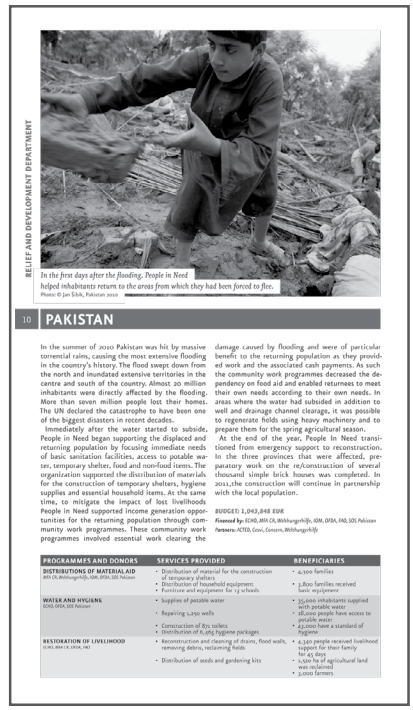
* 1 represents „yes, perfectly comprehensible"; 5 represents „non-comprehensible"

Figure 14 *Sample pages from the Annual Report 2010 of People in Need*



2010

PEOPLE IN NEED



RELIEF AND DEVELOPMENT DEPARTMENT

In the first days after the flooding, People in Need helped inhabitants return to the areas from which they had been forced to flee.
Photo: © Jan Šibík, Pakistan 2010

10 PAKISTAN

In the summer of 2010 Pakistan was hit by massive torrential rains, causing the most extensive flooding in the country's history. The flood swept down from the north and inundated extensive territories in the centre and south of the country. Almost 20 million inhabitants were directly affected by the flooding. More than seven million people lost their homes. The UN declared the catastrophe to have been one of the biggest disasters in recent decades.

Immediately after the water started to subside, People in Need began supporting the displaced and returning population by focusing immediate needs of basic sanitation facilities, access to potable water, temporary shelter, food and non-food items. The organization supported the distribution of materials for the construction of temporary shelters, hygiene supplies and essential household items. At the same time, to mitigate the impact of lost livelihoods People in Need supported income generation opportunities for the returning population through community work programmes. These community work programmes involved essential work clearing the damage caused by flooding and were of particular benefit to the returning population as they provided work and the associated cash payments. As such the community work programmes decreased the dependency on food aid and enabled returnees to meet their own needs according to their own needs. In areas where the water had subsided in addition to well and drainage channel clearage, it was possible to regenerate fields using heavy machinery and to prepare them for the spring agricultural season.

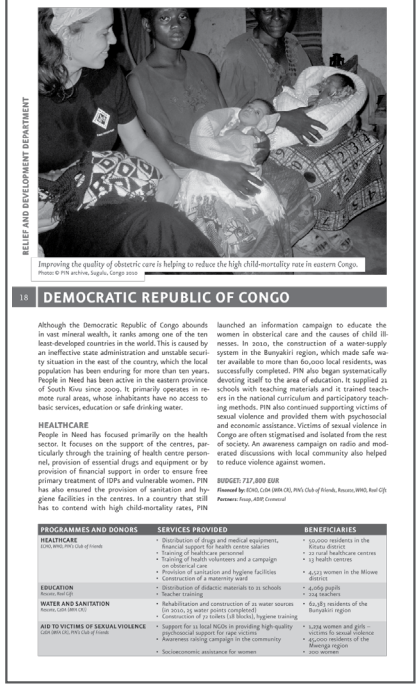
At the end of the year, People In Need transitioned from emergency support to reconstruction. In the three provinces that were affected, preparatory work on the re/construction of several thousand simple brick houses was completed. In 2011,the construction will continue in partnership with the local population.

BUDGET: 1,043,848 EUR

Financed by: *ECHO, MFA CR, Welthungerhilfe, IOM, OFDA, FAO, SOS Pakistan*

Partners: *ACTED, Cesvi, Concern, Welthungerhilfe*

PROGRAMMES AND DONORS	SERVICES PROVIDED	BENEFICIARIES
DISTRIBUTIONS OF MATERIAL AID *MFA CR, Welthungerhilfe, IOM, OFDA, SOS Pakistan*	• Distribution of material for the construction of temporary shelters • Distribution of household equipment • Furniture and equipment for 13 schools	• 4,300 families • 3,800 families received basic equipment
WATER AND HYGIENE *ECHO, OFDA, SOS Pakistan*	• Supplies of potable water • Repairing 1,250 wells • Construction of 871 toilets • Distribution of 6,465 hygiene packages	• 35,000 inhabitants supplied with potable water • 28,000 people have access to potable water • 43,000 have a standard of hygiene
RESTORATION OF LIVELIHOOD *ECHO, MFA CR, OFDA, FAO*	• Reconstruction and cleaning of drains, flood walls, removing debris, reclaiming fields • Distribution of seeds and gardening kits	• 4,340 people received livelihood support for their family for 45 days • 1,520 ha of agricultural land was reclaimed • 3,000 farmers



RELIEF AND DEVELOPMENT DEPARTMENT

Improving the quality of obstetric care is helping to reduce the high child-mortality rate in eastern Congo.
Photo: © PIN archive, Sugulu, Congo 2010

18 DEMOCRATIC REPUBLIC OF CONGO

Although the Democratic Republic of Congo abounds in vast mineral wealth, it ranks among one of the ten least-developed countries in the world. This is caused by an ineffective state administration and unstable security situation in the east of the country, which the local population has been enduring for more than ten years. People in Need has been active in the eastern province of South Kivu since 2009. It primarily operates in remote rural areas, whose inhabitants have no access to basic services, education or safe drinking water.

HEALTHCARE

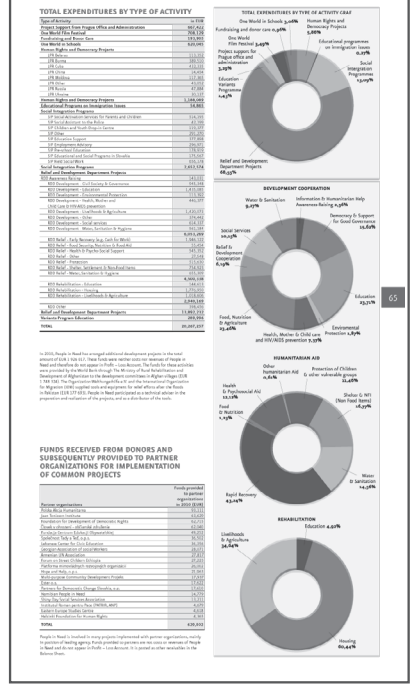
People in Need has focused primarily on the health sector. It focuses on the support of the centres, particularly through the training of health centre personnel, provision of essential drugs and equipment or by provision of financial support in order to ensure free primary treatment of IDPs and vulnerable women. PIN has also ensured the provision of sanitation and hygiene facilities in the centres. In a country that still has to contend with high child-mortality rates, PIN launched an information campaign to educate the women in obsterical care and the causes of child illnesses. In 2010, the construction of a water-supply system in the Bunyakiri region, which made safe water available to more than 60,000 local residents, was successfully completed. PIN also began systematically devoting itself to the area of education. It supplied 21 schools with teaching materials and it trained teachers in the national curriculum and participatory teaching methods. PIN also continued supporting victims of sexual violence and provided them with psychosocial and economic assistance. Victims of sexual violence in Congo are often stigmatised and isolated from the rest of society. An awareness campaign on radio and moderated discussions with local community also helped to reduce violence against women.

BUDGET: 717,800 EUR

Financed by: *ECHO, CzDA (MFA CR), PIN's Club of Friends, Rescate, WHO, Real Gift*

Partners: *Fesop, ADIP, Cremetral*

PROGRAMMES AND DONORS	SERVICES PROVIDED	BENEFICIARIES
HEALTHCARE *ECHO, WHO, PIN's Club of Friends*	• Distribution of drugs and medical equipment, financial support for health centre salaries • Training of healthcare personnel • Training of health volunteers and a campaign on obsterical care • Provision of sanitation and hygiene facilities • Construction of a maternity ward	• 50,000 residents in the Kitutu district • 22 rural healthcare centres • 13 health centres • 4,523 women in the Miowe district
EDUCATION *Rescate, Real Gift*	• Distribution of didactic materials to 21 schools • Teacher training	• 4,069 pupils • 224 teachers
WATER AND SANITATION *Rescate, CzDA (MFA CR))*	• Rehabilitation and construction of 21 water sources (in 2010, 25 water points completed) • Construction of 72 toilets (18 blocks), hygiene training	• 62,383 residents of the Bunyakiri region
AID TO VICTIMS OF SEXUAL VIOLENCE *CzDA (MFA CR), PIN's Club of Friends*	• Support for 11 local NGOs in providing high-quality psychosocial support for rape victims • Awareness raising campaign in the community • Socioeconomic assistance for women	• 1,274 women and girls – victims fo sexual violence • 45,000 residents of the Mwenga region • 200 women



TOTAL EXPENDITURES BY TYPE OF ACTIVITY

FUNDS RECEIVED FROM DONORS AND SUBSEQUENTLY PROVIDED TO PARTNER ORGANIZATIONS FOR IMPLEMENTATION OF COMMON PROJECTS

65

Figure 16 ***What readers focus on in the Annual Report***
(multiple items could be ticked)

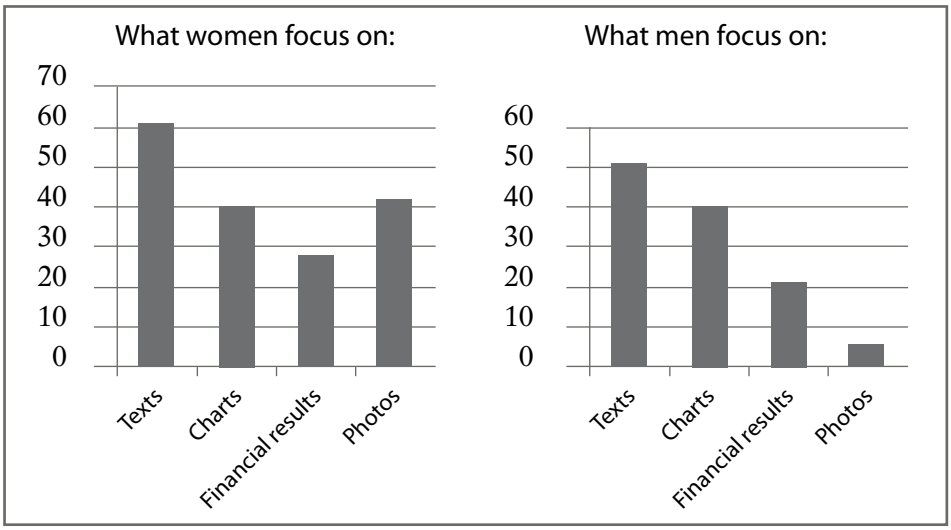
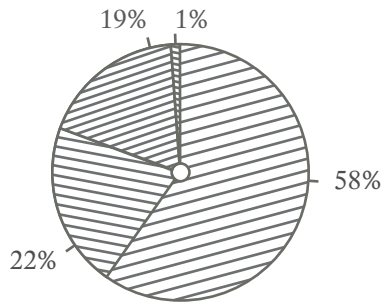


Figure 17 ***How much time readers spend reading the Annual Report***

Option	Responses	Responses (%)
Less than 10 minutes	36	22.5 %
10-30 minutes	93	58.1 %
Over 30 minutes	30	18.8 %
No answer	1	0.6 %



The survey led to several conclusions. On one hand, the low quantity of responses, the aforementioned 2 %, suggests that we should consider whether this type of communication with donors is appropriate and whether our donors are actually interested in our Annual Report. The result of the survey as such demonstrates that the Annual Report is clear enough for the readers; they can find the information easily while still spending a maximum of 30 minutes reading it. Both men and women pay approximately identical level of attention to the text, charts and financial results. However, women tend to appreciate pictures much more.

Annual Report Comparison

We also wanted to compare our Annual Report to the annual reports of big, worldwide NGOs. A table comparison find in Table 8.

Table 8 *Comparison of the Annual Reports*

	Number of pages	Photographs	Nature of photographs	Financial Results	Audit	Format	Clicks through to Annual Report
People in Need	66	43	Half-page field photographs	12 pages – tables, texts, charts	yes	pdf	2
Concern	128	20	Large, full-page photographs of individuals adjusted by a graphic program	43 pages – primarily tables accompanied with text	no	pdf	2
Oxfam	22	27	A child is pictured in most photographs	no	no	pdf	2
Acted	160	115	Field photographs, maps of areas	6 pages – charts only	no	pdf	2
Cesvi	43	16	Photographs of the organisation's staff, field photographs, mostly small-format photos	8 pages – tables, texts	yes	pdf	2
Hivos	76	8	Full-page photographs, often details of smiling faces	9 pages – tables, texts	yes	pdf	2
Welt Hunger Hilfe	37	17	Smaller-format photographs of individual people's faces	12 pages – tables, texts, charts	yes	pdf	1
Adra	48	20	Photographs and stories of individual people	6 pages – primarily tables	yes	pdf	2
Caritas	36	47	Photographs of individuals	1 page – a brief summary of costs and income in the last 3 years	no	pdf	3

Oxfam stands out amongst the organisations compared because it is the only one not to disclose any financial results in its Annual Report. Its Report is the shortest while it has the most photographs per page out of all of them. Also Concern and Acted stand out: these two organisations have extensive Annual Reports when compared to other listed organisations. Moreover, Concern dedicates an entire one-third of the report to the financial results.

