

CORR - The Jute Works

CORR - The Jute Works started life in Bangladesh after the War of Independence in 1972 to offer some way of providing income to the larger number of widows in the aftermath of war. It capitalized on the local crop, jute, and the skills of village women in making pot holders (thika) from the jute fibre - a skill that was purely functional in the village context where such hanging pot holders were an essential part of handling liquids. CORR -The Jute Works saw export market opportunity in this skill, by buying the thika from the women to sell overseas as decorative plant pot holders. It arranged the women in groups and gave them training in new products and techniques, bought their output, and placed it overseas through alternative marketing organizations and a mail order catalogue.

The sales of the craft work were divided: part of the income went back as a dividend to the producers (and this was used by the women's groups for a variety of useful activities like improved water supplies, or tree planting): part went to pay for the administrative costs of CORR - The Jute Works, and another part was put into a reserve fund. From time to time, depending on the size of the reserves, CORR - The Jute Works would fund development activities for the women's groups beyond the craft operations - like latrine building.

CORR - The Jute Works was living and expanding on the backs of the craft production of the women, but was doing so in a way that enabled the organization to be both self-sustaining, and a source of further funds. CORR - The Jute works has not taken foreign funding since its third year of operations (1975). The most difficult aspect of its operation is keeping up with the buying patterns of the people in the countries to which they export, and feeding these ideas back to the manufacturers. The enterprise (and the organization) will only continue if they remain smart entrepreneurs who research the market and produce for it, being prepared to change as the market dictates.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Jairos Jiri Association

The Jairos Jiri Association, probably the largest organization of its kind in Africa, serves more than 10,000 disabled people annually in Zimbabwe. It has a wide range of programmes including schools and psycho-therapy treatment centres for children, a scholarship programme to assist secondary and post-secondary students, a training centre and farm for agricultural education, and outreach and follow-up integration programmes: altogether there are 16 centres all over the country.

One of the Association's main activities is the provision of specialized education plus vocational training for the disabled. It operates five craft shops, two furniture factories and a farm that produces food for nearby residents and graduated trainees. These craft shops provide a great opportunity for disabled people to obtain skills and to produce high quality goods including furniture, artificial limbs, wood, metal, and leather crafts and china.

In addition to serving as training centres and as a way to publicize the Association, the craft-shops generate a considerable amount of revenue for the Association. Jairos Jiri began to generate income in 1959 to support its programmes. The goods produced by the disabled clients are sold in goodwill stores to the general public, including tourists. The Association covers 43% of its expenses from the revenues of these shops. They started their operations with external donor funds (about US\$ 200,000) and have been producing profit since establishment.

One important lesson from Jairos Jiri is that the stores could not be managed as part of the charitable programmes. According to the Executive Director, they should have been operated as a separate business activity from the beginning, adopting business principles and strategies.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

PROSALUD - Self- Financing Health Services in Bolivia

PROSALUD's objective is to function without outside support, recovering its costs from the sale of its health services and products. In the health sector, recovering costs by charging fees for health services delivered to low-income families is often considered impossible. Charging fees that are high enough to cover the costs of services appears to discriminate against the very poor, who live on the edge of subsistence and often have no money on hand to pay for services or goods of any kind.

This conventional wisdom, however, seems to be belied by the PROSALUD experience in Bolivia. PROSALUD already has a growing system of health facilities in operation that are self-financing through the fees that it charges. Clients are predominantly low-income families. Services include free preventative health care and child survival interventions. Curative services are provided free of charge to families that cannot pay (between 8-13% of PROSALUD's patients). PROSALUD has conclusively demonstrated the feasibility of self-financing primary health care services, even in a country as poor as Bolivia.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Pact: Health Insurance for NGOs

Pact, a US NGO, has a health insurance plan for its employees, as do many other US NGOs. The particular health plan is a good one and very well run. Pact found that other US NGOs were asking it for advice on running their own health plan, and were very receptive to Pact offering to include their organization into the Pact health plan. Soon Pact was earning a modest but important income from providing health insurance facilities for a number of other US NGOs. It knew how to do it, it could relatively easily scale up, it had a number of other interested potential customers, and it could do the work without under-mining its services to its own employees.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Yayasan Bina Swadaya

Yayasan Bina Swadaya in Indonesia is an organization specializing in improving the lives of small farmers and fishermen through savings, credit, and the formation of co-operatives. Its early work was to encourage rural poor farmers to save their money and take out credit to expand their small self-employment possibilities. The Yayasan (which means 'Foundation') charged a service fee for the credit that went some way towards paying for the costs of the credit scheme. The Yayasan found that many of its customers wanted to raise chickens, but that obtaining day old chicks was a real problem. It therefore went into the business of hatching and producing day old chicks and selling them, making a small profit, to its customers. It found that other people apart from its target group also wanted this service and so it also started to sell day old chicks in the market place. It started a small extension newspaper for its target group on improving farming practices, and found that this newspaper filled a need for a farmer's magazine that existed beyond its immediate target group. It also geared up its production for the market place. It then found that its skill and experience of running its original savings and credit operation was at a premium for other development agencies, and that other organizations wanted to know how this could be done. The Yayasan started a consultancy service, offering its senior employees on short-term hire to other development agencies.

Through its work with foreign development agencies it realized that there was a market for the kind of knowledge about Indonesia life that was part of its essential way of working, and so it offered alternative tourism services to the supporters of foreign development agencies. Everything that it did to make money was a spin off from its original mission, based on skills developed in the course of activities connected to that mission.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Alternative Tourism

The usual kind of tourist is one who craves creature comforts familiar back home, but likes them packaged in an exotic setting. They are often unaware of the actual environment in which they spend their holidays since hotels and tour operators decide what they see and experience is decided for them. There is, however, a small but increasing number of tourists for whom a visit to a foreign country is an 'alternative' opportunity to learn more about that country, including the reality of life 'behind the scenes'.

Basically there are two kinds of CSOs who have appreciated that they have special knowledge and experiences which are marketable and can earn money - those who offer tourists an introduction to the realities of life in a particular country - and can organize exposure tours to villages and aspects of rural and urban life that other tourists would miss (these are offered in India and Thailand, for instance); and CSOs who are involved in environmental matters who offer eco-tourism, that is specialized visits to places of particular environmental interest often combined with exposure to particular environmental problems (these are offered in Nepal and Madagascar, for instance). As with much tourism, the ethical problems arise not as a matter of principle, but when the numbers involved escalate. It is difficult for the most sensitive and committed tour guide to bring the 500th tourist to look at the misery of the rubbish mountain pickers of Bangkok, as it is difficult to preserve the wilderness conditions required for the interesting biological diversity in Madagascar under the visits of very many tourists, however pure the motives of the tour organizer.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Enterprises of the Zambian Red Cross & PROSHIKA Bangladesh

The Red Cross in Zambia raises 87% of their income from the rental of offices and flats. The original Red Cross building has been owned by the Red Cross since at least 1964. They have also, in the past, received ownership of 6 flats that they have rented out since then. In 1991 they approached Finnish Red Cross for a loan in order to build a second building. Finnish Red Cross agreed, and when the building was finished in 1992/3 the World Bank rented the office space on the third floor (they have subsequently moved to larger premises).

