Regional Training on Strengthening CSO Fundraising Capacity for Sustainable Impact

8-10 October 2018 Bangkok, THAILAND

Plan International Asia Regional Project

“Increased Accountability of ASEAN and SAARC for Children’s Right to Protection”
EXECUTIVE SUMMARY

Plan International Asia Regional Office (ARO) organized the Regional Training on Strengthening CSO Fundraising Capacity for Sustainable Impact from 8-10 October 2018 in Bangkok, Thailand. The training brought together 25 participants, comprising of CRC Asia members and CZOP, coordinating organization for SAARC countries, Plan Country Offices in India, Myanmar, Sri Lanka, Thailand, and Timor Leste, as well as Plan International National Offices in the Netherlands and the UK.

The training forms a key part of the capacity building of the CSO focused Regional Project for “Increased Accountability of ASEAN and SAARC for Children’s Right to Protection”. Overall, the training aimed to increase conceptual learning and practical skills of CSO partners to strengthen fundraising capacities in their organizations. More specifically, the strengthened capacities are intended to help the organizations diversify their sources of funding and use new techniques to increase the amount of funds they receive. The training was designed to meet four overarching objectives:

- To increase understanding and knowledge of various fundraising methods;
- To strengthen practical skills required for fundraising to sustain the ongoing advocacy work of the Project;
- To take stock on the current good practices in raising funds for organisations and coalitions particularly for advocacy related activities through sharing experiences.

Dawa Dem (DD), the external consultant and principal trainer, conducted the Fundraising Training with support of Raša Sekulović (RS), Regional Head of Child Protection and Partnerships, Plan International Asia Regional Office. The training was structured to support deepening knowledge and skills for organizational fundraising through a combination of various techniques and models to develop strategic fundraising plans for sustainability and independency. A significant amount of time was dedicated for hand-on practice to develop the Case for Support and creating a draft fundraising strategy along with peer-to-peer learning support and principal trainer coaching.

Day one contributed to enhancing the participants’ understanding and knowledge of the basic principles of fundraising, different five key income sources, and move-management techniques for major donors. Legacy Fundraising was firstly introduced as a new way of raising funds for many participants. The principal trainer also introduced the Case for Support and how the ideas should be organized.

Day two looked at innovation in fundraising with the specific purpose to drive organizations to achieve transformational social impacts. An external guest speaker, Ingo Phul from South Pole, introduced the process and demonstrated how to unlock this long-term funding to achieve social impact. Plan UK colleagues also dedicated time to brief on the current donor trends in the UK. The rest of the day focused on integrating advocacy and fundraising by maximizing communications materials and online platforms for specific purposes.

The final day aimed to help participants develop a draft organization level fundraising plan with a specific format and step by step processes. Different tools and materials have been used for this draft development such as SWOT and PESTLE analysis, BOSTON Matrix and existing sources of income reviews.

The training on Fundraising was concluded with participants commending the value of the training for their organization growth, independency and sustainability through the development of a concrete and practical fundraising strategy and plan of action.
1. DAY ONE – MONDAY, 8 OCTOBER 2018

1.1 INTRODUCTIONS AND SETTING THE GROUND

1.1.1 Welcome Message
Raša Sekulović (RS), the ARO Regional Head of Child Protection and Partnerships, also welcomed all the participants to the Regional Training on Strengthening CSO Fundraising Capacity for Sustainable Impacts. He explained that this training is part of the regional project on “Increased Accountability of ASEAN and SAARC to the realization of children’s right to protection” project and it is the fourth training event to be held. This training was chosen by the participants. It forms part of the joint vision between CSOs and Plan to increase independence and sustainability to fundraise and is part of Plan’s desire to not be seen as a donor. The course participants introduced themselves. (see annex 1 – course participant list)

1.1.2 Security Briefing
Emphasizing the importance of safety during training events, RS presented a basic information regarding the current situation, government restrictions, potential crimes, related laws and travel advisory guidance in Thailand with emergency contact numbers provided in case of any extraordinary circumstances. At the end of this session, the hotel staff delivered a quick brief on what to do during emergency and evacuation at the hotel.