The Annual Reports are to a large extent the same when it comes to the use of photographs; the majority portray happy faces of aid recipients. Some organisations also present their staff in the photographs.

Also the basic rules for copy texts are identical with the focus on making it as much interesting for the readers as possible. Paragraphs should be clearly arranged and structured. Short slogans standing out from the main text can serve to catch the attention. Texts which are too long might be tiresome and exhaust the readers' attention. The colour scheme and fonts used play an important role, too.

The disclosure of financial results emphasises that the organisation is transparent. A number of readers appreciate that the organisation is not hiding its economic results while not going into exhaustive details in the financial tables and charts. A smaller group is likely to review the financial report in depth; such people should conclude that the results make sense and are transparent enough.

Photographs suitable for feedback

Photographs are a strong accessory to the feedback, while for some they might work as the principal content. The photographs should portray smiling people who had been helped by the donations. They should not be showing the recipients as victims as we do not want our photographs to make our donors feel guilty. The majority of organisations use photographs capturing people in the middle of everyday activities linked to the contribution, such as getting clear water, working in the field, building a school or learning therein. Sometimes the photos portray a group of people and at times individuals; there are often showing children as they epitomise hopes for a better future.

When selecting photographs, People in Need is governed by the CONCORD Code of Conduct.[4] Another good example of Code of Conduct has been put together by DEEEP (The Developing Europeans' Engagement for the Eradication of Global Poverty Program).[5]

The Kind of Feedback Donors Want

Our experience shows that a great proportion of donors want to know the stories of specific people they have helped; they want to see them in photographs or videos. For instance in the case of the Real Gift the ideal feedback should map the use of a specific gift by a specific donor exactly; it should provide information on how the family is doing or how the donated animal is doing, etc. However, we are currently unable to achieve this ideal state in reality.

Sometimes we encounter donors who are not satisfied with one story only; these donors are asking for total figures of the donation. Therefore, we compile our feedback by selecting "typical" stories, e.g. if a hundred farmers receive goats for their livelihood one farmer's story is chosen to represent this group; the overall statistics and numbers of goats distributed are added up.

New Trends

The latest trends in communication include Facebook, YouTube and other similar media. Facebook allows informing your friends and fans on any news in the organisation, and attracts new fans through the existing ones. YouTube videos tend to be more interesting than still photographs. Both mediums also have a number of additional services which allow one to link with websites and make a more complex use of content thereof.

4 Available at http://www.trialog.or.at/images/doku/code-of-conduct-on-images-messages.pdf, accessed on 30 November 2011

5 http://www.deeep.org/images/stories/DARE/CodeofConduct/guide%20to%20the%20code%20of%20conduct.pdf, accessed on 30 November 2011

The above channels are used primarily to inform people about the organisation's activities. We have not been able to use them as fundraising tools. However, we never stop looking for ways to do just that, e.g. by developing our own fundraising applications.

Donors' Response to Feedback

Our experience suggests that the response to the feedback we request is minimal. The majority of individuals thank us for the information provided, with only a small number of donors asking for additional information. Minimal numbers of people contact us with any criticism or comments.

However, the problem is that we cannot objectively determine the percentage of our donors who actually read the feedback, how many just appreciate the fact that we inform them at all, and those who do not even notice we have sent them anything at all. We are currently searching for ways to better assess of our donors' interest in feedback. Among other things, we are looking for an agency to help us create modern and attractive e-mails allowing us to monitor the statistics of readership, clicks etc.

Conclusion

Getting quality feedback from the donors is rather demanding and requires good photographs, interesting and specific stories and, most of all, time and effort of the person behind the feedback. The way the story is communicated is of fundamental importance, too.

As has been mentioned above, People in Need communicates with small donors primarily by e-mail. This is a quick, economical and ecological communication method. The disadvantage is the potential of the form is that it might get lost in spam. We can easily assess the number of people who click on the link attached in the e-mail and download the feedback in PDF format from the server. However, we have no real way of telling what percentage of our donors appreciates this form of communication, without feeling a need to download the feedback.

We make it a point not to use telephone or conventional mail to communicate with our donors primarily due to the high costs thereof. However, such methods should never be underestimated. A personal thank-you by telephone creates an impression completely different from that of an anonymous e-mail message. Additionally printed presentations of campaign/donation results might be more appropriate for donors who do not work with computers as much.

In any case, feedback constitutes one of the priorities for an NGDO's healthy operation.

Crisis Communication: When Our African Partner Failed

Allan Bussard, Beata Dobová

CASE STUDY

Integra began a child sponsorship program in 2005, in a partnership with a children's home in the Kawangware slum of Nairobi. After a few years of good cooperation, it began to become evident that there was an increasing degree of financial mismanagement in the running of the home. Despite numerous attempts to correct the situation, in the end it became clear that we could no longer guarantee to the donors that their money was being used correctly. Reluctantly, we had to quit our cooperation with the African partner and inform our donors about our decision. What followed was a communication process with the donors that resulted in a range of outcomes, some positive and some not.

First signs

Integra began a child sponsorship program with a children's home in a Nairobi slum in 2005. At its peak, about 150 children were sponsored by Slovak families (half of the entire number of children in the home). Integra staff spent many weeks living in the home, working on a range of capacity building measures. In total, more than 30 monitoring visits were made by Integra staff and volunteers with this project.

From the beginning, it was evident that the management of the home was challenged in their accounting. Financial reports would come in a chaotic manner, often with the sums not even adding up correctly. Integra on 2 occasions sent specialist staff to help them set up accounting systems, working with the appointed bookkeepers. Things did not improve significantly and as a capacity

building measure in mid-2009 Integra hired a full-time professional accountant to manage the accounts and provide monthly reports. This person was Kenyan, but reported directly to Integra. Each month the accountant sent a financial report which was reviewed in detail by Integra accounting and project management staff. Further funds were sent only upon approval of the financial report.

Integra was the major donor to this project, but worked in close cooperation with Swiss and Swedish agencies that also supported the project. In November 2009 we began to uncover evidence of recent financial misappropriation. The nature of this misappropriation typically took the form of falsified receipts from purchases in the market. For example, a receipt for 5 kg of maize flour was provided, but only 4.5 kg was actually purchased, with the management keeping the difference. Another problem was that food and clothing donated to the project was being removed and sold. Those involved in this scheme were the manager, assistant manager, stores manager and the wife of the manager.

Other examples were direct falsification of the reporting. For example, a donor provided funds to purchase a goat for a special Easter meal for the children. A receipt for the purchase of the goat was provided, together with a picture of children standing next to a slaughtered goat, as well as pictures of the children enjoying the special meal. However, a false receipt was provided by a meat vendor who was in collaboration with the manager, and the children were taken to another slaughterhouse to have their picture taken. There was no special meal provided. When donors asked about the goat meal at Easter, the children all told how wonderful it was. In reality, they were threatened with beating if they revealed that no goat had been purchased. The misuse was incremental and subtle, but over time amounted to significant amounts of money.

Staff and children were threatened not to reveal what was going on, but some who left the project began to talk and give evidence. Some older children who did reveal problems were beaten by the project manager and his key staff. It also turned out that the accountant reports were subject to revision by the management before being sent to Integra. She was threatened with physical harm if she revealed this fact. All of the threats amounted to a conspiracy of silence to cover the misuse.

Confrontation

About one month after first finding the evidence of misuse of donated funds, we made a special trip to confront the Kenyan management. They accepted that some funds had been misused, but claimed that it was due to lack of a well-organised accounts department.

Also, the Kenyan management stated that the African way was for the "father to care for his children" and that it was "normal for the father to eat from the same bowl as his family." The Kenyan manager also complained that "Your Europeans are just interested in numbers on paper. We Kenyans are more interested in the children." We informed the management that since he was happy to take European money, then the numbers on paper also needed to be accurate.

Other Kenyans told us that "if they are only taking 20 %, you should be happy, normally it is much more." However, when the stealing was accompanied by threats of physical abuse we realised that it was more than a difference of cultural norms and something we simply could not tolerate.

We gave the Kenyan management 3 months to demonstrate that all stealing and threats had stopped. We also informed the Kenyan management that unless a proper local board of directors was instituted that we could no longer support the project. Up until this time, the board was made of friends and family of the director. A new independent board was appointed in March 2010, and a renewed Memorandum of Understanding was signed with the management and board. The director admitted to the new board that he had been wrong, and promised to make a radical break with past behaviour. He claimed that he was kept ignorant by one of his key staff, whom he fired.

During the period January to June 2010 there were monthly visits to the project with a hope to improve things. However, within two months (May 2010) both the accountant and the board had resigned, claiming non-cooperation, manipulation and even threats of violence by the project management. The chairman of the local board advised us that she could no longer recommend that Integra continue its support for the project. We concluded that with the Kenyans advising us to stop our support there was no longer anything we could do to remedy the situation.

After further communication with the project manager, we concluded in June 2010 that we could no longer guarantee to our donors that all funds were being used for the benefit of the children. We announced this to the donors, and promised to keep them informed as to the outcome of the investigations.

We engaged a local Kenyan NGO (lawyers focused on children's rights) to investigate further. What this investigation revealed was that the extent of financial abuse as well as abuse of children and staff was far greater than we first believed.

At the time, we offered the donors three options for their giving: switch to another child in another project, temporarily channel their donations to another project pending the outcome of the investigation (purchase of a school bus for another school we are supporting), or of course, cancel their support.

Consequences

The problems were reported to the local Children's Office, the police, the District Children's Office and the Ministry of Social Affairs. Each promised to investigate, but we realised that the project manager had bribed officials at each level to avoid proper action. No action was ever taken by these bodies.

The Kenyan legal aid NGO organised an "Area Advisory Committee" which is a group of community stakeholders (government, police, children's office) to investigate the abuses. This group did not enter the children's home, and interviewed only one child who was a relative of the director. This child confirmed that all was fine in the home. The Committee filed a report stating that they had no reason to continue investigations. The legal aid NGO told us later that this was normal, and that the director had clearly bribed the members to obtain this result.

We also were involved in coordinating our response with the other donors. After stopping our support, several visits by both Integra and the other donor agencies to Kenya were made to meet with the former board of directors, as well as a range of officials who requested more details on our experience. However, nothing came of this. It was also apparent that tribal considerations played a role, as the head of the children's office and all investigators were from the same tribe as the director of the children's home. It later emerged that the head of children's services for the area was a relative of the director.

Of course we were faced with the issue of how to inform the donors. We took advice from international partners who had experienced a similar situation. They were unanimous in advising us that maximum transparency was the only way forward.

We decided to be totally transparent with our Slovak donors about the problems. When the first sign of problems emerged, we sent a letter to all donors informing them that we had started an investigation and had entered a three month trial period and would keep them informed. After three months, when we decided to quit support of the project we informed the donors, as well as the media, about the reasons for why we stopped the project.

We did this through a direct letter to all sponsors, by holding a public meeting, by placing a notice on our Web site and by press releases and interviews to journalists. We also invited donors to email or telephone with any complaints, concerns or questions. We trained our staff with a range of answers and information to be able to respond to the donor questions.

The reaction from donors ranged from cynical "Africa is a black hole", "You abused our trust and lied to us" to thankful ones, "You exposed abuse and acted on it". Many Slovak donors expected us to inform the Kenyan authorities, with the assumption that they would act to remove the director of the project and appoint a new one. Of course, we had done this with no result.

The Slovak media picked up on the story, with several printed and Internet press articles. There was even a feature on the main evening news that was broadcast nationally.

Many sponsors were reluctant to quit their support, as they had developed a strong bond with the sponsored child. For these, we gave the option for their funds to be diverted to another project for a short period while the investigations into the project were carried out.

Most donors quit supporting the project. Some let us know, and others just withdrew their support. In total, of the 150 donors who were sponsoring this project, about 35 have continued supporting other projects.

Besides our organisation other donors quit supporting the project as well, thus many children left the program. An alternative project was set up and now provides school and housing for about 60 of the children in the previous project. Some of the Slovak donors were able to continue to support their children who ended up in the alternative program.

Since that time, the management of the project has bribed the police in an aborted attempt to arrest one of the European donors on a visit to Kenya in trumped up charges of child trafficking. However, one of our Kenyan volunteers was arrested and jailed on falsified charges of child trafficking. The donors needed to hire a lawyer to get her released. Also, we (Integra) are informed that a lawsuit will be brought against us in Kenya by the management of the children's project for our decision to quit supporting, thus "abandoning the children."

Lessons learned

Key lessons learned from this experience are as follows:

- Every international organisation we have consulted with who has a history of supporting such projects has had at least one similar experience. Such things are not uncommon and we expect that many such projects that do not employ close monitoring have similar but undetected abuses going on.

- Normal bookkeeping practice can easily conceal financial abuse without a trusted person on the ground who has the skills and access to monitor the accounts.

- Abuse can be concealed for a long time through a combination of threats and bribes to those in a position to reveal it.

- Projects without an independent local board are very vulnerable.

- Financial audits of local partners are important, though the auditor's credentials need to be closely checked.

