

PART ONE

The Country Report

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1 | Introduction

The purpose of this paper is to motivate and promote individuals, groups or formally organized institutions in philanthropic or charitable activities by highlighting the fund raising attempts made by some organizations. Since “charity begins at home,” attempts at tapping local resources are mentioned here to inspire those who would embark upon such activities.

Resources are essential to carry out and sustain philanthropic activities. Although giving for a cause is elemental to Nepali society, it needs to be rejuvenated as dependency on external resources has set in even for small acts of welfare. Many an act of such nature could be accomplished through the spirit of self-help or if only a few persons got together to raise the resources locally.

To gather the information, interviews or talks were held in an informal manner with the chief executive officers or those directly involved in the organizations’ fund raising.

The contents of this paper are limited to those organizations or individuals with whom the authors were able to interact freely, and whose motivations, attitudes and results of fund raising they were convinced of. Thus, the amount of resources raised was not given much importance since this can vary depending upon their capacity to raise funds at the time. Although a checklist was prepared in advance for the study, the authors did not “poke their noses” into the internal affairs of the organizations nor did they delve into the “right or wrong” use of the funds generated. Financial management in NGOs should be the subject of a separate study.

“Resource mobilization” is perhaps a more appropriate term than “fund raising” to describe collectively the giving or receiving that takes place in the form of commodity, property, labor, expertise or even “ideas.” However, the authors chose to retain the term “fund raising,” the more conventional expression connected with such work.

This is not a study of NGOs in Nepal. Neither is it an account of philanthropic organizations in Nepal. That would require combing through over 30,000 organizations estimated to have registered with the local administrations. A large number of them are affiliated with the centrally based Social Welfare Council (SWC). It is thought that some of them might be existing on the strength of a mere approval or agreement with the related line ministries of the government. And that some organizations continue to operate even when government authorities have not renewed their registrations. Some of the organizations mentioned in this paper might even be members of the Federation of Non-Government Organizations or another umbrella based on the subject of their work. This paper is only an attempt to indicate some examples of philanthropic activities to encourage others, without intending to “credit” or “discredit” anyone or any organization mentioned or not mentioned here. ▶

2 | Context for Resource Mobilization

Historical and Sociocultural Context

Raising resources in the form of labor, expertise, cash, commodity or property for philanthropic, charitable and community purposes has been a part of Nepali tradition. However, the history of organized or institutionalized fund raising in its modern forms in Nepal is not long compared to other countries in South Asia.

Traditionally, constructing public shelters (paati) in rural or urban areas, resting places (chautaraa) on main foot trails or even a well for the benefit of the community or public at large is considered an act of charity. The pioneer poet Bhanubhakta's admiration for a poor grass cutter's act of philanthropy in digging a well for drinking water and the well-to-do poet disgracing himself for not having done any act of charity¹ is quoted in many households. Donating a piece of land for public use is an act of credit in society. All such acts of charity are largely traditionally motivated by the Hindu belief that by doing so one earns credits to reach heaven in the after-life or for one's next incarnation. People with more modern attitudes donate their property or money from entirely philanthropic feelings or to get a social reputation. As for giving due to altruism, Kunda Dixit argued that "perhaps there is no 100 percent altruism"² among human beings. So whether a Nepali gives altruistically is a subject of individual interpretation.

Deusi and Bhailo are sung during the Hindu festival of Tihaar. Singing groups visit households in praise of the charitable King Bali of Hindu lore and the goddess of prosperity, Laxmi. The singers bless the household for money, edibles and other items of food offered to them. In more recent times, people, especially the youth and some community-based organizations (CBOs) and NGOs, have adopted Deusi and Bhailo to raise funds for charitable or philanthropic activities utilizing the ambient cheer, charity and amity during this festival.

Muthi daan (“giving a handful”) is yet another form of giving in charity with religio-cultural motivation. This consists mainly of a handful of rice or other food grain being separated from the amount to be cooked for the family meal. This is saved until the quantity reaches a reasonably useful or a targeted amount. This is then given to the needy in its original form or converted by the donor into money before handing it over to the receiving person or organization. Although its prevalence is not well estimated, this is known to be a practice not only among Hindus but also among people of other faith, including some Christians in Nepal. It is believed that this is being replaced by less cumbersome forms of saving or giving. Sometimes this takes the form of attributing a cash value in advance to the food grain to be separated before cooking and giving in cash at the end of a fixed period still in the name of muthi daan. This is often more convenient to the receiver.

Among the Christians in Nepal, tithing is actively encouraged along with the collection of offerings during the weekly mass. Special offerings for planned activities, welfare or social work is also common in churches.

At the social level, *parma* is a form of labor exchange in the farming hill communities of Nepal. *Dhukuti* is a type of fund raising for saving and credit in cash, traditionally prevalent among the Thakali community of Western Nepal, which has been adopted in other parts of Nepal. *Guthi* is an institution rooted strongly in the Newar society³ in the Kathmandu valley for cultural and social support to the members of a clan or community. Apart from these, fund raising also takes place in Nepal for construction, repair and maintenance of irrigation canals, schools, foot trails or roads, drinking water systems, communal swings during religious festivals, worships, religious events or constructing temples. Funds are also raised for disaster relief in cases of floods, fires, landslides or earthquakes. The majority of such fund raising activities have been carried out in an informal or semi-formal and traditional manner largely within the communities. In some parts of the terai, the southern plains of Nepal, rice is collected to give to the occupational castes (blacksmiths, tailors, cobblers and others) to honor the services they render to the community during the year. This is termed *khalihan* (threshing ground) as this is raised or committed at the threshing ground. *Dharma bhakaari* (charitable grain store), a custom prevalent in the form of cash or kind for relief in distress in some Gurung villages⁴ of Western Nepal, was instituted in kind across the country in the 1960s to meet the needs during natural disasters or community activities. However, this

institution has died in some communities due to difficulties or anomalies in management, brought about by the lack of transparency, account keeping and accountability of the collections made. But the Gurungs themselves are known for their mutual support and the parma custom of labor exchange among people of mixed age groups or families, the huri custom of self-help among the youth, various kinds of gola customs in helping the less abled members of the community, are among the Gurungs' self-help and philanthropic activities in addition to the dharma bhakaari.⁵

In more recent times, fund raising for philanthropic, social or development activities other than or parallel to government initiatives is being carried out in the communities by initiating or strengthening the existing civic organizations in the form of non-government organizations (NGOs). The majority of such organizations have adopted or imitated western approaches to fund raising to support the needs of the underprivileged in Nepali society. These may be provisions for medicines for the needy, caring for orphans, empowerment of women, child development, or meeting the shortage of drinking water and so on. This was not, however, easy for commoners in Nepal to do before the 1950s during the Rana family's governance. Just starting an NGO for any purpose, philanthropic or otherwise, was viewed with distrust since at the time there were attempts to abolish the Rana family system of governance in favor of popular democracy. So initiating any NGO was the privilege of the trusted few after a special dispensation from the prime minister or his close confidante.