Rental from the office space brings in a substantial amount of money, which is usually paid for a year in advance. The rent from flats is on a monthly basis. All of their administrative and most of their continuing project support comes from rental together with smaller amounts of other domestic fundraising. For special projects of relief work, the Red Cross applies for funding from outside sources, typically their sister agencies (eg British or Finnish Red Cross, or their umbrella agencies International Committee of Red Cross and Red Crescent Societies). Mrs. Munkanta says: 'We do not have the headache of chasing funds. We are able to operate in a more secure financial environment that has allowed us to follow through with programmes and be innovative. You still have problems with flats being unoccupied or dealing with the demands of tenants, but it is generally a good experience'.

Source: 'Depending on Ourselves - Zambian Experiences in Domestic Fund Mobilisation' by Hull and Holloway, Pact Zambia (1996)

PROSHIKA, a large Bangladeshi CSO was helped by CIDA to buy a bus company that it intended to run as an income generating enterprise. No-one in PROSHIKA had ever managed a bus company before, and the inter-city bus business in Bangladesh is not only very competitive, it is also pretty lawless as businesses try and capture passengers from each other. PROSHIKA soon got bogged down in problems of maintenance, ticket collection, cash flow problems, and, in the end, found that it was taking much too much of the senior management's time - time that should have been spent on the economic and social development work that PROSHIKA was set up to do.

Added to this the business itself was not making much money - certainly not enough to justify the management time that was being spent on it. Sensibly PROSHIKA divested itself of its bus company and stuck to what it was good at. It is now generating income for itself from a service fee on its large credit programme, by running an Internet service provider, and by renting out a spare floor in its own office block.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Fundacion para la Educacion Superior (FES), Colombia

FES was founded in 1964 to help a public university meet its cash flow and programme expenses. Given that government disbursements were habitually late, the University was forced to borrow from local banks at high interest rates. At the same time funds received from foreign foundations were deposited in local banks without earning interest. These donors advised the university to set up a mechanism to promote donations from alumni and the local business community. The president and trustees selected 12 prominent civic and business leaders in Cali to establish a private foundation and an office for fundraising and development.

FES became independent in the early 1970s and its reach broadened. A Vice-President for Social Development was established to make grants, conduct research, and create seed programmes outside the original university.

FES's programmes provide financial support to CSOs and research organizations in the form of donations directly, and donations to Permanent Endowment Funds. These typically consist of money ear-marked for a specific purpose which FES matches with a 50% contribution, and for which it serves as a financial manager. In 1994 there were 400 such funds, worth nearly US\$ 22 million. FES's programmes focus on health, education, economic, and social development, environment, children and youth and civil society support. To date, FES has distributed more than US\$50 million in grants

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Healthy City Foundation, Banska Bystrica, Slovakia

The Healthy City Foundation grew out of an earlier foundation in Banska Bystrica that went through an organizational crisis and survived through re-birth as a community foundation. Initial funding came from the city government which was persuaded that a community government would serve the public interest. Other support has come from external foundations, local corporations and individuals. The Foundation's budget is small - about US\$ 30,000 per year and it has an endowment of some US\$50,000. It is estimated that an endowment of US\$500,000 is needed to support its programmes completely and sustainably.

The Foundation provides support to local civil society organizations that are working to improve the quality of life in and around the city. The amounts given are often small - less than \$300. Its programmes include environmental, neighbourhood, rural, women's and youth programmes. The youth programme is particularly innovative in that a programme advisory committee has been established from high school volunteers.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

HelpAge, India

HelpAge India is the largest secular voluntary organization working at the national level in India for the welfare of elderly individuals. Projects supported by the group include old age homes, rehabilitation programmes, day care centres, and medical outreach programmes. Funding for these projects has been possibly only through the generosity of the public.

Direct mail is one of the fundraising techniques used by HelpAge India. The organization is constantly looking out for and acquiring addresses of potential donors through such means as newspaper advertisements. Relevant data are computerized and updated regularly. Potential donors are kept on the mailing list for up to 5 years. Since direct mail involves only written communication, a good appeal letter is critically important. The appeal letter is sent first to a small segment of the target audience to test both its effectiveness and the mailing list being used. If the response rate is over 2%, a large-scale mailing follows.

A first time donor is a 'hot prospect' who must be nurtured. He or she is sent newsletters, annual reports, birthday greetings, brochures, project lists, and personal letters. The aim is to develop a close relationship with each donor and keep the person as informed about HelpAge India as possible. The budget for direct mail is closely monitored: HelpAge India has been able to keep the cost/benefit ratio at 1:5 - that is, for every dollar spent on a mailing, five dollars is generated in donations. Each direct mail campaign is coded so that the response rate can be measured and analyzed. Donors are then assigned a priority according to their income, frequency of giving, and the size of each donation: a donor profile is compiled based on these varying factors, and subsequent mailings are targeted so as to increase the donation revenue per mailing.

HelpAge India now provides 15% of HelpAge India's funding. The donor base has increased from approximately 3000 donors in 1990 when direct mail started, to more than 50,000 donors in 1997. The organizers attribute much of this success to careful planning, constant testing, and evaluation of the mailing lists, and increased public awareness of the organization's objectives

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Al-Amal Centre for Cancer Care, Jordan

The Al Amal Centre for Cancer Care provides comprehensive cancer care to the people of Jordan and the surrounding region, including early detection, treatment and rehabilitation of cancer patients, public awareness and education and research.

The General Union of Voluntary Societies, under the guidance of its president, Dr. Abdullah Al-Khatib formed a national task force for the establishment of Al-Amal Centre in 1984. Following the death of his daughter, Dalia, from leukemia at the age of 13, Dr. Al-Khatib recognized the urgent need for a cancer centre to provide effective cancer treatment then available only in industrial countries and at high cost.

Dr. Al-Khatib and the Task Force developed a capital campaign to raise the estimated US\$30 million needed for the Centre. With the help of the media and word of mouth, Jordanians became aware of the Centre's goal. Many wealthy individuals began to donate generously, and other contributions flooded into the General Union of Voluntary Societies, which also contributed a great deal. About 25,000 students joined a nation wide 'Knock on the Door' fundraising campaign. Construction began in 1989, after some US\$2 million had been collected.

An Al-Amal Centre Support Week held in 1992 under the patronage of His Late Majesty King Hussein and Her Majesty Queen Noor was one of the largest fundraising efforts ever. It included another 'Knock on the Door' campaign, as well as a charity march of thousands of people from Al-Hussein Sports City to Al-Amal Centre. The week ended with a 16-hour live telethon, in which Jordanians donated more than US\$10 million, the largest amount in the nation's history.

Almost 26,000 donors contributed to the Al-Amal Centre, 6500 of whom did so in the memory of a loved one lost to cancer. Obviously important to the success of the capital campaign was the commitment to the cause and the excellent preparation and planning by all involved. A clearly defined goal gave potential donors something to aim for, and the fact that so many people had friends and loved ones with cancer helped create a special sense of national sympathy and unity.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Jardim Shangri-La, Brazil

The shanty town of Jardim Shangri-La is a haphazard cluster of small scale shacks made of scrap lumber and cardboard, with no running water or sewage, perched alongside a putrid, garbage-strewn river. Taking advantage of the headway generated by a local branch of the Citizen's Campaign against Hunger and Poverty and for Life (the Acao da Cidadania Contra a Fome, Miseria e Pela Vida) from a nearby shanty town, 16 families in Jardim Shangri-La banded together to tackle long-standing community problems. For years they had waited for government help, now they realized that with limited outside help and their own sweat and ingenuity, they could take effective action. They established the Cooperative Habitacional Jardim Shangri-La to upgrade their housing and generate much-needed income.

