

RESOURCE MOBILISATION

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Changing context of Resource Mobilisation in India

Nineties

- Beginning of international NGOs (INGOs) becoming operational.
- INGOs, as well as Bilateral / Multilateral donors begin setting their own Agendas (thematically), considering NGO proposals conforming to such agendas.
- Emphasis on NGOs generating 'own means' to restrict donor funding to 75%.
- Availability of Government of India / State government funding under different schemes to NGOs
- Used to funding from international agencies, most NGOs unwilling to work with governments.
- Corporate agencies begin investing in CSR (Corporate Social Responsibility)
- CSR acceptance low due to lack of mutual trust between business and NGOs.
- Indian Trusts and Foundations (Sir Ratan Tata Trust, Sir Dorabji Tata Trust, enhance their funding to the NGO sector, also begin investing in Corpus funding.
- Funding agencies interested in sustainability of NGO programmes, but not on sustainability of the NGOs promoting sustainability of programmes.

First decade of the 21st century (2,000 – 2010)

- International funding agencies (INGOs) raising funds in India, e.g. OXFAM, Plan India, Childfund India, Save the Children.
- Some INGOs becoming operational and not honouring long term MoUs with NGOs
- Bilateral / multilateral agencies going the BIDS route as also announcing specific thematic funding in a competitive mode
- Acceptance of CSR by NGOs increased, mutual trust issue also getting addressed.
- Submission of proposals to government from NGOs gaining momentum.
- Growing concerns regarding accountability and transparency; emergence of Credibility Alliance
- Indian NGOs getting increasingly driven by the Agenda of the donors, and finally
- Setting their own agenda as per Organizational Vision & Mission losing ground & Indigenous Resource Mobilization not yet accepted by most NGOs in India.

Case for Resource Mobilisation by Local NGOs in India

- **What is Fundraising?**
- **Why do we raise funds?**
- **The Five (5) Income Partners**
 1. **Individuals** and associations of individuals. Individual donors could include Trustees, volunteers, staff visitors, vendors and suppliers, members of social clubs such as Rotary and Lions Club, first time, repeat and long term donors.
 2. **Companies** which include national and multinational companies, small and medium businesses, shops and restaurants
 3. **Foundations and trusts-** international grant making agencies and national trusts and foundations.
 4. **Statutory or Government-** national or local Government, bilateral and multilateral funding.
 5. **Earned Income** through fee for trainings, consultancies, charge for services, sale of products and earnings on investments.

What do they give?

- Money
- Time and expertise
- Goods or in kind donations
- Voice especially in advocacy initiatives
- Influence
- Information

Motivations for Giving

- Most importantly, people give because they are asked!
- For leaving a legacy, the donor needs to spiritually believe in the cause and the organisation.

Getting Started

Principles of fundraising

1. Fundraising is not only about money-it's about **friend raising** as well. Fund raising is about building relations.
2. **Communicate the need**- make your case larger than the institution. Show how your organisation contributes towards building an achievable and worthwhile future of the future.
3. **People give to people** – People do not give to organisations or to abstract concepts. They give to people or to help create a better world. By illustrating through case studies the impact of our work we can show the donor how his money is helping us make a difference.
4. Your best prospects are your **existing donors**. This is the power of peer group pressure - using an existing donor to introduce you to others and talking about his own contribution towards your cause is the best measure of credibility.
5. **Look for relationships and friends** what organisations look for are people who will give to us regularly and substantially. All the effort to find a donor and persuade them to give will only bear fruit if they give over a period of time and increase their level over time. To achieve this means getting them involved with the work of the organisation and committed to its success.
6. **You don't get what you don't ask for!** Some fundraisers do not exploit the opportunities that exist to raise money. Others ask but not effectively. The good fundraiser must clearly ask for exactly what they want having arrived at the decision after considering the donor's ability and willingness to give.
7. **Personalise the approach**. The general rule is that the more personal your approach the more effective you will be. Asking face to face, making a presentation, writing a letter and sending a circular will have a larger impact.
8. **Make giving easy**- facilitating the giving process for the donor by making it least cumbersome should be the route the organisation should adopt.
9. **Creativity and innovation**: Fundraising is about 'selling' an idea, that the donor can make a difference rather than just asking for money. Successful fundraising depends upon your ability to get people to do something to help provide a solution to an existing problem and the more creative and innovative your approach is, the more you are likely to attract donors.
10. **Say thank you!** Saying thank you recognises and values the donor's generosity. Organisations that thank the donor on every appropriate pretext will see this investment repay itself by the level of repeat giving that will be facilitated.
11. **Accountability and reporting back**. When we as not for profits take money from anyone it is our responsibility to see that the funds are spent on the purpose for which they were raised. Failure to do this is a breach of trust. We need also to ensure that the money is well spent, having achieved what we set out to do.