Nevertheless, attempts were made individually or as a group since the early 1900s to organize groups or establish organizations for philanthropic or development activities. Irrespective of the modes or vehicles adopted, almost invariably individuals have been the prime movers of the initiatives in raising resources for the needy or the public at large. Some of them are mentioned here as markers in the genesis of NGOs for such services. In Nepal, initial attempts to raise resources or funds to establish philanthropic or welfare organizations were met with strong suppression or intangible obstacles because of the deeply ingrained feeling of political insecurity of the powers that be at the time.

In 1853 C.E.⁶, the prime minister started a modern school at Kathmandu for the children of the ruling elite. The children of commoners were not allowed to go to this school. The pursuit of education was traditionally only for the children of Brahmins and Chhetris, the upper castes. Anyone from other castes even attempting to learn to read or write was derided. In any case,

Kathmandu was too far for the people of remote hills as there were no roads in the country. In 1875 C.E. (1932 B.S.⁷ of Nepal), Balaguru Khadananda Adhikari went around asking for land donations to start a school for the people of Dingla⁸ in the eastern hills of Bhojpur, then a seven to eight-day walk from Kathmandu. The pieces of land donated produced some 30 tons of rice annually. This was used to pay the teachers' salaries, the students' stipends, and the wages of the staff and workers. This school still exists today.

In the Hindu tradition, when someone dies, the family goes through complex funeral rituals and 13 days of mourning that is believed to ensure peace and a heavenly abode for the departed soul. Nevertheless these incur high expenditure for the son and immediate relatives of the deceased. Sometime in the second decade of the 20th century, the Satyacharan Malami Guthi (Satyacharan Funeral Trust) was started to reform the rigid rituals. Tuli Mehar Shrestha joined this trust as assistant secretary. However, such trust did not find favor with the governors of the time. The founders of the trust were arrested. Shrestha was imprisoned. However, a less rigorous dispensation was made available to him—exile. After four years of exile in India, he returned in 1925 C.E. with the Gandhian principle of a simple lifestyle and self-reliance. He promoted the spinning wheel and hand looms for homemade textiles. This continued until 1930 C.E. Then he was accused of sedition and this time imprisoned without any dispensation.⁹ He was thwarted in his pursuit of organizing people to reduce the misery of the rigid funeral rituals and to strengthen the culture of homespun cloth for self-reliance.

In 1931 A.D. the great poet, Laxmi Prasad Devkota, Shrestha and their group of 46 requested the government for approval to establish a library for the common people. This was met with a punitive fine of Rs. 1,000 by the government to each person involved in the attempt.¹⁰ This was no small deterrent at the time, and the philanthropic attempt to bring knowledge to the people was aborted. Some senior citizens still relate to this incident as the “library case.”¹¹ More recently, Dr. Dilli Raman Regmi, a statesman, donated all of his property and books to a trust named after him to continue his big library for the use of the public. Dr. Regmi passed away in August 2001.

The Bhukampa Sewa Dal (Earthquake Volunteer Force) and the Maharaja Servants Society emerged as social organizations for the rescue, relief and rehabilitation of over 23,000 earthquake victims in 1934 C.E.¹² It has

not yet been established how long these organizations have been active or if they exist today.

Paropkar Sanstha

In 1944 C.E., there was an outbreak of cholera in Kathmandu. One night some survivors of the epidemic knocked on the door of Dayabirsingh Kansakar asking for help and shelter. He provided help to the people as much as he could but he was not popular in his neighborhood for harboring people who had the “curse of God.” Undeterred by the social stigma, his innate compassion moved him to start a pharmacy to prevent such epidemics. He submitted a petition to the government urging permission to do so. As a test of his will and social support, he was asked to gather the signature of five persons in support of the noble cause. This was not an easy task since people knew that putting their signature to such a cause was tantamount to antagonism against the state, which had done precious little to relieve and rehabilitate the victims of the “divine scourge.” However, the uncompromising and tenacious Kansakar was finally able to persuade and muster the signature of five persons for the work in 1945 C.E. His application was finally approved after two years with strict instructions to limit the activities to providing medicines only. Paropkar Aushdhalya (charity pharmacy) was started in 1947 C.E. This was later developed into Paropkar Sanstha (institution or organization) with an orphanage, a maternity hospital, a school and ambulance service including first aid dispensaries in various parts of the country. This NGO is now well known as a philanthropic institution in the country. This was also the first organization in Nepal to organize blood donation service. Kansakar, the founder of this organization, is regarded to be the first blood donor for someone outside one’s family in Nepal.

There are many examples of philanthropic activities and donations made by individuals or corporate bodies in the recent days. Harinarayan Luintel, a disabled person from Kakarbhitta, donated the money he had raised from collecting alms at a school. Similarly Mansingh Maharjan, a daily wage laborer of Manamaiju, Kathmandu, saved and constructed a school from his daily income. B. K. Shrestha made a personal donation of NPR 10,000,000 to construct the children’s ward at Patan Hospital managed by the United (Christian) Mission, Lalitpur, in the name of his father, Sahu Ganesh Lal Shrestha.¹³

Economic Development Context

In a country where the daily income per capita is less than one US dollar, efforts to improve the status of the economically underprivileged without expecting any gain is considered to be an act of philanthropy. Helping them to improve their economic status will also help them realize their own dignity and gradually move them out of the dependency syndrome that has crippled many of them intellectually and entrepreneurially. Those who are helped out of their difficulties are also likely to help others, thus establishing a culture of helping those in need. With this view many NGOs have organized saving and credit programs. This essentially consists of depositing a fixed amount at fixed intervals into a central fund. The depositing member of the group or the organization gets a fixed interest on the amount. The member is then eligible to borrow a loan for an income generation project or even for a social need, to a certain level. The borrower pays interest depending on the size of the loan. The interest, in most cases, is used towards the servicing costs. A collateral is not needed and the process is relatively simple compared to the commercial banks or even cooperative societies. This is most convenient for those who are not literate, need very small amounts to contain crises, or feel alienated from the commercial banks because of the process involved, the distance from their locations for small transactions or having to deposit one's land deeds to obtain such loans. The saving and credit programs are supported directly or indirectly by the government, the state bank and international non-government organizations (INGOs). Under certain legal provisions, NGOs are permitted to accept savings and provide short-term small credits to the needy at a locally acceptable rate of interest. The NGOs can work as financial intermediaries.