Cooperative members began by holding bingos and raffles and pooling their money to buy land for a brick-making factory. Next, they received a US\$ 7000 grant from the Fundo Inter-Religioso, a small projects fund operated by an ecumenical coalition of church groups and CSOs, to purchase a simple motor-run press to produce cement blocks and concrete slabs. Eight local residents were hired to work at the factory, which would cover their salaries from the profits of brick sales. Soon the factory was turning out 600 bricks a day. Others members of the community, including women and children, volunteered their labour on weekends to boost production and construct houses in the community.

The Coop has also used its bricks to renovate the community centre where meetings, sewing courses, and catechism classes are held, and residents built a 7000 litre storage tank that supplies potable water to the community for the first time. Now the cooperative plans to pool profits from its brick-making with a small donation from the Catholic archdiocese's social service center to start a restaurant to feed poorer members of the shanty-town and to earn extra, steady income by selling prepared meals to workers of nearby factories.

The experience of Jardim Shangri-La vividly portrays the remarkable accomplishments and potential of the Citizens' Campaign. With only limited outside cash donations, and a good deal of volunteer support, complementary institutional partnerships, and a newfound sense of purpose, 16 families are vitally improving their community.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Credit Unions in Lesotho

In an attempt to increase local investment in agriculture in Lesotho, the National University of Lesotho Extension programme - a partnership between the National University of Lesotho and the Canadian-based St Francis Xavier University, CIDA and Misereor - suggested that credit unions be formed. Village leaders organized community meetings at which the extension service explained how a credit union worked. After this orientation the community members were responsible for deciding whether they wanted a credit union, and, if so, they had to take the initiative to invite the extension service back to provide training. The commitment of time, effort, and resources on the part of the community firmly rooted the project at the local level.

Once the decision to form a credit union is made, villagers form study groups and commit a year of study to become thoroughly knowledgeable about the concepts and operations. Then several members are selected to participate in an intensive course on book-keeping and financial management. They were required to pass qualifying examinations in order for the credit union to be formally established and officially registered with the Ministry of Agriculture and Cooperatives. Each credit union is managed and administered entirely by its members, who are responsible for all decision-making. The members also elect a nine-member Board of Directors, an Auditing Committee, and an Education Committee. Once the Credit Unions are established, it is government's responsibility to conduct an annual financial audit.

The World Council of Credit Unions and the Canadian-based Caisse Populaire provided training materials and assistance in establishing an umbrella organization - the Lesotho Cooperative Credit Union League (LCCUL). At one point, when the government announced its intention to take over the credit unions and use them as a base for a national bank, the cooperation of the communities with LCCUL proved a formidable force in fighting this government initiative.

The movement eventually led to the formation of more than 70 credit unions throughout the region. Membership has increased steadily over the years: given the extended families of the average member, the credit unions reach more than 250,000 direct beneficiaries. Their programme has diversified to include a number of income-generating activities such as communal gardens and craft cooperatives, and some unions have even constructed their own facilities, which can be rented out to earn income. Due to its success, Lesotho has been selected as the site for the African Cooperative Savings and Credit Association training centre for Southern and Eastern Africa.

Establishing a credit union gives members an opportunity to save regularly, borrow in times of need, learn how to manage their own finances, and develop habits of thrift and honesty. They use the skills they acquire and their access to capital to start their own small enterprises. Approximately 30% of credit union members hold leadership positions throughout the village in development committees, churches and political parties. In addition, at least 45% of the credit union members have learned how to read and write. And since many of the men are absent from the village for long

periods working in South Africa, women have played a dominant role within the credit unions, which helped to give them visibility as capable and responsible leaders.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Local Cooperation in Gdynia, Poland

The successful collaboration between CSOs and the Gdynia local government was the result of a well designed strategy of the Civil Society Development Foundation (CSDF), and an international CSO working to enhance the sustainable growth of the non-profit sector in Central and Eastern Europe. In 1994, CSDF promoted the cooperation of the municipality and the CSOs in Gdynia, stimulated by the need for more financial resources and more efficient service delivery for local governments in Poland. The strategy CSDF prepared elaborated the benefits of collaboration for the city: a deeper understanding of the needs of the communities, deeper evaluation of social problems, access to more knowledgeable and less expensive service providers than local government agencies, and promotion of citizen participation. For the CSOs the collaboration aimed at ensuring a new source of funds through grants and subsidies from the local government.

The strategy included a step-by-step programme on how to persuade the local government to 'buy into' the cooperation - showing that CSOs are important partners, creating clear procedures for cooperation between CSOs and the city, and creating a model of cooperation that can be replicated in other municipalities.

In January 1995, the city accepted the plan, and appointed a consultant to the Mayor on CSO issues. The main turning point in the launching of the project took place in April 1995, when CSDF, together with the CSO coalition and the city, held a meeting with city council representatives as well as representatives of over 100 non-profit organizations. The CSOs elected a coordination committee to support activities in Gdynia and a Consultation Commission to evaluate the cooperation project. In June 1995 the programme of Cooperation between the local Government of Gdynia and CSOs was born. It was enacted into law by the City Council in September, and since then a wide range of projects has emerged.

In October 1995, the first grant-making session took place, awarding US\$70,000 to 20 CSOs. Groups were invited to Council meetings and gained a consultative position in policy decisions. One of the CSOs received a building free of charge from the Municipality to establish a day care centre. In April 1996, the Gdynia Centre of CSOs opened its doors, serving as a meeting place for over 40 grass-roots organizations and providing access to computers and a library. The office was donated by the municipality, and two of the employees are paid by the City. CSOs contributed 10 volunteers, and CSDF supports the maintenance of the centre.

CSDF learned that the success of the programme was based on identifying the common interests of the CSOs and the Municipality. In the process of programme development, the most important step was to gather representatives of both parties and engage them in discussions. The only significant obstacle to the development was the unclear legal regulatory system regarding local

government-CSO partnerships. According to the leader of the programme, if he could start over again, he would prepare himself much more carefully to answer legal challenges.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Medical Assistance Programme, YMCA Lebanon

The YMCA Medical Assistance Programme in Lebanon was initiated in 1988 to provide chronically ill low-income patients with free medication. Local communities, national and foreign CSOs and governments contributed to the programme. Medication was distributed through local dispensaries managed by local CSOs. In 1993 after the end of the civil war in Lebanon, soliciting funds for the programme became increasingly difficult. The YMCA finally asked the Ministry of Public Health to take over the programme. The Ministry responded by asking the YMCA to take over the programme, pledging to provide significant financial support in the amount of US\$1.5 million a year. YMCA still solicits cash and in-kind contributions from foreign governments and CSOs, and clients also pay a nominal fee. But most client expenses are covered by the government contract.

The YMCA's decision to approach the Government resulted from both internal and external factors. Many donors were not interested in continuing funding for the programme. The YMCA also believed that financing such a programme was the responsibility of the Government, and that CSOs could not continue to shoulder this burden alone.