- Transparency with donors is the best policy, though negative reactions need to be expected. In particular, you cannot control what the media will report.

- Cooperation with other project donors is very important to cross-check information.

- Even the informants against the problems can have their own agenda and cannot be trusted without verification.

- It is common for the poor in Africa to feel justified in "eating" from a project supported by foreign organisations.

- Neither blind trust nor cynicism is appropriate. Realism about the challenges of working with the African poor is to be maintained.

- In Kenya at least, we no longer expect government authorities to take action against reported abuse.

- Local partners can use a form of blackmail to conceal bad practice. "If you quit funding us, the children will end up on the street."

- We realised with hindsight that we saw things that should have aroused our suspicions earlier. The measures we have taken in other partner projects to avoid a repeat of this problem are as follows:

  - We only support projects that have a local, functional, competent and independent board of directors. We meet with this local board at least twice per year.

  - We require an independent accountant which has direct communication access to donors.

  - The projects must have an annual financial audit, with auditors approved by Integra.

Conclusion

We feel that this experience has been valuable and has made Integra stronger as an organisation. We are much better equipped to work with similar projects in Africa, and the other three projects that continue to use a child sponsorship model are functioning well. We have also lost a degree of our earlier "naïveté" which made us hesitant to challenge practices that we were unsure about or questioned.

We remain committed to the child sponsorship model and to maintaining a high level of accountability with both our partners and our donors. We believe that western donor agencies that do not hold the fund recipients to high standards of reporting and accountability are doing the poor in Africa a disservice, as well as those agencies that are operating to higher standards. And in the long run, as always, corruption hurts the most vulnerable.

Developing and Implementing a Toolkit to Improve Accountability and Transparency in the NGO Sector

Péter Pálvölgyi

CASE STUDY

This case study looks at DemNet's adaptation of an existing diagnostic toolkit to improve accountability and transparency of NGOs. NGOs largely fail in demonstrating how they work and what impact they make. The lack of accountability and transparency prevents NGOs from increasing their constituency base and from generating more funds from individuals for their activities.

Background of the ImpACT project

In recent years NGDOs have encountered a hostile response from the public regarding face-to-face fundraising methods, also referred to as direct dialogue. The hostility is largely accounted for by a failure to communicate the following messages:

1. A small percentage of income must be spent on overheads
2. NGDOs are professional organisations
3. All fundraising costs money
4. Fundraising techniques are effective
5. NGDOs are effective in their activities

The response has been particularly acute in the United Kingdom, where just under € 12 billion is raised in voluntary income each year. To address the lack of accountability and transparency the ImpACT Coalition (Improving Accountability, Clarity and Transparency – *www.acevo.org.uk/impact*) was established.

The primary method used by the ImpACT Coalition to help NGDOs improve accountability and transparency is the ImpACT Toolkit, a diagnostic assessment tool. It was originally developed in consultation with a group of leading UK NGDOs, including Christian Aid and Oxfam. The idea behind the toolkit is to make a seemingly abstract issue more tangible by producing a set of measures. The aim is to increase understanding and subsequently spur NGDOs into action.

How does the toolkit work?

The toolkit assesses an organisation based on its operational practice and policies. Each organisation is assessed by an external assessor, who scores performance according to a set of pre-defined indicators. The table below provides an example of the assessor's scoring system.

Each thematic section contains five statements, which are scored according to four-point criteria by the assessor. An organisation can comply with each statement fully (3 points), partially (2 points), barely (1 point), and not at all (0 points) – see example in Figure 18.

Figure 18 ***Example of the assessor's scoring system***

Question	Guidance	Score
'We provide a clear description of how our activities have created the desired impact'	**Not at all** Makes no connection between activities and impact. No information about impact provided.	0
	Barely Makes little connection between activities and impact. Descriptions are poor, lacking meaningful content and are difficult to understand.	1
	Partially Makes some connection between activities carried out and impact achieved. Descriptions are generally to a good standard, but lack clarity and are difficult to understand at times.	2
	Fully Makes explicit connections between the activities carried out and the impact achieved. Descriptions are comprehensive, clear, and easy-to-understand.	3

The assessment covers nine themes:

1. Demonstrating impact
2. Approach to accountability and transparency
3. Availability of information
4. Beneficiaries, members, staff, and volunteers
5. Reporting
6. Governance
7. Suggestions and complaints procedures
8. Care for donors and funders
9. Communications

At the end of an assessment an organisation receives a 'dashboard' of the results along with suggestions of how improvements can be made in areas where it received a low score. The Figure 19 is for illustrative purposes only. It shows the scores in percentages contrasted with the averages for the sector. Scores can also be adjusted to take into account questions that are deemed not applicable.

Figure 19 ***Illustrative dashboard of the assessment results***

Generic NGDO	Total Possible	Score	Score %	Country Average %
Demonstrating impact	9	9	100.00%	58.45 %
Approach to accountability and transparency	9	6	66.67 %	58.06 %
Availability of information	19	9	69.23 %	68.74 %
Beneficiaries, members, staff, and volunteers	15	8	57.14 %	66.48 %
Reporting	8	3	37.50 %	70.59 %
Governance	13	5	71.43 %	75.24 %
Suggestions and complaints procedures	6	1	16.67 %	68.33 %
Care for donors and funders	10	10	100.00 %	93.34 %
Communications	10	8	80.00 %	76.32 %
Total	**99**	**59**	**68.60 %**	**71.25 %**

Trial and development

In 2010 DemNet initiated a project to implement the ImpACT project in Hungary based on the UK model. There were three phases to the project. We opted for the three phase approach described below in an effort to produce a toolkit that was reliable, accurate and which would be viewed by NGDOs as a legitimate way to measure accountability and transparency.

During the initial phase, which took place in November 2010, we translated the UK version of the toolkit into Hungarian and then trailed it with eight organisations. We were assisted in this phase by Liam Cranley, Head of the ImpACT Coalition in the UK.

The second phase took place from January to April 2011. During this phase we assessed twenty five organisations. This stage was designed to gather further information and understanding of the strengths and weaknesses of the toolkit to help us refine it further.

The third and final stage, in April 2011, was to make further revisions according to the information gathered in phase two in order to produce a final version of the toolkit. All assessed organisations were beneficiaries of the EEA/Norway NGO Fund, while DemNet was an Operator of the Fund.

Implementation: Practical challenges of adaptation

We encountered a number of practical challenges when adapting the toolkit for a Hungarian audience. However, we anticipated these challenges and were able to take measures to resolve them. While other countries will have specific issues relating to adaptation, there are general themes that apply to all.

Language

Some of the language commonly used by UK version of the ImpACT Toolkit proved problematic, specifically the terms 'stakeholders', and 'transparency'. The term 'stakeholders' translates into Hungarian, but assessors found that it was interpreted more narrowly than intended. A similar issue arose with the term 'transparency', with organisations associating it primarily with financial activities.

Relevance

Some questions included in the UK version of the toolkit do not apply to the Hungarian NGO sector, for example, statutory reporting requirements in Hungary differ to UK reporting requirements. After the initial trial phase of the toolkit with eight organisations we were able to identify which questions to retain and which to remove.

Subjectivity

The original toolkit is based on a self-assessment model; however we found an unsatisfactory element of subjectivity with the self-assessment approach. It allowed organisations to rate their activities and policies at a higher standard than what they actually practiced, thus producing high scores and undermining the integrity of the assessment data. We aim to utilise the toolkit to generate average scores for Hungarian NGOs, so we want our data to be robust and stand up to scrutiny. We will use the data to argue for increased accountability and transparency.

We found a similar level of subjectivity when assessors compared their experiences. Where one assessor might score two points, partial compliance, another assessor might score three points, full compliance. To remedy this situation we established a table of sample answers weighted to each score. The process of harmonising the scoring system made the degree of subjectivity negligible.

Lessons learned and recommendations

We learned some extremely valuable lessons from the project that can be applicable to NGOs in other countries of the region as well. Below is a summary of the lessons and suggestions of how they might be addressed.

Organisations still need convincing of the benefits

We discovered that some of the statements included in the toolkit needed to be contextualised. Many of the assessed organisations failed to understand the relevance of the activity contained in the statement, yet when the assessor described the benefits of the activity, the majority of organisations agreed that it was a positive course of action.

To address this issue we produced a document outlining the arguments for and benefits of greater accountability and transparency. This document will be used to raise awareness among NGDOs and generate interest in the toolkit.

Distant relationship with donors and funders

Part of improving accountability and transparency is building stronger and more open relationships with stakeholders. Hungarian organisations tend to have both figuratively and geographically (e.g. EU funding) distant relationships with their funders, making relationship building difficult.

A possible solution to this is to promote best practice examples and highlight the benefits of closer and more open relationships with funders. We intend to use a recent example from the EEA/Norway NGO Fund that addresses this issue, where Fund Operators developed a close and mutually trustful relationship with beneficiaries. However, this will entail an awareness raising process on two fronts, both to grant recipients and to funders.

Short-term projects make it difficult to demonstrate impact

Organisations struggled to answer questions about the impact their projects make. This was largely because organisations were funded to deliver projects on three, six, or twelve-month timescales, sometimes not completely in line with their main strategic approaches. It became apparent that many organisations struggle to understand the concept of impact and associate chiefly with projects rather than long-term change.

A solution to this conceptual misunderstanding is to talk about long-term objectives in a more descriptive manner. For example, asking organisations to articulate their theory of change, rather than impact. Developing and understanding a theory of change has the same effect as understanding impact, it focuses the organisation's thinking on how to realise long term aims and objectives.[1]

1 Theory of change resource: http://www.theoryofchange.org/index.html

We need a better understanding of how to motivate behaviour change

The success of improving accountability and transparency partly relies on the dedication and conviction of staff members, particularly senior management teams. The assessment showed that organisations affected by, or working on issues of accountability and transparency apply the same principles to their own operations. For example, the Hungarian Civil Liberties Union received high scores for its approach to accountability and transparency because it lobbies for greater transparency on human rights issues. Put another way, it has first-hand experience with the benefits of accountability and transparency and therefore is compelled to measure its own organisation by the same standards.

There are two approaches to motivating organisations: a soft approach that uses encouragement, and a hard approach that penalises organisations for failure to comply. In relation to accountability and transparency, the first approach would be to simply emphasise the benefits, such as improving the quality of services, increasing trust and confidence (and therefore the likelihood of winning funding), developing legitimacy, and strengthening relationships. Alternatively you might incentivise organisations with, for example, recognition for improvements in the form of an award, official status, or publicity. The second approach might include developing conditions and clauses aimed at improving accountability and transparency, with failure to comply resulting in the discontinuation of funding. However, this would have to be overseen by a regulatory body. Likewise, a statutory obligation to meet minimum accountability and transparency requirements would also motivate behaviour change.

Lack of capacity to implement improvements

A lack of time, resources and expertise featured heavily as a barrier to making improvements. To assist organisations lacking capacity it is necessary to produce templates and model documents addressing the themes explored in the toolkit.

Psychological barrier to discussion of accountability and transparency

A number of the organisations we assessed exhibited trepidation. This was partly due to the power dynamic of grant recipients being assessed by their funder (as

mentioned earlier, assessed NGOs were beneficiaries of the EEA/Norway NGO Fund, operated by DemNet), and partly because discussions of accountability and transparency sometimes have negative connotations; that is, calls for increased transparency often follow in the wake of questionable activities.

To avoid this interpretation of accountability and transparency in general, and subsequently in the assessment process, we must pay extra care and attention to present this agenda in a positive light by emphasising success stories and focusing on improvements. Again, we can draw on the UK ImpACT Coalition's experience, as it also discovered that organisations could interpret the accountability and transparency agenda in a negative light.

Key messages

As a result of our work with the toolkit we were able to develop some key messages around the need to improve accountability and transparency. The messages address issues of accountability and transparency more broadly, but they are essential for creating a fertile climate for fundraising.

Strengthen relationships

First and foremost, accountability and transparency is about communication. In its simplest form this means exchanging information about your organisation with all the groups that are affected by your work (e.g. beneficiaries, partner NGOs, staff, volunteers, funders, donors, local community, etc.). The key to strengthening relationships with your stakeholders is regular communication (not restricted to reporting), ensuring that the information you provide is clear and of high quality, and demonstrating that you act on the information you receive.

Improve the quality of your services

Gathering feedback about your organisation and its work and applying the lessons learned improves your operations and services. This applies to all your stakeholders, not simply beneficiaries. For example, maintaining high levels of

morale among staff and volunteers through open and honest dialogue helps to improve productivity.

Increase trust and confidence

Improving services and strengthening relationships with stakeholders increases trust and confidence, which is important for the long-term sustainability of your organisation. Building trust and confidence takes time, and it does not produce immediate benefits. However, organisations that inspire trust and confidence maintain a competitive edge over their contemporaries: donors and funders alike view them as reliable and honest.

Improve legitimacy

Closely related to trust and confidence is the matter of legitimacy. Being able to prove that you have the relevant expertise, that you fully understand the scope and need for your services, and that you have positive relationships with your beneficiaries creates a foundation of legitimacy for your work. Subsequently, this legitimacy underpins your ability to represent your beneficiaries and speak with authority in your fundraising activities.