Resources needed

Most projects will fall into one of the following types:

New projects: projects the NGO would like to run if it had the funding: a 'wish list'.

Emergency appeals: a project where money is needed instantly to meet an immediate need. These can range from the relief of famine to the need to repair a building.

Capital projects: projects to buy assets for the NGO to do its work, like a building, transport or equipment.

Core costs: funds needed to sustain existing operations, to pay salaries, general running expenses, etc.

Deficit funding: some organisations run on extremely limited budgets and may fall into deficit which could threaten the existence of the organisation.

Fundraising strategy Factors

- External environment – assessing demographic trends, the social, political and economic climate, and the competition.
- Funding sources and donor audiences – individuals, companies, foundations, government, other organisations.
- Potential for giving – assessing their ability to give and their willingness to give to your cause.
- Techniques – for example events, collections, direct marketing, mail order, sponsorship, adoption schemes, major donor programme, planned giving.
- Methods of approach – for example direct mail, advertising, telephone, face-to-face.
- Communication channels – printed material, newspapers, television, radio, Internet.
- Communication messages – what can you say about your NGO that sets it apart from the competition.
- Fundraising resources needed_– administration systems, people, skills, time, and money to invest.
- Part of the 'art' of fundraising is selecting the techniques, methods of approach, communication channels and messages that will elicit the best response from different donor audiences, and that make the best use of the fundraising resources available.

Implementation

The next stage in the fundraising cycle is “doing” the fundraising. This involves turning the strategy into a fundraising plan with specific objectives and action plans that contain a timetable and milestones along the way to tell you how well the fundraising is doing.

An important aspect of the fundraising plan is dealing with uncertainty. This is all too easily missed and can be critical to success. Assumptions and critical factors necessary for successful implementation should be factored into your fundraising plan. This will give you (and your Trustees) a realistic picture of what is feasible.

Examples of factors that need to be considered include:

- Do you and/or your staff have the fundraising skills to carry out the plan? If not, is there training available, or can you afford to use consultants or hire more staff with the right skills?
- Is there a fundraising administration system in place to handle the receipt and acknowledgement of donations?
- Are your salaries sufficiently competitive to retain key staff?
- Dealing with uncertainty is part of risk management

Monitor and review

By identifying the critical factors and the performance indicators at the planning stage, monitoring should be fairly straightforward. Targets and objectives can be assessed against actual performance.

By periodically reviewing actual performance against planned performance, adjustments can be made to the fundraising plan. Targets can be revised – up or down – and resources moved into activities with the best performance, more investment into activities showing potential, and/or rethinking activities showing poor performance. It is recommended practice that reviews are undertaken a minimum of every three months.

Evaluate

At the end of the fundraising cycle, usually an annual process, the fundraising strategy should be evaluated. Evaluation has two purposes: for accountability and for learning and improvement.

Evaluating for accountability:

- Efficiency – the rate and cost at which fundraising activities result in income.
- Effectiveness – performance in relation to targets as set in the original plan.
- *Evaluating for learning and improvement:*
- Developing staff – identifying training needs
- Learning from legitimate error – lessons from unexpected circumstances as a source of knowledge for the future
- Reframing strategy - open learning through an exploration of different viewpoints, including stakeholders (donors).
- Evaluating the NGO’s organisational strategy should run in parallel with the fundraising evaluation. This will highlight where the NGO is succeeding or failing to deliver its stated goals and objectives, the lessons learned and actions for improvement.

Essential criteria for fundraising success

Understanding the importance of the need and the impact a gift will have on meeting that need.

- Passion for the cause.
- Commitment from every level of the organisation.
- Leadership and planning skills
- Support from staff or volunteer leadership, including appropriate materials, research and resources.