The YMCA had some previous experience with the Government, which encouraged them to pursue State funding. Despite this experience, however, the YMCA needed both technical and financial assistance to help solicit the grant. Staff needed to learn how to lobby for the programme in Parliament, and new staff had to be hired with public administration and public finance expertise. YMCA members, a network of more than 310 dispensaries, and about 75,000 patients, were involved in advocating the programme.

Overall the YMCA's experience with Government is positive. The organization learned that in the long run, satisfying seemingly bureaucratic government requirements is worthwhile. The Government's commitment serves as an excellent example to donors of its support for CSO activities, and it helps raise contributions to other programmes. To solicit the grant, YMCA had to demonstrate that it was the only organization that could deliver such a service with high quality standards. Also the continuation of external support was essential because it encouraged the Ministry to maintain its support.

But the collaboration also had some negative impacts. It pushed the YMCA into political debates, required the adoption of bureaucratic financial and administrative procedures to meet government requirements, and induced hostility from other CSOs who believed they should have received a 'share of the pie'.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Organization of Rural Associations for Progress (ORAP), Zimbabwe

The Organization for Rural Associations for Progress (ORAP) is a social movement created in southern Zimbabwe in 1980 that currently links some 50,000 families grouped into peasant associations and federations of associations. It has become one of the most important rural social movements in Africa with an annual budget of some US\$ 2 million. The promotion of local economic activities such as farming, traditional crafts, and social activities clearly demonstrates the movement's impact, although there is still much to be done in terms of acquiring technological know-how and boosting output.

Aware of the implications and dangers of becoming over-reliant on the aid system, and of the system's inability to generate local capital, the director of ORAP recently drew up a long-term autonomy policy.

Stage One: Self-Help. ORAP is well organized and its members have received sufficient training to realize that future success depends on self-help and members' savings. A savings and credit scheme is therefore being promoted at the village, regional, and national levels.

Stage Two: Flexible and Unearmarked Financing. ORAP's negotiations with its donors ensure that external financing is elastic and flexible. About 80% of this aid is not earmarked for specific projects.

Stage Three: Creation of Enterprises. With the RAFAD Foundation's help, a study of possible financial activities was conducted. It found that, thanks to good management, it had assets that would enable it to launch three activities. Firstly, ORAP purchased a garage/petrol station in the regional capital: profit is made from petrol sales and the garage is used as a depot for ORAP's eight large trucks, donated for the transportation of food to regions in which there is a shortage. Secondly, a warehouse was built in the regional capital to help supply the villages and urban areas with building materials and other much needed products: it is managed by an ORAP team. Finally, a farm has been purchased that permits modern livestock breeding and technology transfer to groups of peasants in the surrounding area.

Stage Four: Creation of a Capital Fund. The main aim of ORAP's strategy is to use its reserves, already invested in economic activities, to increase its capital so that it can create businesses and grant credit to its members.

Stage Five: Partnership with the Business Sector. In 1993, ORAP actively sought ways to establish a source of sustainable income through the business sector. On the advice of the local business sector, ORAP enlisted the help of OXFAM Canada and Christian Aid UK as well as RAFAD. Several business ventures have since resulted, some successful and others less so.

Stage Six: Creation of a local investment company. To reduce the number of economic activities and create new businesses, ORAP decided to create a local investment company using the central campaign fund. Contributions are requested from certain investors for specific projects. This company is also open to investors from other Zimbabwean development organizations with the same objectives.

Stage Seven: Creation of the ORAP Foundation. All these tools and financial mechanisms require a legal structure to assure coordination and the integration of each tool into a global strategy. ORAP felt that the best way to manage this fund was to create the ORAP Foundation that will provide a legal, fiscal, and financial framework.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

**How the Red Cross in Botswana Raises Money From Companies
(Recounted by Lady Ruth Khama, President, Botswana Red Cross)**

We started off by writing to larger businesses appealing to them to donate to us on an annual basis. We suggested Pula 5000 for the larger companies, and reduced this amount where we felt it necessary. We did not expect any of them to give at this level, but if you suggest a smaller amount, they offer an even smaller sum. But it did give them an idea of what we were looking for. Some actually did come up with the amount suggested. Overall the response was very pleasing. And most who made a commitment did actually pay up. We enjoy popular support in the community as the Red Cross Movement, which makes it easier to persuade people to part with their money. It really is essential to have their confidence and for them to be aware of what you are doing; and also to keep proper accounts, and to supply audited accounts on requests if anyone wants to see them.

It is not just enough just to write letters to General Managers or Managing Directors. The personal approach has far more impact. It is more difficult to refuse if someone is sitting across the table from you. It also helps to invite people home and share a meal or a drink whilst discussing the issue.

The Managing Director of one of our leading companies has always been a dedicated Red Cross fan. He decided not to give to us in response to our appeal, but instead to organize once a year a fundraising evening for our benefit, meeting the cost of this himself. He put on fantastic shows which were hugely popular and charged enormous amounts for the tickets! He has now left Botswana, but the man who has taken over has continued with a similar idea - not putting on shows, because he says he has no talent for it, but, as he is a keen golfer, once a year he organizes a golf championship as a charity event to benefit the Red Cross.

A corporate appeal can snowball if you have the right people receiving your requests. We raise about Pula 70,000 annually, but some companies give to us in kind - for example, one wholesale company donates bags of mealie meal each month for our disabled training centre. The cost of running the appeal is almost nothing, as it consists mostly of stationery and stamps to remind companies if they happen to forget. Most companies take advantage of giving to us by promoting themselves in the media when they hand over cheques. We do not mind this: in fact we welcome it, as it also advertises what we do. Other competitor companies, in order not to be outdone, decide also to give. More snowballing.

The main lesson learnt is the need to build the donor's confidence - making people aware of our rehabilitation and relief programmes, our training centre for the disabled, the work of our volunteers, and most importantly to convince them that the money they give us will be well spent, that we are working with the most needy and doing the best work. In Botswana we have far too many organizations

appealing to too few donors. It is therefore our job to persuade people that they could do no better than support our cause because we will use the money the way that they would want it to be used.

Source: The World Wide Fundraiser's Handbook – a Guide to Fundraising for Southern NGOs and Voluntary Organizations, DSC and Resource Alliance (1996)

Citicorp's Banking on Enterprise

Citicorp does not normally offer loans secured against a one-woman hair braiding business. But in the last few years it has started to do just that, as part of a corporate policy to support 'microcredit' schemes. The idea is that such small businesses are promising but are so small and speculative that they would fail to appear on the radar of Citicorp or any other mainstream commercial bank.

The policy also forms part of a changed attitude to development in emerging economies and in the poorest inner-city areas of the USA. Rather than attempt to build the economy through big infrastructure projects, or through persuading large companies to re-locate there, the idea is now to stimulate small businesses to grow. According to Paul Ostergard, president of the Citicorp Foundation: 'Most corporations look in their philanthropy for an obvious connection, something that will make obvious sense. Micro-lending fits that criterion'.

Citicorp, the largest bank in the USA when judged by deposits, still does not make the loans directly. Through the Citicorp Foundation its money funds a variety of non-profit, independent charitable or religious foundations that administer the schemes on the ground. Geographically the spread of small business matches Citicorp's global presence. It offers loans in a range of developing nations, particularly in Latin America and the Indian sub-continent.