1.1.3 Presenting Agenda
The principal trainer for the event, Dawa Dem (DD), welcomed the group and explained the agenda for the training. The participants thereafter reviewed and adopted the agenda. (see annex 2 – agenda)

1.2 FUNDRAISING BASICS

1.2.1 What is fundraising?
DD started the first training session with an organizational analysis from the pre-assessment questionnaire circulated to all participants prior the training. Following the analysis presentation, each group was given time to brainstorm and define fundraising from their own understanding. Most suggestions were centered on building a trust based relationship, networking, mobilizing resources and the alignment of ideas between the organization and the donor. Another participant added it is not only just ‘fundraising but friend raising’ and knowing the donor landscape. DD highlighted that building ‘a two-way relationship’ is crucial and to ensure we understand what the donors want to hear.

What % of funding source contributes to your organisation’s budget.

- 80% reliant on institutional grant: Trust, foundation, government and corporate
- 92% of their income from the corporate sources
- 1 CSO has 63% from earned income
- 3 CSO completely reliant on grants: government and bilateral
Emotional storytelling is another key to success for fundraising. The most successful storytelling campaigns contain elements of joy, anger and injustice. These elements have been proven to tap into people’s emotions and drive them to act. It can be used on any platform, both online and offline. RS noted that communications teams can be used to package stories that can be shown to potential donors. There was discussion regarding whether it is ethical to use emotions in this manner. The group decided that it was based on how the issues are presented, the story and the facts need to be clear and well-balanced and not manipulative. DD said that it’s important to remember that through storytelling you are also selling your brand therefore whatever stories you want to tell, you will be associated with them. Furthermore, storytelling needs to be timely and true – good stories with hope that connect with people.

Building a relationship with the donor is based on building trust before, during and after the donation has been made. The fundraiser needs to identify the interests of the donors and sensitize them to the cause. Selling the emotions that are attached to the idea will lead to the donation. RS explained that using data depends on the type of donors. Plan works with sponsorship but also major donors that push for evidence and are less interested in emotions, therefore it can be useful to combine emotions and data. DD added that for institutional fundraising it is best to use the format given by the institute.

**1.2.2 Identifying Different Income Sources**

DD explained the difference between restricted and unrestricted income and the five main income sources. A mix of donors and different sources of income are needed to ensure sustainability. The unrestricted income is a type of flexible funding and sometimes can be spent on administrative costs where some major donors are very strict and allow only small percentage for this category. Donor mapping will provide a clear picture of the funding landscape and how it applies to your organization. It is recommended to consider all sources of funding such as corporate foundations, celebrity foundations, airlines, royal families, for example.
Transparency and good organization are key to building a good relationship with donors. Before approaching donors, ensure that your organization is well-prepared. Create a strong offline and online brand, clear key messages and have papers ready. This includes being able to show how your organization has spent existing funding according to administrative costs, fundraising costs and programs, if possible. However, the organizations should also carefully consider who they want to be associated with. Receiving government funds can add legitimacy to your brand and can open the possibility of shaping policy but it could increase reporting requirements. Linking with large corporations can also lead to associations with your brand. Greenpeace was given as an example of a large organization that only receives funding from individual donors. DD recommend each organization to review their organizational portfolio and identify which funding sources need to be increased to ensure sustainability. RS emphasized that Plan International is not a donor and from his view local organizations are in the position to be approached by and able to respond to the donors quicker. He also suggested when replicating this Fundraising Training in your respective country, please do remember to invite potential donors for building closer relationships. DD closed this session by reiterating the fact that INGOs are keen to work with local NGOs; therefore it is necessary to improve organizational branding to help attract donors as well.

### 1.3 Techniques of Fundraising

The three main techniques of fundraising are: **direct marketing, earned income, and major donor.** To diversify funds, the organization should look at patterns of how donors give funds to decide which technique is best for the organization. In addition to this, the fundraising strategy should match the individual needs of the target audience. For example, large donor groups give small donations and direct marketing can be used to attract more donors whilst small donor groups give large donations and are categorized as major donors.

