Fundraising for Your Group in Developing Countries

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Welcome

• Introduction of presenter and audience
• Presentation overview and format
Disclaimer

• Content of this presentation is for information only and is not legal advice
• Opinions expressed herein are exclusively those of the presenter
• Presenter is not responsible for outcomes of fundraising efforts by attendees
You are the Experts!
A Word about Words

• Countries
  – Developed
  – Transitional
  – Developing
• North-South
• Nonprofit organization (NPO)
• Nongovernmental organization (NGO)
• Third Sector
Fundraising in Context
People Are Primary

- Fundraising is FRIEND raising
- People don’t give money to causes; they give to PEOPLE with causes

New Thinking Needed

• CHARITY is no longer an accurate term
  – Denotes 1-way, powerful-to-powerless interaction
  – Infers inadequacy of those asking
Contemporary Concept

- PUBLIC BENEFIT ORGANIZATION
  - Fulfills a community need
  - Creates a mutually beneficial relationship

Donor  Recipient
A donor’s gift is really a gift to the community through the NGO.

Definition of Giving

• Philanthropy: based on general concept of “love of humankind”

• Values-based philanthropy: based on belief in specific mission of an organization
Important Inter-relationships

Philanthropy
Based in values

Development
Discovers shared values

Fundraising
Offers chance to act on values

Adapted from Grace, KS (2004)
*Beyond Fundraising*, Hoboken, NJ: Wiley, p. 5
You Can Do It!

• Fundraising is not magic or mystery
• Although fundraising is now a profession as well as an academic discipline, advanced degrees are not required for success in raising money
Challenges and Strengths
Barriers to Fundraising

- Societal problems
- Systems problems
- Image problems
- Perception problems
- Logistical problems
Societal Problems

- Wars, civil unrest
- Disasters
- Politics
- Poverty
Systems Problems

- Lack of means to register an NGO
- Gratuities expected by officials
- Donations being diverted
- History of state control and/or neglect of public sector
Logistical Problems

• Group lacks experience in establishing & running an organization
• Group members lack time to devote to work of organization
• Lack of infrastructure resources
Image Problems

- Distrust of NGOs by the public
- Wrongdoing of a few NGOs & their officials reflects on all groups due to track record:
  - Misappropriation of funds
  - Creating an NGO for personal gain or as front for political purpose
Perception Problems

• Cause-related: Childhood cancer not regarded as an important issue
• Parents and survivors not seen as stakeholders in health care system
• Thus, less incentive to support cancer programs
Many things can wait. Children cannot. Today their bones are being formed, their blood is being made, their senses are being developed. To them we cannot say “tomorrow.” Their name is today.

Gabriela Mistral
Chilean poet, 1889-1957
Barriers Specific to Fundraising

• Fear of failure
• Lack of experience
• Discomfort asking for money
• Viewing fundraising as unrelated to organization’s operations
Strengths of Civic Groups

• Tradition of mutual aid within extended family and beyond
• Life experience
• Commitment to a cause
• Knowledge of own society
Lessons Learned from US Experiences

• About 75% of donations to NGOs are from individuals
• Lower-income people donate more money as a percentage of income than do higher-income people
• Small businesses often make in-kind donations to local NGOs
• Foundations & corporations are over-rated as source of funds for nonprofits

3 Traits of a Good Fundraiser

- Common sense
- Commitment to a cause
- Genuine like of people

The Basics of Raising Money for Your Cause
How Do You Get Started?

- **With an idea**
  - What you hope to accomplish
- **With people**
  - Committed volunteers (and possibly staff)
  - Carefully selected board of directors
  - Supporters and consultants
- **With a planning process**
  - For the organization
  - For raising the money that you need
Make the Case for Your Organization

• Before starting to raising funds, your group needs to create an organizational plan
• Planning is a group process that occurs in methodical steps over a set time period
The Case Statement Will Speak for Your Group

- Your planning effort will result in a written document that clearly explains why the group exists and what it does, which is called the “case statement”
What the Case Statement Explains

- **Mission**: why group exists
- **Goals**: what it will do about its mission
- **Objectives**: how goals will be accomplished
- **History**: track record of accomplished objectives
- **Structure**: explanation of its governance and how it will function to meet stated goals
- **Fundraising plan, financial statement, and budget**: showing present & future plans, wise money management, realistic expenses

Donors Look to Give Money to Reliable NGOs that:

• Have a plan created by the group, not by a single individual
• Work as a team to achieve goals
• Operate in an efficient, professional, and business-like manner
• Promote transparency and accountability in their work
Transparency means that....