Citicorp's involvement has, so far, been solely philanthropic but there are clear opportunities for the scheme to create direct advantage for the bank. In Bangladesh, where the schemes were first launched by the Grameen Foundation, there is evidence that the repayment rates on small loans (around \$50) is between 95-100% and borrowers are returning for second and third loans - steadily becoming 'economic citizens'.

Like most corporate community involvement schemes, micro-lending is, ultimately, in Citibank's indirect or 'enlightened' self-interest. Citibank has set a goal for the organization to build its retail customers globally, aiming for a billion customers by 2010. Any programme, which increases the number of people who could benefit from a current account, is likely to help the bank reach this goal. It could also produce direct, positive results for the company. Some micro-lending institutions themselves are not large enough to need the services of an international bank, such as Citicorp. They are not being targeted by the bank's financial institutions group as offering potential for expansion.

Source: Responsible Business - A Financial Times Survey, 1998

Philippine Business for Social Progress

Several collaborative efforts in the Philippines provide corporate support for the highly active CSO sector. The Philippine Business for Social Progress (PBSP) was founded in 1970 by 49 companies to engage corporate commitment to social development and to support programmes promoting self-reliance and the sustainable development that is critical to the Philippines' economic growth and development. The intent was to pool resources in a multibusiness effort to address critical issues facing the nation ranging from economic stagnation to natural disasters. The businesses pledged 1% of the preceding year's profits to support an organization that would have professional staff act on their behalf to address social issues in a significant way. Later it was agreed that 20% of that 1% would be given to PBSP to spend, while 80% of the 1% would be spent by the donating company in ways that they decided - usually on projects to help the areas where their employees lived.

Today PBSP has 179 members including local and multinational companies such as San Miguel Corporation, Shell, IBM Philippines, Nestle Philippines and Jardine Davies. Its 1994 budget was US\$6.5 million. It is not a philanthropic organization. Its primary mission is to develop economically self-reliant communities. Even assistance given to disaster victims is designed to focus on crisis preparedness and income generation.

PBSP has four programme areas in which it works on its own account, through local CSOs, and through local governments. These are community organizing, enterprise development, institution building and technology transfer. It also works to improve the effectiveness of local government management of services; provides access to credit for small and medium sized enterprises; particularly in rural areas; supports agrarian reform; promotes environmental protection and conservation; and offers a venue for corporate CEOs to consider business responses to important social issues such as education and the environment. In 1994, PBSP undertook 179 projects in its four priority areas. The organization has also adopted the Area Resource Programme approach which integrates the four areas in single projects to bring comprehensive socio-economic development to targeted poverty areas.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

The Foundation for the Philippines Environment

The Foundation for the Philippines Environment (FPE) was legally established in January 1992 through the efforts of environmental and development CSOs in the Philippines and the United States, and the Governments in each country (principally USAID and the Philippine Department of Environment and Natural Resources). The process included extensive civil society consultations in the Philippines, eight formal regional consultations, and national conferences of eight major CSO networks. In total, more than 300 CSOs and 24 academic institutions were engaged in the process.

The founders of FPE also consulted widely with international actors and conducted a study tour on philanthropy, funded by the Ford Foundation, to expose the new organizations initial governing board to US organizations with expertise in foundation formation, governance and grants management.

It took more than three years to create the endowment - from the beginnings of negotiations between governments in 1991 to the 1994 completed debt swap issued to the World Wildlife Fund (now the Worldwide Fund for Nature) and the Philippine Business for Social Progress, which in turn led to the creation of the FPE. Foreign assistance of about US\$18 million (mostly from USAID) was used to purchase debt valued at about US\$29 million. Currently FPE's endowment is worth US\$23 million.

FPE has been careful not to compete for funds with Philippine CSOs, viewing itself as a fund facilitator. It turned down an opportunity for funds from Switzerland that it felt might better go to other organizations.

In 1993 FPE disbursed more than US\$ 1.5 million in grants through a variety of mechanisms that include responses to proposals and pro-active grants on issues that the Foundation deems of importance. FPE also acts as a fund facilitator, generating additional financial resources and providing financial linkages between donors, Philippine CSOs, and Philippine people's organizations.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Foundation for a Sustainable Society Inc, Philippines

In August 1995, the Governments of the Philippines and Switzerland signed an agreement on the reduction of Philippines' external debt. Under this accord, 50% of the Philippine Government's outstanding export credit debt to Switzerland, - amounting to 42 million Swiss Francs (approximately US\$ 35 million), was cancelled. The remainder was converted into Philippine pesos. These were then provided by the Philippines Treasury as an endowment to the Foundation for a Sustainable Society Inc., Philippines (FSSI), a foundation formed to manage the counterpart funds.

FSSI supports productive activities of CSOs, people's organizations, cooperatives and similar private organizations in the field of agriculture and fisheries, as well as in the urban and rural small industries sector. The foundation is, in the first place, a loan making institution, but it also provides grants for activities such as technical assistance, feasibility studies, and market research.

FSSI has three interesting features:

- it is exclusively managed by CSOs, and its resources are exclusively being allocated to civil society organizations
- it is structured as a long-term capital fund - that is only the interest, or the return on investment, and part of the loan re-flows are used to fund projects and programmes
- the process that led to the forging of the agreement was marked from the start by a close and intensive collaboration between Philippine and Swiss CSOs.

Several important lessons were learnt from this experience. Firstly, it is clear that close coordination and permanent communication between organized CSO constituencies in the debtor and creditor countries are crucial to the success of negotiations between governments.

Secondly, official debt conversion involving the establishment of an autonomous management structure such as a foundation consume a lot of time (2 years in this case) and energy, because there were many actors involved (two governments and two CSO communities) with sometimes differing interests. Thus transaction costs tend to be rather high, and the donor government or CSO must be prepared to pay for the major part of these.

Thirdly, a participatory approach is very important for the ownership of the process and the funding mechanism to be created. The Southern CSOs should be involved right from the beginning in designing and preparing the scheme. Otherwise there is a risk that they will not stay involved if major difficulties or delays occur.

Fourthly, it is crucial to have good working contacts with relevant government officials on both sides in order to get access to important information. For instance, the Northern CSO may get some important information from its government on the Southern Government's negotiating position that it can pass onto its CSO counterpart to use in its lobbying work, or vice versa.

There should be no illusions about the outcome of the official debt conversions: these are negotiated between two governments, and the final decisions will be taken by these parties. So the results may be different from the scheme initially proposed by the CSOs. Thus it is all the more important to have strong CSO networks on both sides with a high capacity to advocate their positions in order to reach the best result possible.

One of the most positive aspects of this process was the excellent collaboration between the two CSO communities, which were both very motivated and committed to the common cause. Another positive point was the broad and inclusive consultation process amongst the Philippine CSOs, including those who are critical of debt swaps and cooperation with the Government. This inclusive process allowed broad participation in FSSI's Board of Trustees, and especially in its membership.