#### Direct Marketing
- Direct mail
- Face-to-face fundraising
- Telephone fundraising
- Online events
- Collections boxes
- Mobile phone fundraising

#### Earned Income
- Sales of goods and services

#### Major Donors
- Trusts and foundations
- Wealthy individuals
- Businesses
- Capital campaigns
- Government funding
- Bilateral or multilateral funding

The group shared their experiences of fundraising using these techniques. Online platforms such as Global Giving have been used successfully to raise small amounts and events have had mixed success. Sometimes, online platforms charge a fee too. DD said events can be used for publicity and fundraising. For instance, organizing events can be used for collecting details of participants for further fundraising or placing a donation box. Some countries such as India and United Kingdom make use a lot of mobile phone such as missed call approach and text donation respectively. RS added that events which combine with exhibitions and bringing the right holders can raise awareness about the issues to the right donors. There are Five Golden Gifts that donors can also bring to the organization and those are **goods, voice, influence, time, and money.** *(see annex 3 – PowerPoint presentation Fundraising Techniques)*
DD provided practical tips when organizing an event which can be divided into three stages.

1. **Pre event**: identify potential donors and make sure they are invited;
2. **During event**: do not focus on logistics but instead engage with invited participants; and
3. **After event**: use this critical stage to build a connection with participants. For example, it is highly recommended to send a quick thank you letter right after the event and invite them to the next meeting to create a continuous dialogue.

However, it was observed that thorough preparation and logistics is crucial for success.

DD drew the donor pyramid on the flipchart and explained this is designed to guide organizations to assess how their time and income is allocated to donors and the amount they give. By using the **Pareto Principle**, that 80 per cent of the funds will come from 20 per cent of donors, organizations can cultivate donors by using different fundraising and relationship building strategies to move them up the pyramid to increase funding. However, the organization should conduct donor profiling before cultivating the donors as not all donors are the same, those at the bottom of the pyramid are different to those at the top and these donors should be cultivated differently.

### 1.4 MAJOR DONOR FUNDRAISING

#### 1.4.1 Introduction to Major Donor Fundraising

A major donor is anyone, individual or organization, who is able and willing to give a large donation. It will require making connections over time before approaching for funds and stewardship thereafter. To start the process, organizations should understand donor motivation and match it. This can be done by analysis of donors’ *interest, linkage and ability* (ILA model), mapping the donors and their motivations followed by initiating the ‘moves-management process’. Donor management should be seen as a process that requires research, planning, making connections, and working as a team, as the donor’s priorities will evolve to meet their personal and business needs. The board of trustees can also play a critical role to connect with potential donors due to their inner circle. RR suggested to conduct fundraising and donors analysis to identify stakeholders, understand power dynamics and address the internal capacity gaps within the team. Once potential donors are identified, it is necessary to prioritize the list due to organizational limited resources.
DD invited participants to a partner and participate in an exercise - making the pitch - using the scenario of meeting Jackie Chan in an elevator. After taking turns of two-round practices, participants gave their feedback on the exercise. They said that it was hard to start conversation and not knowing the donor makes it more difficult. DD noticed that NGOs usually spend this precious time to talk about themselves rather than making this an opportunity to make a connection with the donors. Opportunities to raise funds can be any place such as in an airport lounge or at a conference.

1.4.2 Legacy Fundraising
Legacy fundraising is a medium-term strategy that can be used to build funds. It is observed that this strategy is not very common in Asia and particularly in the Philippines speaking about death is not advisable. At present, people in South East Asia are giving to religious institutions and foundations but they are not giving to CSOs. This could potentially be used as a source of fundraising. DD explained how this can be vital part of the fundraising strategy but it cannot be conducted face to face. This type of fundraising is best done through email or a website in a subtle manner. It should also be part of the communications strategy. She emphasized that donors might not necessarily leave the organization money, it could be materials possessions and this needs to be planned for in the strategy. DD provided details explanation of the three key steps (planning, execution and follow up) to legacy fundraising in her slide presentation with various examples. (see annex 4 – PowerPoint presentation Introduction Major Donor)

1.5 DEVELOPING YOUR CASE FOR SUPPORT
DD explained how developing a good case for support is essential for any fundraising initiative. The focus of the case for support should be at organizational level, not project level. The structure for the case for support should take the following format:

1. The need/ problem
2. Your solution
3. Why now? ‘Urgency’
4. Why your organisation

The groups developed and presented their case for support and received feedback. RS suggested that additional key points in the case for support could include videos of human interest stories that link to the application and case studies/success stories. It is also important to be aware of the use of NGO jargon as all NGOs say similar things and it holds little meaning for donors. (see annex 5 – PowerPoint Presentation Case for Support)