Increase understanding of how your NGO operates

Many negative opinions about NGOs exist. Increasing accountability and transparency and demonstrating how your organisation creates positive change contributes to better public understanding of NGOs. This is of particular importance as we begin to diversify our sources of funding. For example, increasing voluntary income from corporate partners and individual donors means that you will have to target new audiences that you have not yet established firm relationships with, so you will need to prove that you are competent and effective.

Transparency and Ethics

7

Transparency and Ethics

7

Towards the end of the book we offer two texts for discussion. Their authors did not have the ambition to provide answers but rather to raise questions. If they recommend anything, it is not from the position of an authority proposing final and only viable option. On the contrary, the authors expect and presume there will be discussion. Yet, they try to initiate processes which might lead to a wider agreement among NGDOs on certain standards regarding transparency, accountability and the ethics of their fundraising.

The preceding chapter with the case studies showed how important transparency and respecting ethical framework are. The issue is not just fundraising but also how the organisation fulfils its mission and its goals in the long run. Subjecting actions to short term success (for example by using one-sided, poverty-embellishing and shocking photographs in campaigns) may undermine the long-term goal of the organisation (which is to help beneficiaries to stand on their own feet and to give them the support to become initiators and implementers of changes in their environment). Transparency and ever greater ethical consistency are necessary if the work of NGDOs is to be done well.

In Central Europe, organisations usually learned about the importance of transparency and accountability towards institutional donors given that good and timely reporting on projects is a precondition for future support. Yet transparency towards the broad and varied group of individual donors is more demanding. It does not end with filling in the final report form or with receiving the final grant instalment in the organisation's bank account. Rather it is a permanent task. In a sense, individual donors come to form a part of an organisation's programs,

they are both the program target group as well as program co-creators. To some degree, they must be able to keep the pace with the changes and evolution in programs. This presumes a continuous and well thought-out communication strategy with donors. Even more importantly, it requires cultivation of the environment by creating and respecting a commonly-shared standard among NGOs as to how to behave towards donors, how to make information publicly available and how to explain what is acceptable and needed for the organisation's running costs. The following text **Transparency Towards Donors – Guidelines for Discussion** offers ideas for the much needed discussion among NGDOs.

Apart from transparency and accountability towards donors, there is one more highly important aspect – transparency and accountability towards beneficiaries. Here we do not mean just the interventions which relate to beneficiaries directly. We mean also the campaigns, development education and fundraising performed by NGDOs outside the aid receiving countries, while employing the stories and images of aid recipients. It is important to keep in mind that campaigns talk about people – they are not dealing with products or services.

For practical reasons it is not possible to get authorisation for all visuals and texts that NGDO uses in its work. But it is possible and important to ask the questions of transparency and accountability towards the beneficiaries. In addition, it is important to consider the ethical dilemmas brought about by fundraising from the point of view of those to whom the resources, programs and services should be directed. The text **Ethical Fundraising Towards the Beneficiaries** highlights some of these questions and dilemmas. If they become part of the discourse among NGDOs in Central Europe, the authors of this publication will consider their task done.

Transparency Towards Donors – Guidelines for Discussion

The purpose of the following text is to generate a discussion among NGDOs in Central Europe on the issue of transparency. We present arguments for increasing transparency, some simple recommendations on how to implement improvements, and the benefits of doing so.

The long-term aim is to help NGDOs in Central Europe build public trust and confidence through increased transparency, and therefore helping to improve their ability to raise funds from the public.

The text is a result of a joint work of a working group consisting of fundraisers, consultants, and practitioners coming from NGOs in V4 countries. It is also inspired by work of ImpACT Coalition in Great Britain.[1] There is no intention to pursue the establishment of the proposed recommendations as a regulation for NGDOs. However, we believe that after proper discussion and agreement, the framework of shared standards could help the NGDO community to increase their transparency, accountability and thus improve their trustworthiness *vis-á-vis* their donors and beneficiaries.

The guidelines are divided into three parts:

1. Making the Case for Greater Transparency
2. Improving Transparency
3. Demonstrating Transparency

1 See http://www.acevo.org.uk/impact

In Part one, we make the case for increasing transparency and how it relates to fundraising activities; Part two looks at what type of procedures should be put in place to improve transparency, including what information to be made publically available; and Part three explores how to actively demonstrate transparency and why it is important to do so. The guidelines are designed to help better understand the issues and make practical steps to demonstrate the NGDOs' commitment to transparency.

Making the case for greater transparency

This section explains why improving transparency is important in relation to fundraising.

Why is it important to create a positive public opinion of NGOs?

As in other parts of the world, negative attitudes towards NGOs exist in Central Europe as a result of a lack of understanding. As NGOs explore alternative sources of income, and as EU funding becomes increasingly competitive, the sector must work jointly to generate greater understanding of NGOs and their work. To achieve this we must be aware of the issues. So what do people often not understand?

- NGOs are professional (NGO should not be looked upon as "amateur" or associated with "low quality" work)
- NGOs are effective organisations
- A small percentage of income must be spent on running costs
- All fundraising costs money
- Fundraising techniques are effective

A factor that contributes to a lack of understanding is that NGOs often fail to clearly communicate what they do. Moreover, engagement in civil activities (especially in foreign countries) does not evoke only a positive image and it can have negative connotations for the general public.

Public concerns about NGOs can appear across any of the following fields of operation:

- Purpose of organisation
- Effectiveness
- Governance
- Funding and financial management
- Policies
- Accessibility of information, and others.

There is a number of reasons why people might hold negative attitudes towards NGOs. Namely a lack of transparency in fundraising practices specifically has generated a significant amount of ill feeling in recent years.

Lack of transparency in fundraising

The act of donating money to an NGDO is unlike any other transaction – it is about creating a feeling, or a sense of good will. To use Abraham Maslow's definition, the donors are fulfilling the need of self-actualisation. This, however, has presented a problem for fundraisers.

The public generally responds well to fundraising campaigns that feature emotive and provocative imagery of people in need. The message is very simple: 'there's a need, you can help'. Subsequently, the donor's understanding of the interaction is rather simplistic: 'I'm helping people in need'. However, when donors discover that your organisation has paid staff; that you spent 12 % of the last year's annual budget on 'administration'; that you also receive grant funding from the EU, it negates the sense of self-actualisation, they feel misled. Ultimately it creates a negative public perception of NGDOs and leads to a decline in donations, which in turn makes it increasingly difficult to recruit new donors.

Creating a fertile funding environment

The perception of NGOs operates on a societal level and manifests itself in terms of perceived legitimacy of the whole NGO sector before the individual or a corporation even considers giving. Put another way, if the NGO sector lacks public trust and confidence, then potential donors can be dissuaded from donating to NGOs.

The perfect fundraising campaign should elicit an emotional response from the donor while at the same time inspire trust and confidence in the NGDO's ability and effectiveness. Adopting this approach should create a fertile fundraising environment.

Take action now, not later

In the last five years a number of initiatives, notably the ImpACT Coalition (*www.acevo.org.uk/impact*) and Dan Pallotta's book Uncharitable (*www.uncharitable.net*), challenged negative public opinion of NGOs. These movements are much needed. Nevertheless it takes a considerable amount of time to change public opinion, possibly decades. These responses underline the need to work individually and together in Central Europe to increase the public's understanding and awareness.

Capacity constraints and limits in environment

The guidance set out in this document is meant to serve as an example of good practice. We acknowledge that some of the recommendations might be difficult to achieve for NGDOs in some regions and that there might be differences in what works for e.g. smaller organisations. Moreover, there are cultural differences and specific information can be more sensitive in particular environments. Thus a well thought-out strategy of explaining and contextualising information is needed. In this instance, the recommendations in the document should be reviewed and divided into short-term and long-term objectives. Transparency is not about exposing poor practice, rather it is about helping NGDOs to create a good reputation, build positive relationships, and continually improve their services.

Improving transparency and accountability towards donors

In this section we provide recommendations on what procedures could be implemented to improve transparency and accountability mainly in regard to donors and their interests.

The main starting point for achieving transparency and accountability towards donors is the effectiveness of the work delivered. Thus the transparency and accountability towards donors is closely related to accountability towards beneficiaries and to the ability to deliver real impact meaningful for them. That is why we start with recommendations on what and how to report the impacts and how to assure that the stakeholders (including the beneficiaries) have viable options to give their feedback.

Then we move to points that are usually addressed in codes of conduct: what information to publish about your organisation, governance, and budgets, as well as several suggestions on how to make it accessible.

Finally, we focus on recommendations about building and maintaining relationship with the donors, as from the fundraising point of view it is a crucial part that builds upon all previous points.

Impact reporting

Your impact report can serve as a central resource for information about the effectiveness of the organisation. In general, the aim is to create a story that makes the information easier to understand when it follows a sequential, story-like pattern. You can use the following headings to structure your impact report:

- What is the problem you are trying to address?
- What do you do to address it?
- What have you achieved so far?
- How do you know what you are achieving?

- What have you learned and how can you improve?[2]

For NGDOs it is also important to explain clearly that they seek to raise public awareness of development issues and to explain in which countries they operate and why.

Disseminating impact messages

Using your impact report as an information resource, you should consider how the impact messages could be disseminated more widely and creatively. The information can be presented in different ways according to what works for each of your intended audiences. Here are some ideas of how you might disseminate the information in your impact report:

- Provide a succinct account of the impact in the e-mail footer.
- Include regular information about the impact in each e-bulletin or newsletter.
- Produce a simple summary version of the impact report.
- Encourage your staff to share the impact report with stakeholders whenever possible.
- Include information about the impact on all your organisational literature.
- List headline achievements from your impact report on the home page.
- Dedicate a section on your website to explain the impact of your activities.

2 New Philanthropy Capital's Talking About Results, 2010. Available at http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/talking_about_results.aspx, accessed on 30 November 2011

Engaging stakeholders in development and evaluation of your work

Engaging stakeholders in the development and evaluation of your work in the field is an effective way to ensure a meaningful impact and that your services continue to improve.

Here are some ways in which you can engage stakeholders in the field:

- Communicate your operation and presence in the country and community where you do work.
- Establish formal mechanisms for capturing and evaluating feedback on your activities, and act upon this feedback.
- Involve local beneficiaries in the development and evaluation of your activities.
- Establish formal mechanisms to measure the satisfaction of your staff and volunteers.
- Establish a formal process to check that your beneficiaries feel a sense of inclusion in your projects and services.
- To overcome any literacy or language barrier, use symbols and visual aids to communicate achievements and collect feedback (e.g. the 'smiley face' rating system to evaluate satisfaction levels).
- Show that your organisation respects the core value system of the country and community where it does work and, as much as possible, rely on the local economy (e.g. buy local products and services when possible).

Creating a mechanism to collect suggestions and complaints

Establishing and maintaining a formal suggestion and complaint mechanism creates an essential means of communication between you and your stakeholders.

- Establish a complaints procedure for beneficiaries.
- Establish a separate complaints procedure for funders and donors.
- Promote complaints procedure to your stakeholders.
- Establish a separate procedure for dealing with suggestions.
- Establish timescales for responses to suggestions and complaints.
- Report publicly on the level and type of complaints your organisation receives.

Providing information about your organisation

A significant part of improving transparency lies in making information about your organisation publicly available. Opinions about what information should be published differ. We suggest that the following basic information should be made publically available.

- A mission and vision statement that succinctly describes what you do and the long-term change you aim to bring about.
- Short history and background of your organisation which states the general values, influences, and assumptions you work with.
- Summarising description of your strategic plans or project plans (general direction and plans of your organisation).
- Easy-to-understand objectives and results.
- Last year's annual income and expenditure presented in an easily accessible format, including a breakdown of spending on running costs and, where applicable, fundraising.
- Your annual report, or the equivalent report required by the statutory requirements in your country.

Explaining your governance structure and procedures

Good governance is a recurring concern of donors as a poorly managed organisation suggests that their donations might be miss-allocated. You should consider the following actions.

- Describe your organisational structure and list who has key responsibilities in the organisation.
- Explain who your Chair and board members are, their responsibilities, and describe the process how board members are appointed and replaced.
- Share your governance activities and decisions.
- Disclose details of board member remuneration, if relevant.
- Establish a conflict of interest policy for board members.
- Disclose staff numbers and salary bands for senior management.

Talking about finances

How your organisation manages its finances and spends its income is the top concern of stakeholders. When talking about finances you can:

- Explain how your income is spent. Use easy-to-understand visual information.
- Communicate the effective use of funds on the ground (local prices, local products).
- Disclose salary bands for senior management.
- Regularly inform your donors and funders on how you spend donations and grants. Where possible, be specific: link donations to your activities, show what difference donors' money makes to beneficiaries' lives.

- Consider use of terms that explain to the donor the nature of what you do in wording other than the usual NGO jargon, e.g. use the term 'running costs' in place of terms like 'administration' and 'overheads'.

Making the information accessible

Some stakeholders will find it difficult to access or understand information in its basic form. Below are a few suggestions on how to broaden access to information.

- Where appropriate, provide materials in other languages, including the language of the community where you do work.

- Ensure your communications are accessible to those with disabilities or learning difficulties (e.g. dyslexia, visual impairment, hearing impairment) or low levels of literacy.

- Check that your communications are understood by their intended audiences.

- Provide additional visual information about your work and finances (pictures, videos, charts, etc.).