The example of the Vijay Youth Club of the Nawalparasi district can be cited as a good example in this respect. The club, starting from a collection of NPR 0.50, today manages a cooperative bank with limited banking services. Many NGOs now work as intermediary funding institutions between the larger banks and the people to assist local communities to reduce poverty by providing loans to buy goats, cattle, buffalo or other investments for income generation. The attempts of NGOs CCODER and Naari Abhyudaya Kendra are viewed as being motivated by philanthropic considerations towards strengthening self-help. Manushi, a Kathmandu-based NGO, has successfully utilized the traditional skills of women in Kathmandu and outside to produce handmade items made of textile, clay, paper and organic dyes for both domestic and international select markets. Within the context of

economic or financial support, Tewa also provides grants to NGOs and CBOs to fulfill critical or strategic needs based on pre-set but somewhat flexible criteria.

Legal and Regulatory Context

Regulatory aspects

With the advent of parliamentary democracy after the 1950s C.E., Nepal witnessed some growth in NGOs as people received some freedom to get together and organize themselves to carry out social and political activities. However, the growth of NGOs committed to philanthropic activities was still very small. After a period of about a decade of parliamentary democracy, the King abolished this system and took full control to establish the Panchayat system of governance. In this system only those finding favor with the palace were successful in doing anything new or involving the common people. Although the new system of governance did have the provision for class organizations (e.g., for the youth, women, children, farmers), the atmosphere was not conducive for the common people to start philanthropic organizations. Nevertheless, some “clubs” or development organizations were started by those who were either inspired by the underground politicians or by those who found support from the palace or even those who had the courage to stand up to the regime. Social workers conferences were held in 1971 C.E. and 1974 C.E. at national scale. These conferences indicated the need for a central coordinating body for the NGOs. In February 1977, the Social Services National Coordination Council (SSNCC) was constituted and chaired by Her Majesty the Queen. A total of 37 social organizations joined the council at the time. By March 1990, the council had 219 Nepali organizations and 54 INGOs within its fold. All the NGOs and INGOs carrying out social and welfare activities had to follow the directives of SSNCC. This was not particularly favored by INGOs and by many NGOs who saw this as contrary to the basic tenets of (I)NGOs. They expressed this through a reluctance to comply with the compulsory rule for all social organizations to register with the council. Those with a political bent viewed this as a mechanism to maintain the power of the palace and thus the Panchayat polity over all social work. Having to register with the council was later explained to be a misconception, that social organizations simply needed endorsement from the council since the Society Registration Act, 2034 (1977

C.E.) already required social organizations to register with the local administration in any of the 75 districts in Nepal. Thus, for about 30 years (c. 1960-1990 C.E.), there was either apathy or suspicion between the government and the NGOs that did not fall in line with the government at the time. Some people involved in the NGO movement would argue that the NGOs of this period could not be truly called NGOs since they did not have the true freedom to communicate with the masses on people-centered programs.

After the uprising of 1990 C.E., a new constitution was promulgated with the consent of His Majesty the King. In addition to reintroducing the multi-party system of parliamentary governance, the constitution guaranteed people the freedom to organize. This took the form of NGOs in many cases. Many believe that true NGO work started from this period in the early 1990s C.E. when they did not have to look for government approval in their day-to-day matters after they had registered with the local administration. A federation of non-government organizations was established in June 1991 although it was formed on an ad hoc basis a little earlier. The SSNCC was converted into the Social Welfare Council (SWC) by the Social Welfare Act, 2049 (1992 C.E.) to monitor and coordinate the activities of the NGOs. However, the council is still regarded to be an arm of the government since the government selects the councilors. One of the bones of contention is that NGOs need to affiliate with the SWC and get its approval to be able to receive funds from abroad. This is viewed with the suspicion that the council can use this rule against any NGO it might not see eye-to-eye with. SWC officials have stated many times that the rule is a means of checking discrepancies in the apparent and intended activities of NGOs and of keeping track of the funds entering Nepal. They have also said that this rule has not been and will not be used against NGOs that are transparent and coherent in their stated purposes and activities. This justification has not yet been fully accepted. Many NGOs are also not comfortable with the rule that the property of an NGO would be taken over by the government should the NGO be dissolved. And the government has the right not to renew the registration of an NGO. The renewal has to be done annually, which many NGOs feel to be an unnecessary burden. All NGOs have to submit a financial report annually to the local administration audited by a registered auditor and a copy of this has to be sent to the auditor general. A copy of the report has to go to the Social Welfare Council also if the NGO is affiliated with it.

Many officials in the government bureaucracy look at NGOs as organi-

zations working to make money for vested interests. Meanwhile, both the government and the NGO federation are preparing a new bill on NGOs to table at parliament.

In this atmosphere of distrust, it is not surprising that the full potential of philanthropic activities and the fund raising for such cannot be realized. Despite all this, there are organizations that have singlemindedly gone out to work for those who are less fortunate. The success of these NGOs is cited as proof by the SWC that the government does not intervene in NGOs' good works, so long as they do not indulge in any activity that the state need fear about. A problem that these NGOs have encountered are the occasional procrastination or undue questions of bureaucrats when the NGOs are renewing their registration certificates. This seems to depend in part on the rapport between the NGO official and the desk officer of the renewing authority. The intention of the government official, in such cases, may be to extract some kind of personal benefit from the NGO.

Legal aspects in fund raising

The constitution of the organization submitted to the registering authority must state the source of funding or even methods of fund raising. Once an NGO is registered, it does not encounter insurmountable legal problems in fund raising. However, for some methods, prior approval is necessary from the local administration. These are mainly for raffles and asking for donations in public. This was set in order to protect the gullible. The process of approval may sometimes be complicated, depending upon the authorities' trust in the NGO or its staff. A lot depends on the chief district officer, the granting authority, and his subordinates. Prior approval and affiliation with the Social Welfare Council are also necessary to receive funds from a foreign donor. The approval of the police is a norm when special events are organized in public venues such as open spaces, stadiums and auditoriums. This, again, is for public security and safety. All proceeds from fund raising have to be included in the organization's financial report and duly audited to comply with the law of the Kingdom of Nepal.