One negative aspect was the pressure of time during the negotiation period that did not allow for sufficient consultation of the participating CSO representatives, since decisions had to be taken very quickly. This is a major drawback of this type of official debt conversion, where as a rule CSO representatives are not permitted to sit at the negotiating table.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Environmental Foundation of Jamaica

The Environmental Foundation of Jamaica (EFJ) was the result of debt reduction agreements in August 1991 and January 1993 between the Governments of Jamaica and the United States. Under these, and follow-up agreements, 77% of Jamaica's debt originating from Food Aid (PL480 debt) and its USAID debt was cancelled - a total of US\$ 405 million. The remaining 23% was re-structured for quarterly payments by the Jamaican government into a fund controlled by the EFJ. Over 20 years, this will amount to US\$ 21.5 million

The debt conversion came about through the efforts of US environmental CSOs. It was included in the 1990 Enterprise for the Americas Initiative of President Bush that was designed to promote hemispheric trade and investment, to which the burden of debt servicing was seen as an obstacle.

The EFJ Board of Directors has 9 members - six seats for CSOs, two for the two governments, and one for a representative of the University of the West Indies. An interesting feature of the EFJ is its membership - some 59 CSOs and community based organizations. More than half participate actively in selecting a slate of Board representatives (from which the Minister of the environment appoints the Board), guiding policy, advising on project selection, and monitoring the work of the Board and the Secretariat.

This collaboration between CSOs works well in spite of its novelty and initial differences in age, size, and degrees of organization. The older development agencies were fairly well organized, while the newer, smaller environmental groups that were just trying to get their act together took the lead on debt conversion. More difficult and challenging was the collaboration with the governments. CSOs in Jamaica. In the absence of any legal, regulatory, or policy restraints, learned that it had to be done and could be very useful, but also that collaboration had to be approached carefully and critically.

The object of the EFJ is to provide grants towards the conservation and sustainable management of Jamaica's natural resources. Priority is given to projects involving local community management and capacity building of CSOs and community groups. A set amount of funds also goes to child development and child survival projects that have an environmental dimension.

From August 1993 to July 1996 the Foundation approved 219 projects for an average annual total of US\$ 1.5 million, a figure that was expected to top US\$ 2 million in 1996-7. At the same time, effective management of income by professional investment firms has brought the EFJ's resources to more than US\$12 million. This has gone into an endowment fund established in 1997 to ensure the continuity of the foundation after the debt conversion payments cease. EFJ is also seeking to diversify the sources of funding in order to build up the endowment.

For the CSO community and their umbrella organizations, the EFJ has been a valuable experience. Grasping the opportunity for collaboration on several fronts and showing patience and persistence, the CSOs have asserted control of the foundation, put it onto a sound footing and kept it faithful to its mandate. Yet its leaders remain aware of the need to establish sustainable funding, and of the difficulty - with limited funds - of having significant impact on massive environmental and development needs.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Shri Mahila Sewa Sahakari Bank, India

The Self-Employed Women's Association (SEWA) is a trade union formed in 1972 to improve the lives of poor informal sector women workers. Any self-employed woman in India can become a member of SEWA by paying a membership fee of at least 5 rupees a year. As a membership based organization, SEWA has spawned numerous self-help initiatives, including a cooperative bank.

The clients of SEWA bank are all self-employed women. SEWA clients have low incomes, little or no savings, no assets, and no direct access to raw materials. Access to financial services is a major problem for poor self-employed women such as hawkers, vendors, home based workers, manual labourers and service providers. Because they do not save, emergencies and obligations often force women to borrow heavily from informal money lenders. However - they are unlikely to have the experience or self-confidence to obtain credit from a formal financial institution.

At the same time, the institution's regulations and procedures rarely meet the needs of a woman seeking a loan. Therefore poor self-employed women often depend on informal money lenders, contractors and wholesalers who charge exorbitant interest rates. This often starts a downward spiral of increased indebtedness, perpetuating poverty.

In response to this constraint, in 1974 some 4000 SEWA members established a cooperative bank owned by shareholding members to provide credit to self-employed women and reduce their dependence on money lenders. SEWA bank borrowers are required to buy 5% of the loan amount in bank shares when receiving a loan and in order to open a savings account. The women are therefore the Bank's shareholders, and they hold annual shareholders meetings. The bank is supervised by the Reserve Bank of India, which determines the interest rates on loans and savings deposits, the proportion of deposits that can be loaned, and the areas of operations.

The members of the Bank elect the Board of Directors. The Board consists of 15 members, 10 of whom are trade leaders. All major decisions are made by the board, including sanctioning all loans advanced. The sources of capital for SEWA bank are savings deposits, share capital, and profits that are ploughed back into the institution. SEWA Bank has currently approximately 60,000 depositors and 6000 borrowers.

Between 1974 and 1977 SEWA Bank concentrated on attracting deposits from self-employed women and served as a guarantor to enable depositors to obtain loans from nationalized banks that are required to lend to the poor. In 1976 SEWA bank started to extend loans to its own depositors from its own funds and gradually withdrew from the credit arrangement with the nationalized banks.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Kenya Rural Enterprise Programme

The Kenya Rural Enterprise Programme (K-Rep) is a private microfinance institution registered as a CSO. Its mission is to facilitate poverty alleviation by developing systems and institutions that will enable poor people to organize their lives financially. K-REP's activities include micro-financial services, research and evaluation, information dissemination, and consulting services. K-REP has one of the most extensive resource centres for micro-finance in Africa.

Recently K-REP has established a commercial bank that will assume its microfinance operations. This will be owned by K-REP, the International Finance Corporation, Shorebank Corporation, Triodos Bank, and possibly the African Development Bank. The decision to create a bank was based on the realization that CSOs lack the capacity to serve as effective financial intermediaries. In part this is because the corporate image of CSOs elicits skepticism in the minds of the community, clients, the government, and particularly other institutions in the financial markets.

Second, CSOs have limited legal capacity to explore other financial instruments and products such as savings mobilization. K-REP commissioned a study in 1994 to determine the best institutional form to support its continued expansion. The study looked at different types of institutions, such as credit unions, non-bank financial institutions, and commercial banks under the banking act. It recommended the commercial bank as the best form, given its capacity to provide a wide range of financial services.

The Government of Kenya's bank supervision division had limited exposure to micro-finance, and no experience with a CSO owning a bank. And the banking industry in Kenya had been badly hit by a significant number of bank collapses that made the bank supervisor even more wary of new ideas. So K-REP worked with highly placed and respected individuals to secure the attention of decision makers, and to garner political and media support for the idea of establishing a bank. Once this was established, it embarked on an education process for the bank supervisors, providing them with information about successful regulated micro-finance institutions elsewhere in the world.

Finally K-REP organized an exposure visit for the Deputy Governor and the Director of Bank Supervision of the Central bank of Kenya to see BancoSol in Bolivia. This visit was instrumental in shaping their understanding of the vast potential as well as the inherent risks of microfinance.

In discussing the K-REP Bank with the bank supervision division, some of the key issues raised were ownership (with K-REP allowed to be a shareholder of the bank as long as it did not hold more than 25% of the shares), governance (with K-REP required to have at least three bankers on its management team), security, lending methodology, and the overall relationship between the CSO and the Bank.

During the course of these negotiations, the bank supervisor agreed to consider special legislation for microfinance institutions to create a new regulatory category. K-REP intends to become a full commercial bank, in part because it wants to challenge the thinking of the financial sector regarding the acceptance of low-income communities as a legitimate market. K-REP's efforts appear to be opening the door for other microfinance institutions in Kenya.