The first day finished with individual participants sharing their reflections from day one. (see annex 6 – day one reflection)
2. DAY TWO – TUESDAY, 9 OCTOBER 2018

2.1. INNOVATION IN FUNDRAISING FOR PURPOSE DRIVEN ORGANISATIONS TO ACHIEVE TRANSFORMATIONAL SOCIAL IMPACTS (GUEST SPEAKER - INGO PHUL FROM SOUTH POLE)

Ingo Phul (IP), Social Entrepreneur and Co-Founder of South Pole Group and Whapow, started his presentation with speaking about how to improve fundraising skills using social innovation focusing on value for impact. He explained that money is a store of value which is used to exchange different types of value. This can be used to engage with donors by demonstrating that exchanges can create different forms of value that also benefit them. For example, donors can give money and put it into an asset that is linked to social capital and they can benefit too.

IP’s presentation was based on three case studies:

1. SEA Renewable Energy Initiative by Children Investment Fund Foundation;
2. Social Giver’s product partnerships; and
3. The IXO Foundation platform.

Several examples of case studies were given to show how this works. The key point in all of the case studies was to talk to donors, corporations or individuals, and offer them attractive and valuable opportunities to invest. For example, corporations could be offered solar transformation as a means of creating income for all. Politicians can connect by stating the opportunity rather than focusing on the disaster of climate change. For individuals, organizations can offer them incentives to buy products and then the organization will donate to a social organization. The key of this social marketing is to emphasize that doing something good for yourself helps others. This is where the money is converted into value and impact.

For donors who want to see that their donations make a verifiable impact, blockchain technology can be used. IP explained that blockchain technology can provide data to measure impact as well as storing impact and changing impact into money. For projects such as women’s empowerment where it more difficult to measure impact, the project can be initiated then scaled-up to use blockchain. Number of hours from electricity saving in Australia was converted its impact to social value in Nepal where its Project households were provided biogas instead of fuel wood due to time saving in Australia.
The group discussed using hackathons as a way of creating new ideas and engaging with potential new partners. There is potential for NGOs to use this as they can bring real problems. Blockchain guarantees that social impact has been generated. Some existing projects are being implemented in Myanmar and Thailand. To receive money for this new initiative, it was suggested to approach corporations.

Traditional donors can also be used but they are more risk averse. A way to engage them is to suggest a pilot to test the idea. This can be written into the proposal and submitted to them. RS added that major donors have a section for applicants to provide information about social innovation and this can be an option to prove that value was created.

Social giver was also suggested as a means for NGOs to leverage resources. If people buy through the site then money can be given to the business and the NGO. It demonstrates that the impact is real and it creates value. *(see annex 7 – PowerPoint Presentation Fundraising Innovation)*

### 2.2. DONOR TRENDS IN THE UK: DFID, SMALLER DONORS AND MULTILATERALS (GUEST SPEAKER - SOPHIE RIGG FROM PLAN INTERNATIONAL UK)

Sophie Rigg (SR), Program Development Specialist from Plan International UK, gave an overview of Department for International Development (DFID) in the UK and how funding is distributed. As DFID give to multilateral organizations, she suggested CSOs look the spending requirements they give from them to access DFID funding. DFID and The United States Agency for International Development (USAID) also have key priorities that guide their requirements and CSOs should consider these too as government priorities set funding trends for other organizations.

Commercial contracts are also becoming more popular as large for profit organizations are successfully bidding for funding on development projects and the terms and conditions of grants are becoming more linked to these contracts. Although CSOs wouldn’t normally lead on these projects, they should look for opportunities to partner with a large organization and offer technical expertise. SR added that that the partnership should have complimentary skills sets. To make themselves an attractive partner, CSOs should record impacts and keep financial records in order, develop strong partnerships and promote expertise.