There is a provision for tax rebate on donations. According to the Income Tax Act, Clause 43 (2031 B.S.) of the Kingdom of Nepal, a taxpayer can get a rebate on NPR 100,000 or 5 percent of the net income, whichever is lesser. However, not many donors know about this and also that the government has the right to review and revise. The revisions are published in

the *Nepal Gazette*, a publication of the Ministry of Law and Justice or of another institution designated by the state. In case of property or real estate donations, the fund raisers need to be aware of the right of inheritance of the kin of the owner(s). The owner(s) can only donate that portion that is wholly their own after deducting the portion that would fall within the rightful claim of kin.

Institutional Resources

Although many religious institutions have trusts or endowments of land and buildings and the government does have a corporation (Guthi Sansthan, an organization for the maintenance of religious properties and trusts of temples, religious institutions and heritage), the resources are so meager that any new bidder is unlikely to receive any donation or grants from such trusts. These institutions have so little credibility with the general public that they receive or raise little fund from the common people. The collections from the offerings made by the worshippers are kept and used based on old traditions. The Pashupati Development Trust is reported to receive large funds from the devotees of God Shiva and those who come to worship at the temple in Kathmandu, but its financial management has been a matter of controversy among the trust officials, the chief priest and the treasurer.

Among the non-religious organizations, very few have made serious efforts to develop or establish their own institutional resources and more so among those which started after the 1990s. This might be largely due to the fact that it was not difficult for them initially to get grants or project funds from the bilateral or multilateral donor agencies. The concept of a self-sustaining organization based on its own institutional resources seems to have dawned upon them only in recent years especially after donors started pointing them in that direction. The founders or the chief executives of such NGOs do not seem to have the orientation or the acumen of developing their own financial resources from the beginning. Much of their efforts have gone instead into developing human resource which, in the long run, is perhaps more beneficial. It was only in the last three to five years that they felt the pinch of being dependent on donor aid-agencies. Hence the interest in fund raising and mobilizing internal resources both for work and for institutional resources.

Gift Markets (Sources and Sizes)

It is believed that gift markets do exist in Nepal although these have not been tapped or nurtured well. Apart from Tewa, the leading philanthropic NGO in Nepal, other NGOs have not made a concerted effort to utilize this. Dr. Dilli Raman Regmi has made a large gift donation of his books and property to a trust named after him. Similarly, Kamal Mani Dixit made a gift donation of his large collection of books to add to the Madan Puraskaar Pustakaalya, a trust and library that awards outstanding writers of Nepali literature. Maiya Devi also donated a high-value property of hers to a political party. Apart from these there may be many more examples. Philanthropic or charitable NGOs are known to receive gifts in kind such as vehicles, equipment or books, from abroad too.

Giving gifts of property is not common due to the legal complications that can arise from the rightful heirs of the giver. Writing wills before one's death is not common in Nepal. Therefore, this form of making donations or fund raising is still in its primitive stage. ▶

Notes

- 1 Sharma, Kedar: "Crisis of Compassion," in *Twice Blessed, The Art of Giving*, p.13 (January, 2000), Tewa, P.O. Box 11, Lalitpur, Nepal
- 2 Dixit, K.: "Giving Till It Hurts," in *Twice Blessed, The Art of Giving*, p.9 (January, 2000), Tewa, P.O. Box 11, Lalitpur, Nepal
- 3 Sundar, Malla K.: "The Tradition of Guthi and Altruism Prevalent in the Newar Society," in *Twice Blessed, The Art of Giving*, pp. 39-45 (January, 2000), Tewa, P.O. Box 11, Lalitpur, Nepal
- 4 Gurung, Jagman: "Some Social Organization and Customs of the Gurung Community," in *Twice Blessed, The Art of Giving*, p.12 (January, 2000), Tewa, P.O. Box 11, Lalitpur, Nepal
- 5 Gurung, Jagman: "Some Social Organization and Customs of the Gurung Community," in *Twice Blessed, The Art of Giving*, pp. 11-12 (January, 2000), Tewa, P.O. Box 11, Lalitpur, Nepal
- 6 Christian Era, based on the Gregorian calendar
- 7 Bikram Sambat (Bikram Era), officially used in Nepal, is roughly 57 years ahead of the Christian Era (C.E.). The first day of the first month of the Nepali year falls between April 13-15, generally April 14 of the Gregorian calendar.
- 8 Neupane, Daiwagaraj: "Balaguru Khadananda Adhikari," in *Kehi Barishtha*

- Samajsewiharu* (Some Senior Social Workers), pp.77-78. Baal Bikash Samaj (Child Development Society), P.O. Box 2944, Kathmandu, Nepal
- 9 Parajuli, Krishna Prasad (2053 B.S.): "Samaj Sewaka Euta Shikhar" (A Pinnacle in Social Service), in *Kehi Barishtha Samajsewiharu* (Some Senior Social Workers), pp. 81-83. Baal Bikash Samaj (Child Development Society), P.O. Box 2944, Kathmandu, Nepal
 - 10 Chand, Diwaker (1999) *Views and Visions of Non-governmental Organizations*, Association of Development Agencies of Nepal (ADAN), P.O. Box 15133, Kathmandu, Nepal
 - 11 Parajuli, Krishna Prasad (2053 B.S.): "Samaj Sewaka Euta Shikhar" (A Pinnacle in Social Service), in *Kehi Barishtha Samajsewiharu* (Some Senior Social Workers), pp. 81-83. Baal Bikash Samaj (Child Development Society), P.O. Box 2944, Kathmandu, Nepal
 - 12 Chand, Diwaker (1999) *Views and Visions of Non-governmental Organizations*, Association of Development Agencies of Nepal (ADAN), P.O. Box 15133, Kathmandu, Nepal
 - 13 Martin Chautari: (Onta, P., Parajuli, R., Gautam, B., Humagain, D. and Rupakheti, S.), 2000: "A Situation Study of Fund Raising and Management in Nepal," (in Nepali, p. 22), Social Development and Research Centre, P.O. Box 13470, Kathmandu, Nepal

3 | Key Findings from the Case Studies

The Characteristics of the NGOs Studied

The characteristics of the cases studied are summarized in Table 1. Of the 16 cases studied, there were four on social service, three child-based, three on community development, two health and sanitation-based, one each on environment, philanthropic intermediary, business and professional development, and culture and welfare. Geographically, nine cases were from the Central Development Region which has the largest number of NGOs regionwise. Four NGOs were taken from the Eastern Development Region and there were three from the Western Development Region. Due to the prevailing sociopolitical situation in the area during the study period, NGOs from the Mid-Western and Far Western regions could not be interviewed although initial talks were held over the telephone. Based on staff size, annual budget and number of beneficiaries, comparatively five NGOs were small, six medium and five large. Half of the cases received a greater proportion (more than 50 percent) of their funds from grants from external sources based in Nepal or abroad. Three of the 16 NGOs did not receive grants from any bilateral aid agencies. Five cases had greater proportion of non-grant funded financial resources.