• An organization harbors no secrets
• It readily shares information about
  – Why it exists (clear mission statement)
  – What it does (specifics of programs)
  – Who does it (staff names, functions, how to contact)
  – How it does it (exactly how programs are carried out)
  – What it spends (amounts spent on what)
  – How funds are used (proof of fiscal responsibility)
Accountability means that…

- An organization ensures that it deserves the trust of its clients, its donors, and its community
- It makes sure that it carries out its mission, spends its money carefully, and monitors its spending
- It provides proof of its actions
Two Basic Types of Fundraising

• Efforts undertaken solely by your group (grassroots efforts)
• Grants requested from government, businesses and foundations
The Planning Process Will Generate Ideas for Your Fundraising Decisions
Types of Grassroots Fundraising

• **Special events**: all types and sizes
• **Direct solicitations**: in person, by phone, mail, Internet, pledges
• **Periodic giving**: weekly, monthly, annual
• **Sale of goods or services**: by or for group
• **Capital campaign**: for building needs
• **Endowment**: beneficiary of will or estate
Fundraising via Grants, Type 1

• NGO researches companies, foundations, government agencies—domestic and international—to learn if they:
  – fund NGO projects in their specific community
  – fund NGO projects in specific field of interest

• NGO then submits request for funds OR responds to donor’s RFP (Request for Proposal)
Fundraising via Grants, Type 2

• Certain companies and foundations, and possibly public agencies, offer financial support to NGOs that carry out programs of special interest to the potential donor.

• These entities do NOT accept inquiries or applications, but instead offer funds to NGOs deemed appropriate.
Fundraising Depends on a Careful Plan and Hard Work

Sorry, money doesn’t fall from the sky…
What Do the Different Types of Funding Streams Mean for You?

- As part of planning process, group needs to decide which or both, to pursue, and when
- Grassroots approach is excellent way to start fundraising work
- Pursuing grant funding requires NGO track record, and excellent organization
Pros & Cons of Grassroots Fundraising

- Ability to try out new ideas on small scale, with little money
- Anyone can participate
- Builds community connections & goodwill
- More sustainable
- May not bring in enough income for major projects
Pros & Cons of Grant Funding

• Much larger amounts of money may be available
• NGO may gain visibility, enhance cause
• Almost all grants are time-limited, thus funding not stable or sustainable
• Donor may have requirements that compromise or change original mission of NGO
Resources and Strategies for Fundraising
Where Can You Get Help?

• Technical assistance on organizational development and fundraising is increasingly available to groups around the world
• Customized resource list will be available for workshops attendees
Example: The Resource Alliance

• “The Resource Alliance is an international network working to build the capacity of not-for-profit organisations to mobilise funds and local resources for their causes. We achieve this through training, knowledge sharing and networking activities worldwide.”

Types of Help Offered

• Organizational development for your NGO via web & offices in UK, Kenya, India, Philippines
• Actual & virtual training in technical process of fundraising, finding funders, preparing written requests, etc.
• National, regional & international meetings and networking
• Resources & publications
Be Creative in Seeking Funds

- Approach naturally-occurring affinity groups in your country & abroad
- Seek ways to fill a community need
- Tap in to tourism sector
- Expand your contacts beyond the cancer community
Cultivate Media Contacts

• Mutually beneficial relationship
• Can your group be subject of story, public service announcement?
• All types of media are important
  – Radio
  – Television
  – Print
  – Internet
Finding Affinity Groups in Your Country

• Ministry of Foreign Affairs listing of international NGOs
• Foreign embassies/consulates, cultural or public relations sections
  – Contacts for programs, local groups, schools, companies, with community service support
  – Contacts for foreign womens’ groups
  – Reference libraries open to the public
Finding Affinity Groups Abroad