Participants were distributed several Theory of Change (ToC) models and asked to provide feedback. The group noted that ToC models are good as they are adaptable and as development does not occur in a linear fashion they provide flexibility but they can contain too much information and become difficult to follow. It was reminded to ensure the contents are accessible and understandable for the target audiences. Using log frames was the preferred model as this is what is expected by donors and they provide more tools to measure progress, however the group said that they can be too rigid to work with when the project needs adaptation. SR reaffirmed the fact that donors prefer to see how NGOs can adapt ToC and if the proposed changes make sense, they are flexible than we thought. *(see annex 08 – Theory of Change Models)*
Public opinion influences aid in different ways. The economic recession in the EU has meant that many people would prefer money to spend within their own country. In the UK, the safeguarding scandal impacted on the funding of several INGOs. To secure funding, CSOs should ensure that their policies are strong, up to date and responsive to any incidents that occur. Building a good reputation will make your organization more attractive to donors.

The group discussed ways to access funding. SR and Menno Gibson (MG), International Partnerships Officer from Plan International the Nederland (NLNO) said that NO offices are willing to help as much as they can to source funds for CSOs. NLNO has a focus on public-private enterprises and has been looking for certain partners for these opportunities. RS added Plan ARO has received extended support from Plan EU office in Brussels providing EU delegations contacts based on each country.

Participants were encouraged to make connections with these delegations. It is important to also note that some donors are pushing CSOs to form alliances as they want to avoid many single recipients working towards the same goals. In case of new emerging global NGOs, not known to the donors, it was suggested to work with reputable lead partners for a greater chance of securing these opportunities. (see annex 09 – PowerPoint Presentation Donor Trends in the UK)

2.3. INTEGRATING ADVOCACY AND FUNDRAISING

2.3.1. How to Mix Grassroots Advocacy & Fundraising

DD asked the group to think about communication and the materials that their organization uses to promote their brand. Brochures and websites were the most common materials and the group identified what they needed to work on to promote their own organizations to the public. Participants were given time to work in a table group to review a selection of organization marketing materials. Feedback was given for Equality Myanmar’s brochure which contains statistics, graphics, stories and annual reports.

DD added that it is necessary to understand the target audience and the communication purposes. Messages need to be tailored for different income sources and DD explained using the example below.

<table>
<thead>
<tr>
<th>Audience (based on five income sources)</th>
<th>Cause for which you need support</th>
<th>Key communication messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>Child labor</td>
<td>Send a child to school. Children deserve to play and go to school, not work in factories.</td>
</tr>
<tr>
<td>Companies</td>
<td>Child labor</td>
<td>Say no to child labor. Staff, customers and stakeholders will feel proud to be part of a socially responsible company.</td>
</tr>
</tbody>
</table>

DD explained further but for advocacy and fundraising expectations, two different dialogues and materials are required. She used another example of refugees:

1. For advocacy: Tell ‘your government’ to end the refugee ban
2. For fundraising: Donate to us to help support refugee family relocation fees
Participants were also reminded the key messages should be linked to global events and the news cycle whilst using emotional videos and storytelling. The campaign is more likely to gain coverage. As more people connect to the advocacy campaign, they can be introduced to fundraising through follow up emails and newsletters with instructions on how to donate.

It was discussed how some INGOs use data to understand their supporters. Data can be collected to understand what inspires them and then communications can be targeted to their interests. There should be a clear question to build a connection, details of the urgency of the topic, date, required action from the supporter and a reward, for example if you sign up today, you receive a gift. These actions should then be followed through on a regular basis to update supporters on progress following their donation. The website should make it easy for someone to donate and contain well written and short messages as well as a donate button, a share button and possibly a QR code. Pledges and legacy donations can also be used as way for people to donate, therefore include links to these pages on the main donation page. Each country should have a list of advocacy / fundraising issues available for timely opportunities.

2.3.2. Fundraising during disaster and emergency

DD walked participants through each slide presentation by using Disaster and Emergency Coordination, 13 UK leading aid charities working in partnership to provide and deliver aid for successful appeals. Together, they launch appeals during humanitarian crisis in poorer countries, distribute funds and partnering with corporates, government, NGOs, and telecommunications (TV, media, bloggers). There was also a diagram which clearly explained how this coordination works divided by timeframe, during the first weeks of the emergency, phase 1 for six months, phase 2 for further emergency work and monitoring at six monthly intervals after. (see annex 10 – PowerPoint Presentation Integrating Fundraising and Advocacy)
2.3.3. Online: social media for fundraising and advocacy

An increased amount of donations comes from online giving. Facebook was highlighted as an effective tool to increase funds as it can be used in multiple ways to share progress updates, advocacy and fundraising campaigns. The Facebook lookalike function can allow users to search profiles with similar interests for targeted advocacy. DD emphasized that the content of the page needs to be high quality. This includes well written copy, high quality photographs, and organized and easy use content. Campaigns should be run separately but the content for previous campaigns should be stored on the Facebook page for donors to know more about the organization. The example of Soi Dog Foundation was used to show how online fundraising can be successful.