Fund Raising Team in the NGOs: Board, Staff, Volunteers

The majority of the organizations did not have a separate committee or unit for fund raising. Nevertheless, they did have someone or a few persons who were either keen on fund raising or were promoting fund raising or were involved in this directly. At the policy level, all the organizations had a board or a committee which may be the same as or different from the component which oversees or advises the executives of the organizations, depending on their nature and characteristics, or their vision, mission or goal.

table 1

Characteristics of the Selected NGOs					
Name of Institution	Year Established	Years of Operation	Nature of Work	Base	Main Area of Coverage
1. Bal Bhojan Karyakram	1999	2	Food and education of street children	Kathmandu	Locations in Kathmandu
2. CDS (Child Development Society)	1991	10	Education and health of carpet factory children	Kathmandu	Kathmandu and a few districts outside
3. CCODER (Centre for Community Development and Research)	1990	11	Community development	Kathmandu	Gorkha, Nuwakot
4. Dhulikhel Hospital	1996	5	Health	Dhulikhel	Kavre, Dhading
5. FORWARD	1996	5	Community and women's empowerment	Duhbi	Sunsari, Morang
6. Manushi	1991	10	Women's entrepreneurship	Kathmandu	Kathmandu, Nuwakot,
7. Naari Abhyudaya Kendra	1992	9	Women's empowerment	Bharatpur	Chitwan
8. Naari Bikash Sangha	1980	21	Women's empowerment	Biratnagar	Eastern Nepal
9. NAF (Nepal Agroforestry Foundation)	1988	13	Forestry and environment	Kathmandu	Kabhre, Sindhupalchok, Dolakha, Dhading, Dhanusha
10. NEWAH (Nepal Water for Health)	1992	9	Water and health	Kathmandu	All over Nepal
11. Paropkar Sanstha	1947	54	Orphanage and health	Kathmandu	Forty districts
12. Purbanchal Anathashram	1988	13	Orphanage and elderly care	Biratnagar	Eastern region
13. Tewa	1996	5	Funds for women's empowerment	Kathmandu	All over Nepal
14. TOLI (Team Organising Local Institution)	1993	8	Community development	Pokhara	Western and Mid-western Regions
15. UPCA (Under Privileged Children's Association)	1993	8	Children's empowerment	Dharan	Sunsari, Morang
16. VDRC (Vijaya Development Resource Centre)	1979	22	Community development	Gaindakot	Scattered in the hills and terai

Board

Only one organization, namely Tewa, has board members who are directly involved in fund raising. The boards of the other organizations were mainly involved in raising organizational credibility, winning donors' trust, developing relationships with donors, providing policy guidelines, and advising as and when necessary especially in critical situations.

Staff

Full-time fund raising staff existed only in two organizations: NEWAH and Tewa. In the other organizations, the general staff also performed the activities related to fund raising. However, in all cases the staff were involved in generating ideas on fund raising and planning implementation and monitoring of fund raising activities.

Volunteers

Many organizations have volunteers either in the position of board members, general members, or even as executive members. They solicit donations from individuals and organizations and organize special events such as concerts, raffles and capital campaigns. Their voluntary work may or may not be on a regular basis. A few organizations are considering providing a symbolic honorarium to appreciate the volunteers' dedication to the cause of fund raising.

Management and Leadership

The management involved in fund raising were found to coordinate the efforts or encourage the staff or the team members on different levels. This was usually led by one or two key executives in the organization.

Coordination of team members

The coordination mainly comprised of activities for generating ideas for fund raising, finding solutions to critical situations related to fund raising, organizing big events, and developing and nurturing relationships with donors.

Team members acting independently

In the majority of cases, the team members were acting independently at two levels. The staff and the volunteers often worked together in day-to-day practical matters whereas the board members provided policy guidelines or approved the activities planned.

Enablers

The executive committees, the chief executives, and even the policy-making board members, did what they could to assist the staff and the volunteers by arranging for in-house training or nominating some for training or workshops within the country or even abroad. They also supported the team members by providing the necessary resources within their own capacities. A few organizations showed their appreciation for their fund raisers by giving them awards or appointing them as staff. They also assisted in developing relations and linkages with potential donors by introducing the fund raisers with their acquaintances in their networks. The network may be of businesspersons, families or working colleagues. In such cases, causes for fund raising were also communicated to the givers by the introducing members of the board or the executive officials. The board members and the senior executives also helped the fund raising staff and volunteers in raising their level of confidence through listening to and discussing their experiences, views, ideas or apprehensions in the practical work. All these measures, according to the staff and volunteers, were very strong factors in strengthening their internal motivation.

Hindrances/Improvements needed

Although giving for welfare or charity is considered a virtue in Nepali society, the fund raisers have often come across the attitude that providing for the needy is a function more of the government, bilateral donors or rich people. This has been a common hindrance in fund raising for philanthropy. Another difficulty expressed by the fund raisers both at the practical and at the higher level was that they had limited knowledge, skills and experience in fund raising. It was also realized that NGOs, their leaders and managers should be oriented more towards raising funds from the general public than from bilateral donors if the deep rooted syndrome of dependency on external sources is to be broken among the people and the civic and philanthropic organizations.

Organizations, Methods and Techniques

Table 2 presents the 16 organizations studied and the various methods and techniques they employed to raise funds. The cases show that earned income is the most common method in practice. This comprises income from the sale of services or expertise and products, and rents on the properties or equipment put on hire to raise funds to supplement the financial resources of the organizations. The earned income approach to fund raising is more common because it requires the least effort in organizing and managing; the expertise for hire are from within the organization and is a source of continued income.

The other common methods are membership fees, donations in kind and staff contribution. The membership fees do not provide large amounts of funds, but they help make members feel they own the organization and so feel more committed to it, thus strengthening the organization. Donations in kind usually take the form of items of immediate use to the organization or things that can be sold to raise cash. This can also be land or property. Fund raising in this form is not regular. The staff contribution was reported to be in the range of two to five percent. Besides being a regular source, such giving also demonstrates the motivation and commitment of the staff to the cause for which the organization exists.