Building and maintaining an open relationship with your donors and funders

In relation to fundraising, building a relationship with donors is particularly important for retention rates. NGDOs are able to maintain impressive donor retention rates by gathering feedback from donors and maintaining regular communication.

Here are some practical suggestions for building an open relationship:

- Ensure your donors and funders have up-to-date contact information for your organisation.
- Publically acknowledge your donors and funders.
- Whenever possible, invite funders to visit your projects.
- If asked, explain why you selected the fundraising activities you have. Take care not to appear defensive.
- Ask donors and funders what they want to know about your organisation then provide them with a response.
- Establish a formal process to check that your donors feel a sense of inclusion and affinity with your organisation and its work.

Demonstrating transparency and accountability

The preceding section explored the kind of procedures to be implemented and what kind of information to communicate to stakeholders in order to increase transparency. This section looks at how to actively demonstrate your commitment to transparency.

Is your organisation passively or actively transparent?

It is essential to differentiate between passive and active transparency and the role each plays in building trust and confidence. Passive transparency is simply the act of making information publically available; that is, the information is offered if requested, while active transparency is about presenting information about your organisation and directing people to it. It is the act of actively encouraging scrutiny of your organisation and its activities. Being actively transparent allows you to exert control over the perception of your organisation and contribute towards building a positive public opinion of NGDOs in general.

Demonstrating a commitment to transparency

It is not enough to simply apply the principles of transparency to your organisation, you must draw attention to your commitment, and make it explicit.

Here are a few ways to demonstrate your commitment to transparency and accountability.

- Draw up a policy or statement explaining your organisation's commitment to transparency and accountability.
- Consult stakeholders on issues of accountability and transparency, including beneficiaries in target countries.
- Make sure your staff members are aware of their responsibilities for transparency and accountability.
- Encourage staff to discuss transparency and accountability with stakeholders.
- Use speaking engagements to reinforce your commitment to transparency.
- Avoid situations that might compromise the integrity of your stated position on transparency and accountability (e.g. corruption and bribery).

Managing behaviour change within your organisation

Implementing changes within your organisation to increase transparency requires behaviour change. It is essential to get the commitment of all members of staff if you are to succeed, as they will be the ones carrying out the changes. Attempts to increase transparency often fail because senior management does not effectively communicate the reasons for and benefits of the changes.

To avoid a situation of failure, involve the staff responsible for implementing the changes in the process from the beginning. Set a clear timeline for changes

and assign responsibility for implementing them to relevant members. If done correctly, this course of action will create a sense of ownership of the changes among staff, and therefore make them more likely to dedicate time and energy to making it succeed.

The limits of transparency

Many NGDOs find themselves in the difficult position of having to cooperate with corrupt individuals or practices simply because there is no other way to operate in the local community. It is a matter of practical necessity in the field to achieve the stated goals. In the countries with authoritarian regimes, full openness about programs and financial flows might endanger local partners. In such instances complete transparency might not be well-received, and could actually be damaging to your organisation's reputation and work.

We recommend that highly sensitive issues should be assessed on an individual basis. One way to gauge the potential damage to reputation with regard to sensitive issues is to 'test the waters' by sharing this information with a small group of stakeholders to gauge their responses. This should give you a good indication of the extent of the damage caused by increasing transparency around a particular issue. It can also indicate the proper way of opening sensitive issues and which type of information can be used without harming beneficiaries and programs.

It is good to have in mind that withholding the important information might significantly increase the damage in case it is published without consent and influence of the organisation on the way it is released. Controlled communication of negative information is usually better even though all negative consequences may not be avoidable as the case study Crisis Communication: When Our African Partner Failed shows.

Next steps

The experience in Central Europe tells us that we can expect publishing several negative cases in the upcoming years due to the low quality and misguided practices of some NGDOs. These cases can be damaging to the whole sector because

they weaken the trust the public and donors have towards all organisations – regardless of who the wrong-doers are. It is extremely important to take preventive measures and try to sensitise donors, give them tools and train them in spotting bad practices.

One of the best strategies that the NGDO community can use is a self-regulation based on thorough discussion and agreed standards. There are several good examples of self-regulation in our region. There is growing number of NGDOs that adhere to their own codes of conduct or codes proposed by networks. Also, we are seeing a growing number of initiatives, e.g. Code of Conduct on Images and Messages about Development of CONCORD,[3] codes regulating practices with regard to direct dialogue (see case study Coalition for Easy Giving: Removing Barriers by Sharing Experience And Working Together), or capacity building in transparency and accountability as described in the case study Developing And Implementing a Toolkit To Improve Accountability And Transparency In the NGO Sector.

The authors of these case studies and those who participated in the working groups preparing the guidelines recommend to NGDOs, national NGDO Platforms, associations of fundraisers, as well as other stakeholders to build upon good practices and use every opportunity to achieve common understanding of basic standards for NGDOs to follow. Communicating such standards towards donors and public can prevent many problems in the future.

3 Available at http://www.concordeurope.org/Public/Page.php?ID=337, accessed on 30 November 2011

Ethical Fundraising Towards The Beneficiaries

Katarzyna Tekień, Ilona Iłowiecka-Tańska

The obvious criterion of the success of professional fundraisers is the amount of dollars, pounds or euros raised as a result of the undertaken actions or campaigns. Reaching the audience, attracting its attention and emotions to make people pay requires typical marketing tools: pictures, stories and messages. As the ultimate goal of fundraisers is to get as much as possible in the race to the donor's pocket, pictures, stories and messages are tailored in a way to meet donors' rational and emotional needs. Fundraisers work like sales people who have a certain product – poverty, disaster, disease and its cure and solution – and sell it to people who buy into a feeling of participation or solidarity. Thus pictures, stories and messages used in fundraising campaigns are subjugated to the priority of effectiveness. What picture attracts attention of most people? What story stays in their minds? What message makes them write the bank cheque for the organisation? Use of the contemporary marketing tools in development fundraising strategies seems to be the ultimate way to increase budgets of Western non-profits and in consequence – to increase the scale and quality of development assistance. The economic logic says that without persuasive photos, moving personal stories and shocking data, the message delivered by development organisation would go unnoticed. There is no other choice for development non-profits than to become part of the market and to speak the language the audience desires and understands the best. There are however some questions which should be asked in this free market context. To what extend fundraisers have the right to speak in the beneficiaries' name? What is their mandate to decide about the content of the message delivered about the beneficiaries' situation? What are the limits to the pragmatism of use of personal images, stories, tragedies? How do we secure the dignity of those who have no control for actions undertaken in their name?

Beneficiary almost forgotten

Ethical fundraising has become a focus among majority of the institutions associating fundraisers around the world. Numerous national and international codes and guidelines on ethical principles in fundraising have been published, e.g. *Code of Ethical Standards and Principles*[1] adopted in 1964 and amended in 2007 by Association of Fundraising Professionals (AFP) from the US, *International Statement on Ethical Fundraising*[2] proposed by European Fundraising Association (EFA) in 2006 and numerous codes of conduct developed by Fundraising Standards Board (FRSB), the independent self-regulatory body for UK fundraising. Analysis of the above mentioned documents leads to the conclusion that discourse on ethics in fundraising focuses mainly on accountability and transparency towards the donors, hardly mentioning the same responsibilities towards the beneficiaries of fundraising campaigns.

Code of Ethical Standards and Principles by AFP strongly underlines the necessity of providing donors with regular and understandable reports on fundraising results and insists on protection of the confidentiality of all privileged information relating to the provider/client relationships. Beneficiaries of gathered funds are not mentioned even once in the AFP's document. British FRSB published on its website 29 *Codes of Fundraising Practice*[3], which encompass best practises in e.g. face to face fundraising, direct mail, contacts with major donors and cooperation with volunteers. None of the 29 *Codes* is devoted to beneficiaries. The importance of preserving respect and dignity of people benefitting from fundraising campaigns, as well as making fundraising results available for them, is most vocal in the document adopted by European Fundraising Association. *International Statement on Ethical Fundraising* emphasises in each article that adhering to ethical principles in fundraiser-donor relation is essentially as important as in the relationship between fundraiser and beneficiary:

1 *Code of Ethical Standards and Principles,* Association of Fundraising Professionals, 2004, source: [www.afpnet.org/files/ContentDocuments/CodeOfEthicsLong.pdf], accessed on 15 July 2011.

2 *International Statement on Ethical Fundraising,* European Fundraising Association, 2006, source: [http://efa-net.bosh.me/wp-content/uploads/2010/03/International_Statement_of_Ethical_Principles_in_Fundraising_16_October_2006.pdf], accessed on 15 July 2011.

3 *Codes of Fundraising Practice,* Fundraising Standards Board, source: [www.frsb.org.uk], accessed on 21 July 2011.

"Fundraisers shall at all times act honestly and truthfully so that the public trust is protected and donors and beneficiaries are not misled."[4]

Some parts of the document are specifically dedicated to the beneficiaries: *"Fundraisers should respect beneficiary rights and preserve their dignity and self-respect. They will not use fundraising materials or techniques that undermine this dignity."*[5]

EFA's International Statement is definitely an important step in preserving transparency and accountability towards the recipients of development projects; nevertheless, this issue is still somehow forgotten in the mainstream discourse on ethical fundraising. The pragmatism of its economic goals ostensibly abrogates importance of ethical dilemmas. Questions about partnership and efficiency, effectiveness and participation, mercy or solidarity, limits of support and responsibility although unexpressed are still valid as they determine vital decisions of each development project's coordinator and fundraiser.

This article emphasises that the relationship between fundraiser and beneficiary is equally sensitive as the one between fundraiser and donor. The work also aims to draw attention of fundraising professionals to the nature and importance of ethical dilemmas which emerge when designing and implementing fundraising campaigns benefitting people from countries of the Global South (see the part Ethical dilemmas in fundraising for development and humanitarian causes). Finally, the article presents examples of fundraising activities that are accountable both towards the donors and the beneficiaries.

Ethical dilemmas in fundraising for development and humanitarian causes

Raising funds for the benefit of people living in developing countries has its specific nature and differs considerably from fundraising for domestic causes. First of all, contact and clear communication with beneficiaries is difficult due

4 *International Statement on Ethical Fundraising,* op. cit.

5 Ibidem.

to geographical, social and cultural distance.[6] Humanitarian and development agencies use images and personal stories to bridge the distance between beneficiaries and donors. The former rarely have a chance to see the fundraising campaigns designed to help their cause, not to mention the opportunity of being involved in creating the fundraising strategy benefitting them which is not the case when fundraising for domestic cause is concerned. Secondly, majority of potential donors in Central and Eastern Europe have very limited knowledge about the reality of developing countries in Africa, Asia or Latin America. Due to almost total absence of the Global South countries in the media, images from fundraising campaigns benefitting them are very often the only images of developing nations that reach the public in our region. Hence, fundraising campaigns inevitably shape the perception of European public about the developing world. So how is this world usually presented? "The pornography of poverty", "poornography", "starving baby images" or "doom and gloom images" – these are some of the terms used to describe a certain type of fundraising images presenting human suffering: sick people, starving children with distended bellies or flies in their eyes, women dressed in rags, queuing for food aid or picking through garbage. You can "save" these people, some fundraising ads say, by sending money to pay for emergency relief, to sponsor a child through monthly payments, or to help launch an education programme.[7] There is no doubt that images evoking strong emotions are very powerful and effectively raise money to fund development programmes in the South. What's more, research shows that negative images showing human suffering are much more effective from fundraising point of view than more positive fundraising advertisements.[8] Suffering is, in this sense, one of the principal currency earners for humanitarian and development organisations. Agencies use their moral and expert authority to define and sell, through images, the humanitarian project, however, not without ethical dilemmas and perils.[9]

6 D. Kennedy, *Selling the Distant Other: Humanitarianism and Imagery—Ethical Dilemmas of Humanitarian Action, University of Minnesota,* 2008, p. 1, source: [http://www.hhh.umn.edu/humanitarianisms/presentations/Kennedy-Distant%20Other.pdf], accessed, 21 July 2011.

7 *Focus on Ethics . Addressing Tensions in choosing Fundraising Images*, Canadian Council for International Co-operation 2010, source: [http://www.acfid.asn.au/code-of-conduct/docs/docs_guidance2010/C.3.2%20CCIC%20Focus%20on%20Ethics.pdf], accessed on 23 July 2011.

8 J. Benthall, *Disasters, Relief and the Media*, Sean Kingston Publishing 2010, p. 65.

9 D. Kennedy, op. cit., p. 2.

Proponents of usage of the strong images in fundraising for humanitarian and development cause accurately justify that pictures and stories of personal suffering are factual illustrations of the horrific conditions in which people *are* living. People *are* indeed starving, children *are* dying of preventable diseases, people *are* clambering over trash piles looking for food. Natural disasters *are* happening, leaving people homeless and destitute. If organisations were to choose to use rosy pictures in order to make absolute poverty look more "positive", this would not be truthful[10] and would violate one of the most important principles of ethical fundraising which says: *Fundraisers shall at all times act honestly and truthfully [...] so that donors and beneficiaries are not misled.*[11] Opponents of strong and emotive communication in fundraising claim, however, that this kind of images undermines human dignity. Proponents on the other hand argue that it is the situation that is undignified, not the image. Jeff Brooks, creative director at TrueSense Marketing, makes even stronger statement:

"If you've ever met poor and suffering people – especially those in the developing world – you know they have dignity. [...] dignity often is their most notable feature: deep wells of self-sufficient personal dignity that simply overshadows their poverty, loss or pain. There's not a thing in the world you or I or any photographer or journalist can do to diminish that dignity. It is the height of arrogance to think their dignity needs our protection. It's like the "White Man's Burden" of the 19th century: the racist belief that we needed to go out there and save the hapless and benighted "natives" who lacked their own resources. It falsely sets us up as protectors of them."[12]

According to Brooks:

"Fundraising ethics are very straightforward: Never use images that inaccurately portray a situation. Don't use images of people who don't want their image used. If you aren't violating one of those, you are probably on solid ethical ground, even if you use very negative images."[13]

10 *Focus on Ethics...*,, op. cit.