Source: Sustaining Civil Society - Strategies for Resource Mobilisation, CIVICUS (1997)

Members of the International Association of Investors in the Social Economy (INAISE)

Bangladesh	BURO Tangail
Belgium	Credal Netwerk Vlandereen Reseau de Financement Alternatif Soficatra Triodos Bank (Belgium)
Congo	Credit Populaire
Costa Rica	Fondo Latinoamericano de Desarrollo (FOLADE)
Denmark	Jord-Arbejde-Kapital (JAK) Merkur – den Almennyttige Andelskasse
Finland	Osuuskunta Eko Osuusraha
France	Association pour le Droit a l'Initiative Economique (ADIE) Banque Populaire du Haut Rhin Entreprendre de France Federation des Cigales Institut de Developpement de l'Economie Sociale (IDES) Societe de l'Invest et de Developpement Internationale (SIDI) Societe d'Investissement France Active (SIFA) Societe Financiere de la NEF Socoden
Germany	GLS Gemeinschaftsbank Oekobank
Ireland	Clann Credo Ltd Tallagh Trust Fund Ltd
Italy	Banca Etica Compagnia Finanziaria Industriale (CFI) MAG 2 Finance
Japan	Citizen Bank
Luxemburg	Appui au Developpement Autonome (ADA) Alterfinanz
Netherlands	DOEN Foundation Triodos Bank
New Zealand	Prometheus Foundation
Poland	Foundation for Social Policy Development (FRPS)
South Africa	Get Ahead Foundation
Sweden	Ekosparkassan Sola Jorde-Arbete-Kapital (JAK)
Switzerland	Nordiska Sparlan Alternative Bank ABS Freie Gemeinschaftsbank BSL RAFAD
Tanzania	Coopec Kalundu
UK	Aston Re-investment Trust Charities Aid Foundation Ecology Building Society Full Circle Fund Industrial Common Ownership Finance Shared Interest Triodos Bank (UK)
USA	South Shore Bank Women's World Banking

The HIVOS-Triodos Fund Foundation

The Hivos Foundation is a Dutch humanistic development CSO co-financed by the Dutch Ministry of Development Cooperation. The Triodos Bank was established in the Netherlands in 1980 and now also has offices in Belgium and the UK. The bank lends only to organizations and businesses with social and environmental objectives. Triodos is an independent bank owned by public shareholders. Shares are held through a trust that protects the social and environmental aims of the bank.

Dialogue between Hivos and the Triodos Bank began in the early 1990s with a view to establishing a joint fund for financing projects in developing countries. Triodos was motivated to look for projects in developing countries by its need for growth and new funds. Triodos was also interested to involve itself in the trend to establish microcredit programmes. Hivos was already involved in microcredit and had contacts with potential clients in the South because of its decentralized structure.

The Hivos-Triodos Fund Foundation was established in December 1994. Its purpose is to provide guarantees and loans to, as well as to bear the risk of participating in, projects, enterprises and institutions in the area of development cooperation. It is not intended that the foundation shall earn a profit.

The Board of Management consists of two members of the Board of Directors of Triodos Bank and is appointed by the Supervisory Board, which also supervises the Fund's policy and approves the Annual Accounts. The Supervisory Board is appointed by the Hivos Foundation.

Requests for finance is a two-step process. First, Hivos evaluates the request on the basis of its content. It is processed further by the Fund only after Hivos makes a positive recommendation. Second, the request is evaluated from a financial point of view by Triodos Bank. If this evaluation is also positive then a proposal is made to the credit committee of the Fund which consists of representatives of both Hivos and Triodos Bank. Hivos has the right of veto in the credit committee if, in its opinion, the request does not fulfill the social development and environmental criteria and policies of the Fund. Triodos Bank can advise against making an investment from a financial point of view. The final responsibility rests with the Board of Management.

After finance has been provided, its management is overseen by the Hivos-Triodos Fund Foundation. Each borrower is subject to an annual review which is discussed in the credit committee. The follow-up also takes place in consultation with Hivos, usually through its regional offices in Zimbabwe, India and Costa Rica.

The fund gives priority to microcredit institutions and small banks since this makes best use of the expertise and experience of Triodos Bank and best fulfils the desire of Hivos to support economic activity in developing countries. Fair trade and trade finance are also considered important areas deserving attention.

In the process to establish the joint fund there were a number of challenges arising from differences in the organizations' cultures. For example, the minimum level of finance request considered acceptable by Triodos fund managers was 100,000 fl. (US\$47,775) but many development projects require a far smaller sum. Hivos initially placed insufficient emphasis on training staff members that were to be involved in the joint fund. Only recently did staff benefit from more comprehensive training.

It has been a challenge of the partnership to maintain recognition of the two cultures and different roles in the partnership. This has been achieved through mutual investment in time and resources for the partnership and a genuine dialogue that has resulted in increased trust and respect for each other's expertise over time.

The original expectation of the partnership was to generate a self-financing joint fund of 35 million fl. (US\$16.7 million). In fact only 10 million fl. (US\$4.7 million) has been generated to date and Hivos is continuing to subsidize the programme.

Source: INTRAC Workshop Report - NGOs and the Private Sector (1998)

Hughes Software Systems, India, Charities Aid Foundation India and Drought Relief

Send H2O Parched earth, sweltering heat, nothing to eat, no water to quench the thirst, loss of cattle, and thus means of income is a typical scene in the famine stricken areas of Rajasthan and Gujarat. This colourful land is the next victim of nature's fury after Orissa. Most of the areas in this region today are absolutely dry where the basic source of sustenance, water, has become a mere mirage for the millions of faceless villagers. The sordid tale of these villagers is one of parching human throats and singeing human souls and psyches. As a result thousands of people are forced to leave their home in search of a few drops of water for survival.

Think about them....

Kehem Singh of Sanawada, Pokhran, who worked in temperatures of 45 degrees for 10 days and was given Rs.140 by the contractor as his dues. That's Rs 14 a day to buy food and water for himself and his family.

Phool Devi who toils for hours to feed her nine children

Thousands of women across Rajasthan and Gujarat whose first chore of the morning is to spend hours trying to draw up clean water from drying village wells.

Unable to feed their cattle, the farmers are bidding them a tearful goodbye and abandoning them to die of hunger and thirst. There is hardly any village left in the area that is not strewn with carcasses of animals rotting in the scorching sun.

Human life is also going to meet the same fate if a timely help is not provided to tide over the situation. Five crore people are already affected by this frightening catastrophe with casualties increasing every day.

In times of such crisis we all need to rise to the occasion and prove our character as corporate citizens by extending a helping hand.

Let's contribute generously to the cause of the drought victims. In an earnest effort to do their bit for the cause, HSS has started the send H2O campaign wherein the employees on a personal level and the company own its account will be contributing to this fund, and all the proceeds that are collected from them would be utilized for the relief of the drought hit villagers of Rajasthan and Gujarat.

Aid Delayed is Aid Denied

If you would like to contribute to Drought Relief, please click here.

If you click on the place mentioned, you see the following page

DRY – Disaster Relief and You

Disaster Relief and You – DRY is an initiative on disasters with information and details provided by persons on the spot. DRY is also your opportunity to help those facing disaster.