It is of interest to note here that in more recent times, the radio appeal has been used successfully to raise funds. For example, an appeal through the local FM community radio Sagarmatha was successful in raising funds to care for celebrity singer Koilee Devi. Newspaper appeals could also be very useful in soliciting funds for a cause of public interest. Apart from a few cases of enquiries or donations based on news reports, no organized efforts to raise funds using newspapers have been noticed. Since none of the NGOs made specific mention of having used the print or the audiovisual media, these are not taken up here.

The most effective methods

Among the cases studied, earned income was the most commonly used method of fund raising, and also the most effective. The reasons attributed to this were the dedication and commitment of the NGOs to be self-reliant, and their credibility and expertise in the services they provided or the products they sold. Another factor to the success of this method was the greater satisfaction derived by the buyer of the good or service from the knowledge

table 2

Fund Raising Methods and Techniques Used by the NGOs Studied										
Name of Organization	Earned Income	Individual Approach	Special Events	Member-ship Fee	Staff Contribution	Endowment	Capital Campaign	Piggy Bank	Donation in Kind	
1. Bal Bhojan Karyakram		√								
2. Child Dev. Society	√	√	√	√						√
3. CCODER	√				√					
4. Dhulikhel Hospital	√					√				√
5. FORWARD	√			√	√					
6. Manushi	√									
7. Nari Abhyudaya Kendra	√	√	√	√			√			√
8. Nepal Agroforestry Foundation (NAF)	√			√	√					
9. Nari Bikash Sangh	√			√	√					√
10. NEWAH	√		√		√					
11. Paropkar Sanstha	√					√				√
12. Purbanchal Anathashram		√								√
13. Tewa	√	√	√	√	√	√		√		√
14. TOLI	√			√	√					
15. UPCA	√			√						
16. VDRC	√			√	√					√

Note:

1. Earned income includes surplus from trainings, cooperative enterprises, product sales, service sales, rentals, and publication sales.
2. Special events include Deusi/Bailo, "Trolley Dash," walkathon, rafting, concerts, raffle and house party.
3. Donation in kind includes land, food grains, used clothes, used toys, and other items of use.
4. Piggy Bank (Khutruke) is a clay pot or container with a hole on top into which coins or bank notes can be dropped by individuals or household members to save for a cause.
5. Endowment is a fund of which the principal cannot be spent but whose interest is used for a specified cause.
6. Capital campaign targets an amount for fund raising in a specified period.

that the money he or she spent would go towards the cause pursued by the organization. Another method of fund raising considered to be effective by most of the organizations was the individual approach. The credibility of the persons approaching the potential giver and the ease of motivating individuals, mostly friends and relatives, during face-to-face encounters led to the success of this method. Capital campaign was also considered an effective method since the givers responded with sensitivity to the cause of the campaign. Apart from the cause itself for which the fund was being raised, the credibility of the persons involved in the campaign was again an important factor to the good response of the givers.

During the study, it came out that the popularity of a method among the givers, its effectiveness and efficiency, were separate dimensions of fund raising. A method popular with givers may not necessarily be effective in that it may not yield the desired amount in a specified period of time. Similarly, the most popular method may not be efficient in that the resources required to raise the fund might be higher than the netted amount. Nevertheless, these methods may be more effective than others in the long run, such as having a greater impact on the public, and this helps to publicize the organization and its cause and attract donors. This may not be apparent or measurable immediately after the fund raising activity. The organization has to reflect and judge the right match of methods, cause, givers and cost of raising the fund, at the specific socioeconomic environment, the season and disposition of the givers in relation to the amounts raised.

The least effective methods

Of the methods in use among the cases analyzed, raising funds in kind and organizing concerts were found to be the least effective. A few NGOs had reservations even as to whether their earned income method of fund raising was worth continuing since this did not yield a reasonable amount in relation to the resources used in the method. Those who have organized concerts were not entirely satisfied because given the resources and efforts spent to organize and sell the event, the net amount was lower than anticipated. Donation in kind could be irregular in frequency, inconsistent in size and even substandard in quality. Thus, the reliability of such donations cannot be ascertained when planning the organization's budget for the year, even for the specific cause for which the "fund" was earmarked. In the earned income method of fund raising, the "market" of the service, and the kind or quality of the products are the most important factors. In addition to the

shortcomings of the earned income method as a means of fund generation, competition with other NGOs was also a point to consider. For example, concerts or greeting cards have been resorted to by NGOs in the same season targeting similar givers/buyers.

Managing Donor Relations, Diversifying Fund Sources: Sustainability

Problems encountered in replication of successful methods

The majority of the NGOs found fund raising difficult mainly because they had inadequate expertise in the work. While one NGO was found to be fairly advanced and another was working hard to establish its fund raising unit, most of the others seemed to be in their primary stages. Although giving and asking for donation has been a part of Nepali culture, organizing and managing it for a cause with a targeted constituency, timing to suit the season and interval between attempts, and capturing the donors' priority, have all been difficult tasks. The NGOs found they needed to be innovative and competitive in attracting new donors and identifying new methods or products for fund raising since the success of one NGO with one method with one kind of donor is imitated by another and by the time a third organization is ready to use a successful method, it is no longer attractive to the donors. Thus it appears that there is a direct triangular relationship among the cause, the method and the donors. This does raise the question: If donors' inclination to give is influenced by the method used, does the cause have an impact on the donor or do they simply have the money to give to philanthropic causes? Yet another question that occurred during the study on this subject: Do NGOs face difficulty because they are aiming to raise amounts beyond the total capacity or inclination of the givers to give? One NGO said that cultural context emerged as an important point in the method that they used. The example of Christmas cards was given in relation to Dashain greeting cards. It was thought that fund raisers in Nepal should not aim to raise funds using the equivalent of Christmas cards in the west since sending Dashain greeting cards was a comparatively recent culture in Nepal. Replicability of a method and sustainability of fund raising for a cause were also connected with how well the donors/givers were groomed or nurtured to give to the cause. This, in turn, was related to the capacity of the fund

raising organization to keep the donors. It has to be added that some, especially new, potential donors are somewhat suspicious of NGOs since some degree of doubt does exist toward the sincerity of NGOs to do good to the public. Thus, it comes back to the issues of capacity and the expertise of the NGOs in fund raising, their credibility and their efforts to mitigate the misgivings of the general populace. These are all very important to sustain donor relations, methods and the sources.