11 *International Statement on Ethical Fundraising,* op. cit.

12 J. Brooks, *Dignity vs. Humanity. 'Protecting' disaster victims' dignity is barking up the wrong tree,* February 2008, source: [http://www.fundraisingsuccessmag.com/article/protecting-disaster-vicims-dignity-barking-up-wrong-tree-90265/1], accessed on 22 July 2011.

13 Ibidem.

We agree with Brooks that the consent of people portrayed, or their legal guardians in the case of children, is necessary precondition for ethical use of the image. We do not believe, however, that it is sufficient. Before publicising any image of the beneficiaries, we should ask ourselves: were they informed how and where their image will be used? Did they have a chance to see and accept the fundraising material before its publication? Replying positively to both of these questions is very difficult, taking into account the reality in which development and humanitarian agencies operate. How to obtain consent to use an image of orphaned street children living in favelas of Rio de Janeiro? How to explain the nature of Facebook fundraising to illiterate beneficiaries living in rural areas of Kenya who have never seen a computer? Is obtaining an informed consent at all possible in this case? If not, should we abort the fundraising campaign altogether? And last but not least: is obtaining an informed consent to use an image or a personal story from the beneficiary a sufficient condition for our fundraising campaign to be ethical? How much in terms of time and work are we ready to pay to make beneficiaries aware of the nature and consequences of our plans? To what extend are we ready to follow their recommendations? Based on what criteria do we decide that the effectiveness of the campaign were more important than the individual's right to privacy? Why is the psychological comfort of beneficiaries deemed typically less important for the sensitive individuals from the West? What moral categories make fundraisers so convinced about the priority of the donor's needs? So ultimately, what in the reality is the structure of relations between – let's call it – human beings from the North and the South?

In the interview the author conducted with a young man living in Mathare slum of Nairobi who is collecting money to pay university fees, she confronted him with a certain dilemma: "European NGO agreed to organise a fundraising campaign to attract donors who will cover the cost of your university fees. They ask you to choose one of the two options: very strong, emotional campaign presenting you as sad, helpless and in need on one hand or campaign showing you as ambitious and energetic young man, able to shape his own life on the other. The first choice will probably bring more money and, in consequence, you will be able to start your university education very soon. The latter solution, although showing the true image of you, might not prove successful." The interviewee, after a long break, chose the first option. "*We have this proverb in Swahili: mhitaji ni mtumwa* [A person in need is a slave]. *A University degree will help me get a job. If presenting me as a victim is the sacrifice I have to make in order to get the necessary funds, so be it.*" Contradictory to Brooks' opinion, such a difficult choice

should never be so straightforward for fundraisers, as well as humanitarian and development workers. In its deep sense the dilemma concerns not only predicted costs of effectiveness. It concerns also our beliefs about the ability and the right of beneficiaries to take responsibility for consequences of the eventual decision. So if the young man would choose the second option – does he have the right to limit the expected effectiveness of the charity drive? Does he have the final veto to limit the effectiveness of our work? The culture of (Christian?) mercy seems to be stronger than the culture of (liberal?) solidarity or partnership. In consequence the patriarchal style of communication addresses the audience's values better than the more egalitarian language of partnership. So what are the real values and motivations which make Western people pay to support people from often unknown cultures, countries, continents? And – does the motivation bear any importance to the final beneficiaries from the South? Can we imagine a situation when they would say that they were not interested in support offered because it is based on humiliating assumptions?

Strong and emotive imagery used in fundraising campaigns can also undermine the basic principles of development cooperation. Images portraying people living in developing countries as helpless victims perpetuate the myth that development problems can only be solved by Northern charity. They undermine the efforts of NGDOs which struggle to create a broader understanding of the underlying structures causing poverty and injustice. Personal stories and images are used to create an emotional connection with donors, but when issues are personalised – when political and economic issues, root causes and Northern complicity in creating poverty are left out of the picture – what conclusion is the viewer or reader most likely to draw?[14] Research conducted by MacLachlan, Carr and Campbell suggests that "when poverty is described in terms of individual victims and particular instances of hardship and when the context is ignored, the poor themselves are most often held responsible for their own plight. Yet when news items include background information about general trends and when poverty is expressed as a collective outcome, people tend to assign responsibility to societal factors."[15] Focusing on individual victims perpetuates misunderstandings about development issues. For every person who donates and is then provided with more nuanced information, there are many more who are

14 *Focus on Ethics*...,, op. cit.

15 D. Campbell, S. Carr and M. MacLachlan. "Attributing 'Third World Poverty' in Australia and Malawi: A Case of Donor Bias? *Journal of Applied Social Psychology*, 31(2), 2001, pp. 409-430.

exposed to the "sound-bite" images but do not engage further. These people are left with misleading, simplistic impressions of life in the South.[16]

It is not the case that ethical values like transparency, accountability or partnership would be simply ignored by fundraisers: none of development organisations would say they were. If we consider, however, what accountability and transparency mean in practice, the partial avoidance of ethical values seems to be understandable. Speaking openly about budgets – including salaries and administration costs – redefines the relations between the development organisation and beneficiaries by exposing the differences in wages and living standard. It makes beneficiaries question the quality and effectiveness of the delivered assistance according to presented budgets. So what is more ethical: to limit the transparency to avoid potential misunderstanding and to secure a smooth cooperation with a bitter taste of a limited trust? Or to act openly, but pay the price for existing economic discrepancies risking a higher potential of conflicts with beneficiaries, escalation of expectations of local staff and accusations of unjust division of resources?

This type of ethical dilemma was confirmed in November 2001, when the British non-governmental organisation VSO commissioned two independent pieces of research on how British people view the developing world, a survey of a representative sample of the UK adult population, and qualitative interviews. When asked the question, "When I say to you 'developing world', what words come to mind?", 80 % of survey respondents stated strong negative associations: war, famine, debt, starving people, natural disaster, poverty, corruption. Then 9 % had no association at all and 74 % of respondents agreed that "developing countries depend on the money and knowledge of the West to progress". As the researchers noted, "the stereotypes of extreme deprivation and poverty, together with powerful images of Western aid, add up to a strong sense of Africa... as the helpless victim, deserving and requiring Western aid in order to survive."[17]

The reliance on these images in fundraising campaigns for development and humanitarian causes thus has contradictory effects to what development and humanitarian agencies aim to achieve – economic and social empowerment

16 *Focus on Ethics...*, op. cit.

17 *The Live Aid Legacy: The developing world through British eyes – A research report*, VSO, 2002, source [www.vso.org.uk/Images/liveaid_legacy_tcm8-784.pdf], accessed on 15 July 2011.

of people of the South. Because who would want to invest and start a business activity in the part of the world that is completely dependent on foreign help and inhabited by helpless victims? How can the countries of the South become independent economically, if no one believes they are capable of it? Humanitarian and development agencies, when designing fundraising strategies, have to decide what is more important – fundraising success or development? In other words: do we value more the short term result of the effectiveness of the fundraising campaigns at a cost of running paternalistic relations? Or do we accept a less effective style of campaigning to invest in more equitable relations for the future?

This article by no means exhausts all ethical dilemmas faced by fundraisers for development and humanitarian causes. Neither does it give final answers on how to resolve those dilemmas. There are no easy rules about what is "right" and "wrong" in fundraising for development and humanitarian causes. Fundraising images can be both respectful and financially effective. These concepts need not be mutually exclusive.

How to be ethical towards the beneficiaries

The preceding section of the article discusses some of many ethical perils faced by fundraisers for development and humanitarian causes. We would like to present recommendations on how to make our fundraising campaigns more ethical, transparent and accountable not only towards the donors, but also towards the beneficiaries.

Designing the fundraising strategy together

The best solution to address all ethical dilemmas mentioned in the previous section is to engage the beneficiaries in designing the fundraising strategy for their cause. Thoroughly explaining and discussing with people benefitting from our actions what images, personal stories should be used, where to present them, on what scale, and which fundraising methods should be applied – will increase our understanding of what kind of fundraising communication is acceptable for them. This solution requires a lot of effort, is time consuming and very costly. Adopting such a cooperative strategy requires numerous e-mail exchanges

(if possible) or the fundraising staff to leave their offices in Europe for visits to the beneficiaries and project sites. It requires time consuming explanations of marketing tools to people who may have never heard of them. However, cooperative strategies, apart from being ethical, might also prove beneficial for development and humanitarian agencies. Recipients of our projects will be more willing to share their personal stories and images, if they are sure that no one will use them without their knowledge and consent.

We realise that due to high costs, adopting a cooperative fundraising strategy is not always possible. It does not mean, however, that fundraising campaigns designed without involving their beneficiaries are unethical. Nevertheless, these recommendations serve as a guideline for development and humanitarian agencies on how to ensure that fundraising campaigns are ethical.

Check yourself

If it is not possible to involve our beneficiaries in designing the fundraising campaign for their cause, it is advisable to thoroughly analyse our communication strategy. Checklist of questions developed by Canadian Council of International Co-operation might be useful to determine which images can be used while collecting funds: Does this image respect the privacy of the individual(s) portrayed? Do you have consent from the individuals in the image to use this image? Are the images and messages accurate, balanced and representative of reality, and therefore truthful? What is your overall impression of Southern countries after viewing this image/this message? Are local people being shown as active agents of their own development or as passive recipients, dependent on others?[18]

Code of Conduct on Images and Messages written by European NGOs working in the areas of emergency relief, long term development and development education and approved by CONCORD General Assembly also provides a framework on which organisations can build when designing and implementing their public communications strategy. The Code offers a set of guiding principles that can assist practitioners in their efforts to communicate their organisation's programmes and values in a coherent and balanced way.[19]

18 *Focus on Ethics*..., op. cit.

19 Available at http://www.concordeurope.org/Public/Page.php?ID=337, accessed on 30 November 2011

Reporting to the beneficiaries about the costs and profits of fundraising campaigns

Reporting administrative costs of fundraising campaigns towards the beneficiaries is as important as being transparent towards the donors. Beneficiaries have a right to know that campaign benefitting their community brought certain amount of money but also included some costs: posters had to be printed, letters had to be sent, people had to be paid for their work. This solution will not only provide transparency towards the beneficiaries, but will also help them to understand the nature and logic of fundraising.

Being transparent about the costs of salaries and other administrative costs of fundraising might, however, cause conflict and resentment among the beneficiaries. Discrepancy in wages and living standards between the country in which fundraising campaign is implemented and the country benefitting from it might be shocking for the beneficiaries. That is why each organisation has to answer two questions before going open about administrative costs incurred: Does the discrepancy of wages really reflect the difference in standards of life (or maybe it is easier to cut the salary of local staff of our NGO than of people from our country)? Is it possible to be transparent without antagonising the local community?

In this book we focus mostly on the most effective fundraising techniques and strategies. We do believe however that ethical dilemmas should be an ultimate part of this reflection. The international development assistance is based on complex and diverse sets of motivations and values – postcolonial sentiments and politics versus basic human solidarity, partnership versus paternalism, trust versus protectionism etc. People of the West still have some not resolved questions which shape their relations with societies of Global South. The message delivered within fundraising campaigns is not only a tool to raise money. It is also a tool of creating the picture a typical citizen of Europe has about developing countries. Thus the responsibility of fundraisers is much broader than the question about amounts of money raised within a campaign. Let's discuss ethics first.

Sources

Benthall J., *Disasters, Relief and the Media*, Sean Kingston Publishing 2010, p. 65.

Brooks J., *Dignity vs. Humanity. 'Protecting' disaster victims dignity is barking up the wrong tree,* February 2008, source: [http://www.fundraisingsuccessmag.com/article/protecting-disaster-victims-dignity-barking-up-wrong-tree-90265/1].

Campbell D., Carr S. and MacLachlan M., "Attributing 'Third World Poverty' in Australia and Malawi: A Case of Donor Bias? *Journal of Applied Social Psychology*, 31(2), 2001, pp. 409-430.

Code of Conduct on Images and Messages, Concord, 2006, source: [www.deeep.org/images/stories/DARE/CodeofConduct/code%20of%20conduct%20on%20messages%20and%20images.pdf].

Code of Ethical Standards and Principles, Association of Fundraising Professionals, 2004, source: [www.afpnet.org/files/ContentDocuments/CodeOfEthicsLong.pdf].

International Statement on Ethical Fundraising, European Fundraising Association, 2006, source: [http://efa-net.bosh.me/wp-content/uploads/2010/03/International_Statement_of_Ethical_Principles_in_Fundraising_16_October_2006.pdf].

Codes of Fundraising Practice, Fundraising Standards Board, source: [www.frsb.org.uk].