• Via overseas family, friends, colleagues
• Formal & informal expatriate groups per region, country, health care professionals
• International interest-groups, e.g.: Sister Cities, health, area studies, arts & culture, sports
• Service & exchange groups: Lions, Rotary, Partners of the Americas, etc.
• Teachers of language/history of your country
• Alumni groups of former international volunteers, students, diplomatic corps
Role of Remittances

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• Funds sent by immigrants back to homeland now substantial part of the economy in many countries
• Potential exists to seek donations from senders and remittance services, formal and informal
Establish a “Friends Of” Group

- “Friends” groups raise funds for another group with which they are affiliated
- Serve as mechanism for fundraising abroad
- Allows interested others to support your cause
- Need to verify if/which regulations may pertain to “Friends” group
Filling Community Needs Can Help Fund Your Group

• Consider developing a small business or service
• Can be event-based or ongoing
• Will help increase awareness of your cause and your group
Types of NGO Business Projects

• Sales of publications, logo items, gifts, foods
• Retail shop or kiosk
• Canteen or refreshment service
• Sales of services in areas of expertise
• Wholesale businesses
Examples of NGO Businesses

- Supply of artisan, agricultural, culinary, goods
- Production, sale, and/or resale of items
- Guided tours of local sites of interest
- Arranging unique local experiences
- Training, consulting, business, IT, arts services in areas of members’ expertise
- Micro-enterprise projects
NGOs also receive support from other businesses

- Businesses are important supporters, especially at community level
- Ongoing mutual relationships can result
- Many large companies now have Corporate Social Responsibility programs
- Business support can sometimes create fundraising dilemmas
More Challenges and New Opportunities
Challenge with No Easy Answer

- Should your group accept donations from drug companies?
Examine the Issues

• NGOs have many support needs & pharmas offer to help them
• Drug companies seek out (or create) disease-specific consumer groups with offers of financial & technical support
• Part of a documented strategy to promote brand loyalty and sales
Points to Consider

• If an offer sounds too good to be true, it probably is
• Various intentions often behind industry gifts
• What would be expected in return for such a gift?
Why Does This Matter?

• Cost of drugs for cancer treatment is a major barrier to care
• Drug companies know that those who feel supported will be less likely to complain about prices

• Don’t Forget:
  – #1 responsibility of pharmaceutical companies is to their shareholders
Each Group Must Make Its Own Decisions

• Would accepting donations from a drug company affect your group’s ability to advocate for patients in need of medicines?
• Would accepting an “unrestricted education grant” affect your group’s independence?
When Considering a Potentially Controversial Donation

• Ask yourselves if it would pass the “Newspaper Test”? 
The Newspaper Test

• How would you feel if a story on a gift from a specific source to your group was featured in your local newspaper?
• If you’d be happy, accept the money
• If not, then decline the donation

Are There Alternatives to Pharma Funding?

• YES!!!!
• Learn program planning skills and develop your own educational materials
• Seek support first from other types of businesses in your community
• Don’t underestimate your own capabilities
Seek Donated Technical Expertise

• Students and interns from colleges & universities
• Volunteer professionals
• Retired professionals
• Employee loan programs
• Pro bono advertising
• Public relations support from local & national media
Examples from Education Field

- Art student created logo for group
- Students created brochure for group for service learning requirement
- Social work interns run support groups for children & parents
- Students raise money for your group as class project
Example from Electronic Technology Field

- InterConnection ([www.interconnection.org](http://www.interconnection.org))
  - NGO which connects multilingual volunteers to assist volunteers in NGOs worldwide
  - Creates & hosts websites for international NGOs
  - Donates computers to community groups & schools
Community on the Internet
Use Information & Communication Technology to Benefit your Group

• ICT includes radio, TV, telephone, cell phones, fax, computers, and more
• Resources exist to help NGOs get computers & get training to use them
• ICT is a very important organizational tool for building international collaborations
Summary

- Make a well-thought out plan
- Work as a team, and ask for help
- Start small & slowly
- Keep careful records
- Always thank donors personally
- Review & evaluate your progress
- Take pride in each step forward
Copy of Presentation

• To receive your own copy of this presentation and the accompanying resources list, please send an e-mail request to: jdr@ramoslink.info

• Website: http//:ramoslink.info/

• If you lack internet access, please contact me via ICCCPO to make other arrangements.
Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.

Margaret Mead
US Anthropologist, 1901-1978