Reducing Dependence on a Single Personality

In majority of the case studies, it became apparent that the organizations were dependent largely or entirely on one charismatic person or a single person to lead the fund raising activity. This person was often the executive director or the coordinator or even the key staff involved in fund raising campaigns. While this may be natural in the beginning stages due to the internal motivation and passion of the founder for philanthropic activities, this does not bode well for the organization in the long term for there is always the probability of such a person developing fatigue, getting into interpersonal difficulties or just moving on to another line of work. In such a situation, the experience gained, the skills developed or the lessons learned are likely to disappear from the organization. Therefore, these need to be institutionalized or shared among the rest of the members, staff or volunteers. For this to take place, a second line of leadership needs to be groomed from the outset with a fixed term for the front leadership and a provision of extension in case this is needed. Bringing in leadership from external sources can also be useful to instill “new blood” with the possibility of a critical review of the strengths and weaknesses of the organization. The staff and volunteers of the most successful organization among the 16 case studies said that they found fund raising to be more successful when there was teamwork, participatory decision making and a transparent management style.

Diversifying Methods of Fund Raising

The organizations were aware of the limitations of using just one or two methods of fund raising and have considered or tried methods they had not used before, repeating those that successfully raised their targeted amounts. However, they pointed out that targets had to be realistic as well. Before using a new method, it was analyzed for donor appeal and cultural

acceptance. It also had to be perceived as being manageable to the fund raising team before they tried it with the resources they had. This meant that majority of the organizations could not venture into new methods straight away. It appeared to be more evolutionary, based on the experiences and ideas of those involved in fund raising within the organizations, within the context or the cause they carried. Nevertheless, since there did not seem to be a culture of critically reviewing their experiences in fund raising, the process of diversifying methods was slow, even though the organizations wished to do so.

Sustainable "Mix": Methods and Sources

Discounting the funds provided by bilateral and multilateral aid agencies and INGOs, as these were not the focus of this study, the general public, staff and members of the organization were the sources of funds for most organizations. The common method used with these sources was the earned income from the services or products they sold. The staff and volunteers consulted on this question responded that earned income was the most sustainable method. The fund was steady and the amount could be counted on. This lent a degree of certainty to the expected income and thus the organization could plan its work for the cause to the level feasible with such funds.

Matching Causes, Donors and Methods

Three approaches were evident as to how the fund raisers matched cause, donor and method. The first approach was for the organization to identify the potential donors to their cause and then choose the method that they thought would obtain the maximum amount from such donors. The second approach was to choose the method that they thought they could manage well to solicit funds for the cause espoused by the donors. A third way was for the organization to contract itself out as the fund raiser for the donor's cause using funds provided entirely by the donor. In this case, the donor would also decide the fund raising method to be adopted by the NGO. Savings from the overhead would be the fund raised in such cases. Any surplus money from the project might also be given to the organization, depending on the orientation of the donor agency towards the organization or the accounting principles of the donor. An example of the first

kind of matching was a concert staged by an organization to benefit its cause, children's education. This captured a large number of donors from the different socioeconomic strata, with the tickets priced accordingly. An example of the second approach was a white water rafting event that an organization had organized successfully before for those who supported providing water supply schemes for the needy. This mainly attracted adventure-tourists, expatriates and the Nepali elite. The donors approached and the publicity required for these two events were different. The level of publicity and possible future donors also differed. In another case, a fund raising organization chose to hold a night honoring women for their contributions to the family or society. Emotionally charged with the unselfish love and unflinching loyalty they had received, the daughters, sons, husbands, close relatives or friends of the women being honored, donated large amounts passionately for this cause. The organizers had targeted raising NPR 15 million. In this case, select donors were approached individually.

Donor Profiling

Segmentation of donors

The NGOs studied did not keep donor profiles. However, they had formed certain concepts about them and had grouped them into at least three major types. Grouping them along socioeconomic lines was common. These were low income, middle income and high income groups. The second grouping was based on the nature of causes that the donors supported. Most of the causes were related to children, women, socioeconomically or physically challenged or marginalized persons, the environment, water and sanitation. Women and children received good attention even in causes that were not entirely devoted to them. The third basis was the donors' geographical or societal origins. This were comprised of the international donors, the expatriate donors and the nationals. The international donors were further divided into persons or organizations. International persons were those who supported the causes from their own countries. The international organizations were either those based abroad or have offices in Nepal. These could be informal groups, formally organized charities/non-profit foundations or INGOs. The nationals might be Nepali individuals, corporations or even Nepali NGOs.

Differences in size and frequency of giving among donors

Many organizations also grouped or formed ideas about their donors based on the size and frequency of their giving. This helped in estimating the target amount to expect from the donors and in designing the appropriate soliciting approach or method of communication. Donors among the members, staff or volunteers of fund raising organizations and other NGOs were grouped as “small and consistent” since much of their donations were amounts committed from their salaries each month. A second group marked as “small and one-time” givers were friends, relatives and givers from the general public. A majority of the givers from the business community were grouped as “big and one-time” givers. The fund raisers interviewed included some of their friends and relatives in this category. Aid agencies, some INGOs and charities or international foundations were mostly “period-specific big givers.” However, a major proportion of “giving” from such organizations were grants for specific projects proposed by the NGOs with the donors’ built-in criteria and rules for disbursement. Strictly speaking, very few of such grants were donations in the real sense.

Presence of differences in giving ability and commitment to the cause

The volunteers, staff and members of majority of the NGOs had low giving ability but their commitment to their organizations’ causes was very strong. Apart from some exceptions, their friends and relatives, considered to be one definite group of givers, also had low giving ability but their commitment to giving was convincing. Among the general public and the corporate entities, the giving ability varied from low to high but the commitment was not particularly strong. They gave because they were asked. In general not many of them looked for opportunities to support the cause of their choice. A majority of them did not espouse a philanthropic or charitable cause. This needed to be instilled. Aid agencies had large funds to disburse but were selective of causes or did not receive enough proposals that suited their institutional requirements.

Causes that attract donors

So it is a logical question to ask: What attracts donors most? From the study it became apparent that for donors who were volunteers, staff or mem-

bers of an organization, the cause of their organization was the one that they were most inclined to give to. Any other cause was secondary. And their friends and relatives were attracted to the same causes because they could easily identify with them or had had some experience with them. These were mostly gender issues and causes relating to children. The general public or business organizations when persuaded were willing to donate to causes relating to women, children, water and sanitation, worship and cultural events. The aid agencies were more interested to provide grants for community development projects, poverty alleviation, empowerment or capacity building of women and children, advocacy or education on rights-based issues integrating the socially marginalized classes.