Focus on Ethics. Addressing Tensions in choosing Fundraising Images, Canadian Council for International Co-operation 2010, source: [http://www.acfid.asn.au/code-of-conduct/docs/docs_guidance2010/C.3.2%20CCIC%20Focus%20on%20Ethics.pdf].

Kennedy D., *Selling the Distant Other: Humanitarianism and Imagery—Ethical Dilemmas of Humanitarian Action, University of Minnesota,* 2008, p. 1, source: [http://www.hhh.umn.edu/humanitarianisms/presentations/Kennedy-Distant%20Other.pdf].

The Live Aid Legacy: The developing world through British eyes – A research report, VSO, 2002, source [www.vso.org.uk/Images/liveaid_legacy_tcm8-784.pdf].

Afterword

8

Afterword

8

Our publication is titled somewhat poetically "Hearts and Money Beyond Borders". It deals with development aid, raising funds to help the Global South, solidarity and authentic charitable acts – not by states but by ordinary individuals. It addresses the phenomena and procedures that have been all but forgotten in the decades of rule by authoritarian regimes.

Civility and awareness of shared global responsibility are indivisible parts of developing democracy. It is exalting to see the ever-growing number of mostly young people in Central Europe find the meaning of their lives in the altruism connected to development aid. They are not turning their attention to the developed West (as the generation of their fathers did). Rather, they are raising funds and turning the media's attention to places like India or Africa, travelling to these non-tourist zones hit by natural disasters or facing post-war reconstruction. Typically, when encountering people in conditions of dire need, they are coming to a realisation that their effort supported by targeted and though-out aid is priceless. And so they keep returning and some even turn mobilisation of aid into their personal mission.

When we collected inspiring experiences of enthusiasts who are in post-communist region of Central Europe re-discovering ways and values previously suppressed and labelled by over-protectionist state as "false solidarity", we saw as the most useful thing to do in this publication to collect information of technical nature. We wanted to show the examples of how to proceed when fundraisers for development causes focus their attention at individuals and businesses rather than public institutions or foundations. In the post-authoritarian region of Central

Europe, civil society has for many years received massive support through grants and from public institutions – so much so that we started to forget that that period was just a transition. It was the period of first aid after which non-profit organisations and citizen groups would realise that in the long run, the prevailing strategy cannot be winning grants but rather should be mobilisation, sensitisation and provision of mutual help by individual citizens and from private businesses that adopted the ideas of corporate social responsibility.

Almost a two-year effort resulted in this collection of amazing and inspiring texts offering the first-hand experience of 24 co-authors. They are not theoreticians writing about philosophy or models but rather people who share their experiences – with their joys and achievements, but also obstacles and failures without which the achievements would never come. Perhaps these inspiring stories should be read keeping in mind something what was not described here but which is the foundation of development fundraising – the pro-social and global motivation of people to undertake such activities. We need to keep in mind that behind every "how-to" description there is the underlying less visible "why."

Amartya Sen claims that the primary idea behind development is freedom. Along this line, the ultimate goal of development programs is not to distribute food, nor to develop health care programs, but rather to spread real freedoms which make the quality of life of people around the world wider and deeper – equally so for aid recipients and aid donors. We live in an era when those who own much are not considered to be rich, but rather those who give much and cultivate the new economy and new culture – the culture of giving. We believe this book will also contribute to the discussion of such culture.

Dušan Ondrušek, PDCS Bratislava
7 February 2012

Resources and recommended literature

Books about Fundraising in English

Ahern T., *How to write fundraising materials that raise more money*, Emerson & Church Publishers 2010

Ahern T., Joyaux S., *Keep your donors, The guide to better communications and stronger relationships*, 2008

Alexander G. D., Carlson K. J., *Essential Principles for Fundraising Success, An answer manual for the everyday challenges of raising money*, Jossey-Bass 2005

Birkholz J. M., *Fundraising Analytics, Using data to guide strategy*, Wiley 2008

Brown H., *Community Fundraising,The effective use of volunteer networks (fundraising series),* Directory of Social Change 2002

Burnett K., *Relationship Fundraising, A donor-based approach to the business of raising money*, Jossey-Bass, 2nd edition 2002

Burnett K., *The Zen of Fundraising, 89 timeless ideas to strengthen and develop your donor relationships*, Jossey-Bass 2006

Ciconte B., Jacob J., *Fundraising Basics, A complet Guide,* Jones and Bartlett Publishers 2009

Flanagan J., *Successful Fundraising, a complete handbook for volunteers and professionals,* Contemporary books, 2000

Goldstein S. L., *30 days to successful fundraising*, Grid, 2003

Grace K. S., *Beyond Fundraising, New strategies for nonprofit innovation and investment*, Wiley, 2nd edition, 2005

Hart T., Greenfield J. M., Haji S. D., *People to People Fundraising, Social networking and Web 2.0 for charities*, 2007

Hart T., Greenfield, J. M., Gignac P.M., Carnie Ch., *Major Donors, Finding Big Gifts in Your Database and Online*, Wiley, 2006

Hart T., Greenfield, J. M., Johnston M., *Nonprofit internet strategies, Best practices for marketing, communications, and fundraising*, 2005

Hayden T., *Capital Campaigns (fundraising series)*, Directory of Social Change 2006

Howe F., *Fund Raising and the Nonprofit Board Member*, NCNB, 1995

Howe F., *The Boards Member´s to Fund Raising*, Jossey-Bass, 1991

"Inteligent Money" – Private Resources for Development, Regional Summary, WCIF 2008

Joyaux S. P., *Strategic Fund Development, Building profitable relationships that last*, Wiley, 3rd edition, 2001

Keegam P.B., *Fundraising for non - profits*, Quill, 1993

Klein K., *Fundraising for social change*, Jossey-Bass, 5th Edition Revised & Expanded, 2007

Ledvinová J., Cook R., *Diversification of financial sources,* The Foundation for a Civil Society (Democracy Network Program), 1997

Ledvinová J., *Money, money everywhere – Grassroots Fundraising*, Johns Hopkins Institute for Policy Studies, 1997

Maple P., *Marketing strategy for effective fundraising (fundraising series)*, Directory of Social Change 2003

Morton V., *Corporative fundraising (fundraising series),* Directory of Social Change 2007

Norton M., *The Worldwide Fundraiser´s Handbook, A Resource Mobilisation Guide for NGOs and Community Organisations*, Directory of Social Change, 3rd Revised edition, 2009

Pallotta D., *Uncharitable, How restraints on nonprofits undermine their potential*, Tufts 2008

Sargeant A., Jay E., *Fundraising Management, Analysis, planning and practice*, Routledge, 2nd edition, 2010

Sargeant A., Shang J., et al., *Fundraising , Principles and Practices*, Jossey-Bass 2010

Schatz S. F., *Effective Telephone Fundraising, The ultimate guide to raising more money*, Wiley 2010

UK Giving Report 2009/2010, Charities Aid Foundation and NCVO, London 2010

Warwick M., *Fundraising When Money Is Tight, A strategic and practical guide to surviving tough times and thriving in the future*, Jossey-Bass 2009

Warwick M., Hart T., Allen N., *Fundraising on the Internet*, Jossey-Bass 2002

Warwick M., *How to write successful fundraising letters*, Jossey-Bass 2008

Warwick M., *Revolution in the mailbox, Your guide to successful direct mail fundraising*, Jossey-Bass 2004

Yaziji M., Doh J., *NGOs and Corporations conflicts and collaboration*, Cambridge University Press 2009

Zimmerman, Robert M. - Lehman, Ann W., *Boards That Love Fundraising, A how-to guide for your board*, Jossey-Bass 2004

Ethics in Fundraising for Development and Relief

Benthall J., *Disasters, Relief and the Media*, Sean Kingston Publishing 2010

Brooks J., *Dignity vs. Humanity. 'Protecting' disaster victims dignity is barking up the wrong tree,* February 2008, source: [http://www.fundraisingsuccessmag.com/article/protecting-disaster-victims-dignity-barking-up-wrong-tree-90265/1]

Campbell D., Carr S. and MacLachlan M., Attributing 'Third World Poverty' in Australia and Malawi: A Case of Donor Bias? *Journal of Applied Social Psychology*, 31(2), 2001

Code of Conduct on Images and Messages, Concord, 2006, source: [www.deeep.org/images/stories/DARE/CodeofConduct/code%20of%20conduct%20on%20messages%20and%20images.pdf]

Code of Ethical Standards and Principles, Association of Fundraising Professionals, 2004, source: [www.afpnet.org/files/ContentDocuments/CodeOfEthicsLong.pdf]

Codes of Fundraising Practice, Fundraising Standards Board, source: [www.frsb.org.uk].

Focus on Ethics. Addressing Tensions in choosing Fundraising Images, Canadian Council for International Co-operation 2010, source: [http://www.acfid.asn.au/code-of-conduct/docs/docs_guidance2010/C.3.2%20CCIC%20Focus%20on%20Ethics.pdf]

International Statement on Ethical Fundraising, European Fundraising Association, 2006, source: [http://efa-net.bosh.me/wp-content/uploads/2010/03/International_

Statement_of_Ethical_Principles_in_Fundraising_16_October_2006.pdf]

Kennedy D., *Selling the Distant Other: Humanitarianism and Imagery—Ethical Dilemmas of Humanitarian Action, University of Minnesota,* 2008, source: [http://www.hhh.umn.edu/humanitarianisms/presentations/Kennedy-Distant%20Other.pdf]

Pettey, Janice Gow (ed.), *Ethical Fundraising: A guide for nonprofit boards and fundraisers,* John Wiley & Sons, 2008

The Live Aid Legacy: The developing world through British eyes – A research report, VSO, 2002, source: [www.vso.org.uk/Images/liveaid_legacy_tcm8-784.pdf].

Websites

www.fundraising.cz – Czech Fundraising Center
(www.fundraising.cz/klub-profesionalnich-fundraiseru – Club of Fundraisers)

www.fundraising.org.pl – Polish Fundraising Association
(Polskie Stowarzyszenie Fundraisingu)

www.fundraising.sk – Slovak Fundraising Center
(fundraising.sk/klub-fundraisorov – Club of Fundraisers)

www.fundraising123.org – Do you want to become fundraising superhero? Then this website is just for you!

www.ngdofundraising.net – website of the Strengthening Fundraising Capacities of Non-governmental Development Organisations in Central Europe project.

www.pfra.org.uk – The Public Fundraising Regulatory Association is the charity-led membership body that self-regulates all forms of direct debit 'face-to-face fundraising' in the UK.

www.snadnedarcovstvi.cz – Coalition for Easy Giving website (Czech only).

www.sofii.org – Showcase of fundraising innovation and inspiration.

www.dsc.org.uk/Publications/Fundraisingtechniques - Directory of Social Change recommended books

Resources in Czech

Frič,P. a kol., *Dárcovství a dobrovolnictví v České republice*, výsledky výzkumu NROS a Agens, Praha 2001

Hladká M., Šinkyříková T., *Dárcovství v očích veřejnosti, Centrum pro výzkum neziskového sektoru,* Brno, 2009

Ledvinová J., *Základy fundraisingu*, ICN, Praha, 1996

Norton M., *Praktický průvodce fundraisingem pro neziskové organizace*, Nadace Via, Praha, 2003

Novotná J., Štogr J., *Filantropie, zdroje v komunitě*, Komunitní nadace Ústí nad Labem, 2002

Štogr J. (ed.), *Závěti ve prospěch komunitních nadací*, sborník, Asociace komunitních nadací ČR, Praha 2008

Vajdová T., *Občanská společnost 2004 – po patnácti letech rozvoje*, Praha, NROS, 2005

Vstupní materiály pro třídenní semináře programu CPSI: *Partnerství, Komunita I, II, Filantropie I, II, Participace,* Praha, OSF, 1999-2001

Resources in Polish

Bednarski A., *Gromadzenie środków publicznych na działalność organizacji*. Element negocjacji w kontaktach ze sponsorem, Warszawa: Fundusz Współpracy, Program Phare Dialog Społeczny, 1998.

Czekalska – Nikołajew A., Sulkiewicz – Nowicka D., *Jak pozyskiwać dary rzeczowe?*, Warszawa: Stowarzyszenie Klona/Jawor 2002.

Dąbrowska J., Gumkowska M., Wygnański J., *Wolontariat, filantropia i 1 % - raport z badania 2003*, Warszawa: Stowarzyszenie Klona/Jawor 2003.

Dąbrowska J., Gumkowska M., Wygnański J., *Podstawowe fakty o organizacjach pozarządowych – raport z badania 2002*, Warszawa: Stowarzyszenie Klona/Jawor 2002.

Dobroczynność małych i średnich przedsiębiorstw – raport z badania, Warszawa: PARP, Warszawa: Stowarzyszenie Klona/Jawor, Gallup, 2001

Dopierała F., *No omnis moriar, czyli jak przekazywać spadki na rzecz organizacji społecznych*, Warszawa: AFRP, 1999.

Goliński I., Skiba R., *Ustawa o działalności pożytku publicznego i wolontariacie*, Warszawa: Stowarzyszenie Klon/Jawor, 2003.

Jordan P., Sekutowicz K., *Narzędzie samooceny i rozwoju organizacji pozarządowej*, Warszawa: BORIS, 2004.