The country has seen a series of disasters – the present drought in parts of Andhra Pradesh, Madhya Pradesh, Rajasthan and Orissa, the cyclone in Orissa and Gujarat earthquakes and possibly even famine

Those affected need your helping hand to recover and rebuild their lives. DRY and you in partnership, we do it. For further information contact CAF India

CAF India Floods Droughts Earthquakes Famine Cyclone Response

This initiative is being promoted by CAF India on behalf of voluntary agencies. CAF India is a registered public charitable trust and donations made to CAF India are exempted under section 80(G) of the Income Tax Act.

This site is supported by Hughes Software Systems

Copy of the website of HSSworld,
<http://www.hssworld.com/peoplenet/working@hss/sendh20.htm>>

The Virtual Foundation

The Virtual Foundation is a unique online philanthropy programme that supports grassroots initiatives around the world. We post carefully screened, small-scale project proposals on our website where they are read and funded by online donors.

The Virtual Foundation was founded in 1996 by ECOLOGIA, an international non-profit organization that has supported environmental movements and groups across Eurasia since 1989. The mission of the Virtual Foundation is twofold: to support local projects initiated by non-governmental organizations (CSOs) in the field of environment, sustainable development, and health; and to encourage private philanthropy among citizens from all walks of life.

The Virtual Foundation works in co-operation with a network of organizations throughout the world to develop and support projects. The member groups of this network, called the Virtual Foundation Consortium, have offices and staff working 'in country' with local groups they know well. Consortium members work with these local groups to develop small-scale project proposals that are submitted to the virtual foundation. The proposals are then posted on the virtual foundation website. Individuals, families, and community groups visiting the website read the proposals, see pictures illustrating the project, evaluate the project's budget – and then make a donation to the project of their choice. In short the Virtual Foundation helps grass roots organizations obtain vital support for their projects and allows individuals and groups to easily become international philanthropists!

To learn more about the Virtual Foundation, continue on to the How it Works section. Or, if you have questions, feel free to contact us by email or by phone.

If you click [How it works](#), then you get:

How it Works

The following is a step-by-step look at how a project is funded through the Virtual Foundation

Step 1: A community group in a participating country (ie a country with a Virtual Foundation Consortium Member) wants to carry out a project that would, for example, clean up a polluted stream in their region. The group submits their project idea to a local Consortium member. The Consortium member works with the group to develop a detailed proposal describing the need for the project and how the project will be realized, as well as an itemized budget for project activities. The proposal and budget are then submitted to the Virtual Foundation.

Step 2: The proposal is evaluated by the Virtual Foundation's Grants Co-ordinator and Proposal Review Committee. When questions arise, the proposal is returned to the Consortium member for clarification. If the proposal meets the Virtual

Foundation's criteria, and is approved by the Proposal Review Committee, it is posted on the Virtual Foundation website.

Step 3: Visitors to the Virtual Foundation website read the description of the project's goals and activities accompanied by a budget and photos that illustrate the proposal. These visitors select a project to support and may even make online donations directly through the Virtual Foundation's website

Step 4: Following transmission of the donated funds and initiation of the project activities, reports on the project's progress are posted on the Virtual Foundation's website. Donors are encouraged to communicate with members of the project they funded, and follow the project's development. The goal of the Virtual Foundation is to foster lasting global partnerships between grassroots groups and our online donors

Source: <http://www.virtualfoundation.org>

The Mirror Arts Group, Creating a New Tool for Resource Mobilization in Thailand

Vision

The Mirror Arts Group (MAG), a community development organization in Northern Thailand, seeks to raise awareness of social problems and galvanize the resources and community support necessary to find solutions.

It considers the Internet to be a cost effective means of accomplishing this goal, given the recent dramatic interest in the number of Internet users in Thailand, both urban and rural. It is estimated that there are 800,000 Internet users in the country. For MAG, the cost of using the Internet to attract attention to and support for social problems is minimal: the cost of design and the cost of connection. And the return is large, as the growth of the Internet audience is increasing everyday.

Though the primary purpose of the website is educational, it has since demonstrated the added benefit of becoming a tool for resource. Said Sombot Boonng-amanong, the MAG Founder and Ashoka Fellow, 'We needed to create a quick low cost means of mobilizing resources that enabled them to respond to community problems as they emerged.'

Strategies

- ***Know how to build and revise your website in order to keep it regularly updated and geared towards members' interests***

MAG updates its site every two days keeping information current, a strategy that draws visitors back to the site. MAG's own self-sufficiency in computer technology, website design, and knowledge of the Internet language HTML are key factors in keeping its site timely and inexpensive.

Customizing information to visitors' interests is another key component. 'In Thailand, the Internet is a form of entertainment', reports Sombat Boonngamanong, MAG Founder and Ashoka Fellow. 'Young people, students mostly, are the most active Internet users, and they use it for chat rooms.' MAG realized that this was its primary audience and designed the site to appeal to the entertainment interests' of this crowd, while simultaneously shifting their focus to social issues.

- ***Advertise the website through multi-media to a variety of sectors***

To bring people to its site, MAG utilizes a variety of marketing channels, which not only vary by medium, but also vary by target audience. These channels include linking MAG's site with other sites, advertising on banners, and registering with portal pages. When advertising through links, MAG recommends not linking to the site, but linking to a specific project – this tailors the interests of a specific target audience to a corresponding project.

MAG also advertises its site through its own newsletter. 'It's a quick update on "What's New on the Internet",' says Boonngamanong. A factor in its success is that it is geared to a variety of sectors, and does not only focus on social issues. 'We

invite new sites to submit a short profile for advertising and we discuss new Internet programmes. In each edition we post five new items, only one is social. This is one of the reasons for success, we appeal to many types of web users’.

- ***Build a membership and resource base through information, relationships, and interactivity.***

To obtain resources from its website visitors, MAG has created ‘an on-line membership’. MAG successfully turns visitors into members by offering them information and personal relationships, and providing the opportunity to give back to the organization. Boonngamagong is adamant that a request for donations should not be the first contact that members have with the site. ‘Make potential donors feel that they want to participate,’ he advises. ‘Make them feel, not simply know, about the issues and the need for resources.... And then offer a way to give back.’

Some respond by returning to the site; others respond by interacting with the site through bulletin boards and chat rooms. Still others find the need to give something tangible, which was what launched the site as a tool for resource mobilization. MAG’s website now offers members the chance to donate cash and books. It also offers a chance to volunteer in the community.

- ***Track website visitors, building an electronic mailing list of e-mail addresses***

MAG tracks the visitors to its site, keeping names and email addresses in an electronic mailing list. As a result of this system, MAG has a list of on-line members to whom it can regularly send announcements, new information, and emergency requests for donations.

Results

MAG receives about 600 hits a day to its site, yielding 7200 members for its mailing list. In 1999, through on-line recruiting, 400 people visited MAG’s community development initiatives: about 100 of these volunteered to work in the community. In 1998, they received over 100,000 books. Today they are receiving one box of books every three days. Six months ago, they began soliciting financial donations through the Internet, and have since raised over 200,000 Baht (approx US\$ 5406)

Source: www.changemakers.net/respources/0400mirror.cfm. This is part of the Ashoka web page www.ashoka.org