The group discussed other methods of using online platforms for fundraising, this included:

- Sending e-greeting cards to donors that coincide with religious and cultural festivals (e.g. Christmas, Songkran, etc.);
- Launching campaigns that coincide with end of the financial year with ideas for giving;
- Launch campaigns that are linked to important milestones in the organizations history, for example 25 years anniversary;
- Crowdfunding campaign: do a ‘soft launch’ with family and friends as a pilot test before doing a final launch. Make sure you set a launch date that does not coincide with times of the year when people have strong financial commitments;
- The campaign should be updated periodically with stories, photos and videos. This should be included in the communications strategy;
- Make sure internal structures are in place before you launch and identify any gaps.

*see annex 11 – PowerPoint Presentation Online Fundraising*
3. DAY THREE – WEDNESDAY, 10 OCTOBER 2018

3.1. GENERAL DISCUSSION
RS welcomed the group for the final day of the training and opened the floor for participants to raise any concerns or emerging issues that might not be covered for the last two days or in the agenda. One concern brought up for the discussion was that how do we approach regional and national fundraising and how they can be synergized. In addition, some participants were facing a challenge while addressing Coalition’s funding gaps, it could be seen as competitiveness. Other participants proposed an option to be considered was to develop a clear and proper plan internally and amongst the members. RS also suggested to start from child right situation analysis, identifying the common issues, and collectively design Coalition’s strategic choices with corresponding resource mobilization plan.

3.2. DEVELOPING YOUR FUNDRAISING PLAN
DD continued the first session by referring to the Case for Support, the key document to set the tone for the strategy. Participants spent the day developing a resource mobilization plan by using the structure as shown below. *(see annex 12 – PowerPoint presentation Format for a Strategic Fundraising Plan)*

Participants were given individual handouts for each steps and those documents included:
1. Developing a fundraising strategy outline;
2. SWOT and PESTLE analysis to identify the organization’s potential to raise resources;
3. Analyze existing sources of income and set targets;
4. Assessing communication materials for fundraising;
5. Task Sheet for a one-year plan;
6. Short-Term and Long-Term Action Plan format
For the stage 5 — Summary of existing Resource Mobilization, the BOSTON matrix was introduced as a means of analyzing the fundraising methods portfolio and informing decision making about a fundraising strategy.

At the end of the day, each participant / organization developed their fundraising plan where it needs to be refined with their team and be treated as a living document to be reviewed on a timely basis.

### 3.3. PARKING LOT

The last training session was dedicated for revisiting the parking lot and noted the following points:

- Storytelling as a key part of fundraising. Participants were strongly encouraged to contact the communications teams and field officers for photos and stories;
- Make sure participant know and meet the potential donors and do not try inviting them to the training events;
- Developing donor mapping: it is advisable to know the landscape where we are working in and how to utilize it;
- Seek the possibility to increase legacy donations as new options for fundraising;
- Utilizing more digital platforms. Participants may consider for “googlegrant” or buying “adwords” for organization’s website site to be at the top of the list;
- Enhance digital skills by considering to use university students and tap into social enterprises to use their expertise; and
- Develop / improve organization profile to understand who has interest or potential interest in fundraising and grow your own talent.

### 3.4. TRAINING EVALUATION

Individually, each participant was handed a training evaluation form and given time to provide their comments and suggestions for training related improvements as well as overall aspects, including: facilitation and venue/working conditions, etc. Positive feedback included useful sessions, practical techniques, and that it was informative. Some participants recommended that more space be allowed for discussion and digesting the contents. A few sessions could have also been more focused and with more discussion to dig deeper into the details. However, overall, the training was well received. *(see annex 13 - Evaluation result)*

**Downloads:**

1. Click here to download all PowerPoint presentations used in the training
2. Click here to download all handouts shared in the training
3. Click here to download list of potentials donors and relevant information