Marciniak K., *Zbiórki publiczne*, Warszawa: Stowarzyszenie Klon/Jawor, 2002.

Raport: *Komunikowanie na rzecz CSR*, Warszawa: Fundacja Komunikacji Społecznej, 2003.

Raport. *Odpowiedzialny biznes w Polsce 2003*, 100 dobrych przykładów, Warszawa: FOB, 2003.

Sawicka A., *Odpowiedzialny biznes – perspektywa lokalna*, Warszawa: ARFP, 2007.

Sekutowicz K., *Jak zdobywać pieniądze? Sponsoring*, Warszawa: BORIS, 1996.

Tokarz B. [red.], *Fundraising to sztuka, której można się nauczyć!* Dobre pomysły na pozyskiwanie funduszy w lokalnej społeczności, Warszawa: ARFP, 2005

Zagrodzka T., Bruski T., *Zarządzanie finansami w organizacjach pozarządowych nieprowadzących działalności gospodarczej,* Warszawa: Stowarzyszenie Klon/Jawor, 2004.

Resources in Slovak

Darcovstvo na Slovensku, Centrum pre Filantropiu 2011,
available at http://www.cpf.sk/files/File/darcovstvo%20SR_marec_2011.pdf

Guštafík P. et al., *Príručka podnikania neziskových organizácií*, PDCS 2003,
available at http://www.pdcs.sk/files/file/prirucka_podnikanie_MVO.pdf

Guštafík P., Fukas M., *Neziskovky a zisk*, PDCS 2005,
available at http://www.pdcs.sk/files/file/Neziskovky_a_zisk_1_vydanie.pdf

Marček E., Financovanie neziskového sektora na Slovensku po roku 1989,
in: Majchrák J., Strečanský B., Bútora M., *Keď ľahkosť nie je odpoveď*,
Príbeh občianskeho združovania na Slovensku po páde komunizmu, IVO 2004,
available at http://www.panet.sk/download/5_publikacia.pdf

Marček E., *Spoločensky zodpovedné podnikanie v Karpatskom regióne – Záverečná správa za Slovensko*, Karpatská nadácia, Panet 2007,
available at http://www.panet.sk/download/text_twiw_slovensko.pdf

Ondrušek D. et al., *Čítanka pre pokročilé neziskové organizácie*,
PDCS 2001, available at http://www.pdcs.sk/files/file/CITANKA_2.pdf

Authors

Samuel Arbe arbe@cenaa.org

Samuel worked with PDCS for almost 3 years as a project manager and country coordinator for Slovakia under the project Strengthening Fundraising capacities of NGDOs in Central Europe. He holds a Masters degree in European Studies and International Relations from the Comenius University in Bratislava. Samuel is currently the executive director of Centre for European and North Atlantic Affairs – CENAA.

Allan Bussard allan.bussard@integra.sk

Allan is the managing director of the Integra Group. Integra manages a range of development and investment projects in East Africa, including 4 child-sponsorship programs (3 in Kenya and 1 in Ethiopia).

Marian Čaučík maros@erko.sk

Marian was originally electrical engineer, volunteer and an activist of so-called underground church active in the work with children in the era of communist regime in Slovakia. Since 1991 he has been working in the third sector for eRko – Movement of Christian Communities of Children. Marian, a long-term chairman of the organisation, has been a director of its "Dobrá novina" (Good News) program since 2007. He is a co-founder and former chairman of Slovak Non-governmental Development Organisations' Platform.

Jiří Cveček jiri.cvecek@clovekvtisni.cz

Jiří has been working in People in Need since 2007. He was at the beginnings of the direct dialogue campaign and since then he is the project's coordinator. In the autumn 2009 he oversaw the launch of e-shop Skutečný dárek (Real gift). Nowadays he is focusing mainly on its optimisation and making the communication with donors more effective.

Beata Dobová dobova@radio7.sk

Beata worked as Executive Director of Integra Foundation in Slovakia. She had been responsible for number of projects such as the Microenterprise women program, financial literacy for low income people, training business skills for disabled people. She had also been involved in development aid programs in Africa. Today she works as a fundraiser for a non-commercial radio.

David Gál david@hbaid.org

David Gál has worked in international aid and development for 12 years, managing relief programs and directing fundraising efforts following major disasters. After studying to be an International Relations expert, he is currently working on a Masters degree in Humanitarian Assistance. David is the International Director of Hungarian Baptist Aid.
Website: http://english.baptistasegely.hu/

Peter Guštafík peter@pdcs.sk

Peter has been working as a consultant and trainer for not-for-profit organisations in PDCS. He is specialising in fundraising, business planning, public relations, board development etc. Peter co-ordinated a project on sustainable financing of not-for-profit organisations and authored two books.

Aleksandra Gutowska gutowska.aleksandra@gmail.com

Aleksandra is a graduate of African Studies and International Relations, University of Warsaw. She has been working as the Project Manager of development cooperation projects of various Polish NGDO's and Warsaw University of Life

Science in the countries of Sub-Saharan Africa (Kenya, Tanzania, Cameroon, Senegal), Brazil and Cambodia, since 2007. She is the President of the Board of the "Cultures of the World" Foundation.

Ilona Iłowiecka – Tańska, PhD ilona.tanska@partnerspolska.pl
Cultural anthropologist, active researcher and consultant in Public Relations and promotion. Ilona lectures science promotion at several universities in Poland. She is also involved in numerous science education programs for teachers in Poland, Georgia, Kenya. She has authored the book "Leaders and Activists: About the Idea of the Third Sector in Poland 1989-2000." Ilona is a member of the Partners Poland Foundation team.

Brigitta Jaksa jaksab@demnet.org.hu
Brigitta has worked as Policy Officer in DemNet – one of the largest development NGOs in Hungary. She has been involved in 3rd sector development for the past 10 years attaining research experience in the fields of labor rights compliance, IDPs, migration and anti-discrimination issues. She is a promoter of the human rights based approach to development.

Robert Kawałko r.kawalko@fundraising.org.pl
Robert is co-founder and first president of the Polish Fundraising Association. After six years with IT and educational business, he became a fundraiser working for several NGOs, including a hospice and the Scouts. Since 2001 he runs his own consultancy and training business. He is also vice president of the European Fundraising Association.

Hunor Király kiraly.hunor@demnet.org.hu
Hunor is a civil society development expert in DemNet Foundation For Development Of Democratic Rights. He was born in Yugoslavia and moved to Hungary during the Balkan wars. Originally conversant with social movements (Otpor in Serbia and Critical Mass in Hungary) in the 1990s and early 2000s, he focused on the ineffectiveness of formal NGO's when he started to work with them as an editor, translator, and coordinator. He has been working in DemNet since

2010. Hunor leads the fundraising development program, develops and delivers trainings in Hungary and abroad, and he initiated and facilitated the foundation of the Association of Hungarian Fundraising Professionals.

Jan Kroupa jankroupa@ecn.cz
Co-founder, researcher, trainer and consultant of the Czech Fundraising Center and chair of NETT – the Civil Society Think tank (www.ttnett.cz). For the past 15 years Jan has inspired civil society organisations in more than a dozen countries around the world to do what they want to do the way they want to do it. www.fundraising.cz

Eduard Marček eduard.marcek@fundraising.sk
Consultant for fundraising and NGO financing, corporate community involvement and cross-sector cooperation, and author of several analyses and publications on NGOs since 1997. Eduard is co-founder and chair of the Slovak Fundraising Centre – a national association of fundraisers. www.fundraising.sk

Ján Mihálik (ed.) jano@pdcs.sk
Jan has been working as consultant, trainer, and project coordinator in PDCS since 2000, now in the role of its deputy director. He has background in Social work and Social Development Practice. His fields of expertise cover organisational development of civil society organisations, conflict transformation and peacebuilding programmes, as well as policymaking in the field of international development cooperation and humanitarian aid. He is a vice-chairman of Slovak Non-governmental Development Organisations Platform. He authored articles, analyses, and evaluations of projects and donor programs.

Jitka Nesrstová Jitka.nesrstova@greenpeace.org
Jitka has almost 10 years experience in fundraising. Last 5 years she worked as Development Director at VIA Foundation where she was responsible for the planning and implementation of the development program, working with individual donors and foundations, consulting nonprofits in fundraising and cooperating in VIA's international projects on development of philanthropy in CEE region. She is a graduate of the Faculty of Business Administration,

The University of Economics in Prague. Before joining VIA in 2006, she worked for five years as Fundraising Director with Greenpeace Czech Republic. She is co-founder of The Coalition for Easy Giving where she is a member of the Executive Committee.

Dušan Ondrušek dusan@pdcs.sk

Dušan has been the PDCS founder and director from its founding in 1991. As the trainer, facilitator, and consultant he had worked in over 40 countries, where he led the workshops on cross-cultural communication, civic participation, organisational development, conflict transformation, among others. He is still lecturing at Comenius University and he has completed several books on issues of civil society, cross-cultural sensitivity, communication, altruism and conflict resolution.

Péter Pálvölgyi palvolgyip@demnet.org.hu

Péter joined DemNet in 1998 where he has been acting as executive director for 4 years. He has vast experience in administering grant programmes for NGOs and has been involved in various projects of civil society development in Hungary and other countries. One of his recent engagements is the ImpACT programme for strengthening transparency and accountability of third sector organisations.

Andrzej Pietrucha andrzej.pietrucha@gmail.com

Fundraising trainer and consultant. For ten years involved in the work of various Polish charities including United Way and ITAKA Foundation. In 2008, he graduated from Cass Business School / MSc in Charity Marketing and Fundraising (London).

Kateřina Rybová katerina.rybova@clovekvtisni.cz

Kateřina worked with People in Need, with some interruptions, for three years. She was one of the most successful street fundraisers personally recruiting several hundreds of donors. Recently she has joined M.O.S.T. Civic Association as a fundraiser.

Jolanta Steciuk jolanta.steciuk@gmail.com

Jolanta graduated from Warsaw University, Faculty of Law and Administration. She is an NGO analyst, coordinator and fundraiser involved in various activities in the NGO sector in Poland and abroad since 1992. Regions of interest: the Caucasus and the Balkans. Member of Polish Fundraising Association.

Christine Taylor chrisvtaylor@yahoo.co.uk

Chris has over 30 years experience in the voluntary sector, working in organisations of 3 to 2500 staff. She worked for Save the Children UK for 17 years, 15 of them in fundraising. Since then she has worked for both the Disasters Emergency Committee and Comic Relief. Chris has extensive experience working on fundraising strategies, and has managed a range of fundraising functions, including trusts, legacies and community fundraising, successfully securing revenue and capital funding. Chris is a trustee of Womankind Worldwide, and chairs their Fundraising and Communications Committee.

Katarzyna Tekień katarzyna.tekien@partnerspolska.pl

Graduate of International Relations at Warsaw University, trainer on inter-cultural sensitivity. She manages development cooperation projects aimed at increasing access to high quality education in the slum areas of Kenya. She is involved in numerous initiatives building understanding about development challenges faced by people living in countries of the Global South. She has authored a documentary "School of Iron Sheets" on educational realities in Mathare slum, Nairobi. Katarzyna is Board member of Partners Poland Foundation.

Tomáš Vyhnálek Tomas.Vyhnalek@clovekvtisni.cz

Tomáš has been working with People in Need intermittently since 1996. He worked in different positions in post-conflict zones like Bosnia, Kosovo, Chechnya and Afghanistan. He is in charge of the fundraising department of People in Need since the beginning of 2007. During this time he introduced new methods like direct dialogue or charitable e-shop and successfully ran several emergency campaigns.

Thematic areas and types of publications of PDCS

Symbol	Thematic area	Symbol	Type of publication
>.<	Conflict prevention and resolution	●	Readers and textbooks
>>.	Facilitation and consu services in social development	■	Handbooks for trainers and consultants
.>>	Organizational development and changes	◆	User guides
<.>	Participatory education	▲	Case studies and research publications
.<<	Participation of public in decision-making and community development		Various, from the behind the scenes of PDCS

ISBN: 978-80-89563-02-9

Published by PDCS, o.z. in 2012

within project
Strengthening fundraising capacities of non-governmental development organizations in Central Europe, www.ngdofundraising.net

in cooperation with project partners

and associates

Author: Ján Mihálik (ed.)
Proofreading: Marek Šťastný
Design and layout: © Calder design community 2012, Karol Prudil

This publication has been produced with the financial assistance of the European Union and SlovakAid.
The contents of this publication are the sole responsibility of editor and authors of the texts.
It can in no way be considered to reflect the views of the European Union or other donors.

PDCS Partners for Democratic Change Slovakia

Published in coordination and with contribution of project partners

the resource alliance

ČLOVEK V TÍSNI ČESKÁ REPUBLIKA

Demnet

Fundacja „Partners" Polska

The book contains **16 case studies from Central European countries** and 5 case studies from the United Kingdom with learning points and **recommendations for fundraisers.**

Fundraising is about people and long-term relationships with them. It is not just money and methods that count. Effective and responsible fundraising can never be a manipulation. Rather, it **is an invitation for those living around us to participate on fulfilling our common mission.**

The case studies show living examples that people are willing to participate – even with their own money – on making this world more just and a better place to live for all. **Will you enable them to do so through your organisation?**

Published with the financial support of the European Union and SlovakAid

SlovakAid

ISBN 978-80-89563-02-9