Others

Difficult causes for fund raising

While some causes were relatively easy to raise funds for, there were causes that were difficult to carry to the public openly. Soliciting funds for political organizations was not an easy task. Much of this took place “behind the scene,” although there were cases where supporters had donated their high-value property to the political party carrying their ideology. Religious groups other than Hindus or Buddhists found it hard to openly solicit for funds. But not being open about their religion might be misconstrued as being dishonest or untransparent and could lead to the loss of a potential donor even for causes that could be presented in a secular manner. A common allusion raised by Hindus and Buddhists is that other religions might use the money they raise to win new converts. However, fund raising at a low scale does take place among Nepali Christians in an “informal manner” since they cannot formally register as a Christian organization. Much of their fund raising is confined to the churches or their own fraternity. This might be the case for the followers of Islam as well, as fund raising connected with Islamic motivation is not commonly seen in public. Jakaat and other forms of giving is believed to exist also among the Nepali followers of Islam. Such “informal” fund raising does not strengthen much needed transparency and accountability of funds. Other causes as difficult to pursue with the general public are art and literature.

Limitations to use of grant funds

A very large portion of project funds “raised” by NGOs in Nepal are those provided for contractual work or grants by aid agencies, INGOs or international foundations, most of which have definite missions to achieve. These are not always inspired by strictly philanthropic or charitable objectives although they may wish to do good to the people of the recipient country. Many NGOs seem to expect a high degree of altruism in the providing organization. They seem to be unaware that such donors base their allocations on the rationale and philosophy of aid prevailing in their own countries and in the recipient country. This implies that before a donor agency provides the funds, it lays down its conditions. This may not be convenient for the fund raiser. For example, if the donor agency does not recognize the reproductive rights of women to include terminating unwanted pregnancies, the fund raising organization would have to compromise on this. Moreover, many NGOs do not have the ability to articulate their causes well with the donors due to weaknesses of language or atmosphere or area where they work. This also limits the amount they can raise which, in turn, affects the promotion of their cause. Many aid agencies or even INGOs have a “blueprint” or *modi operandi*, which is not conducive to the innovation, creativity or flexibility required of a fund raising NGO for sustainability and to prevent donor dependency. On the other hand, it is in order to prevent the latter situation that many donor aid agencies “do not want to commit themselves to repeated grants” to NGOs leaving them to fend for themselves “between the devil and the deep blue sea.”

Ethical considerations

Approaching corporations was a hard decision to make for some NGOs as part of the deal was for them to promote the products of these corporations, such as tobacco products and alcoholic beverages. One NGO would not even contemplate partnering with organizations which were known to be unscrupulous in their business methods. Some individual fund raisers did not wish to be identified as supporters of some multinational corporations. Patriotism and promotion of “Nepaliness” appeared as an important attribute in charity or philanthropy during the talks held with many of the NGOs. ▶

4 | Lessons Learned in Fund Raising

1. **The Cause for Fund Raising**

During the course of the study, it became apparent that donors give to causes of their own choice. Therefore, the success of any fund raising organization would depend on the cause they are working for. The organization should be committed to the cause and should approach mainly those givers who can identify with the cause being carried by the organization.

2. **The Credibility of the Fund Raiser**

Donors give to persons they trust. Therefore, the credibility of the fund raisers is crucial. Their integrity, social reputation, interpersonal communication skills, disposition and dignified presence during soliciting of funds is vital.

3. **Nurturing the Donor**

A majority of donors mentioned by the NGOs were largely one-time givers. If such givers were to be converted into regular donors for longer periods, nurturing them would be very important. However, it is a long process to achieve this. The NGOs should have the patience and resources for this. They should be working at this persistently.

4. **Donors' Expectations**

Not all donors are altruistic. For example, many of the businessmen "invest" rather than "give" since they normally have the motive of promoting their own businesses, products or services. The elite or politicians may also be looking for social recognition or publicity from their donations. The ordinary person becomes relatively more satisfied when he gets something in return while he gives. Therefore, NGOs should consider this when they launch a fund raising activity.

5. Content and Quality of Communication Materials

Publicity and communication materials should be developed appropriate to the target donors. These should be catchy and should match the sensitivity of the donors toward the cause of the organization. These should also inspire and motivate the donor. The language, content and format of such material may have to differ to suit the different strata of donors to be approached.

6. Staff Motivation and Commitment

These are essential elements for successful fund raising. Only self-motivated and committed staff and volunteers should be involved. They should have both internal and external motivation for the work. These should be considered during staff recruitment. This should be assessed and strengthened periodically through in-house and external capacity building programs and appropriate incentives.

7. Continuity of Staff and Volunteers

Continuity of trained staff and volunteers is important. Much resource is spent in training and grooming the staff and volunteers to become successful fund raisers. Therefore, the organization should maintain an atmosphere that would retain good staff and volunteers. Undermining this can cause setbacks to the organization.

8. Prevent Leadership Vacuum

Charismatic persons lead many of the fund raising organizations. Their sudden absence causes a crisis in the leadership, management and the confidence of the donors. In order to prevent leadership vacuum, second line leadership should be developed to take over, should such a situation arise.

9. Be Innovative and Creative

Organizations that raise funds from the sale of their products or services are subject to market forces. Market needs keep changing. There may be stiff competition. Therefore, NGOs need to be innovative and creative to keep the buyer-donors interested in their products. Design, quality and presentation are important elements in the products. This is equally applicable to other methods used in fund raising.

10. Ensuring a Sustained Income

To be self-reliant, an organization engaged in philanthropic activities needs its own sources of income. To quote an NGO, "An organization

without its own source of income is tantamount to a tree without roots.” Another NGO was considering starting a restaurant for a regular source of income.

11. Transparency and Accountability

Winning the donors’ trust and nurturing them entails transparent management system and statements of income and expenditure from the organization. There should be emphasis within the organizations to publish the information on funds raised and disbursements made at regular intervals, with easy accessibility to all interested. In many NGOs, the accountability towards the donors needs to be strengthened. Many NGOs found it hard to talk about finances although they do submit annually audited financial reports to the district administration. However, whether the audited report tallied with the real income and expenditure might be a matter of conjecture in many cases. Some would not like to divulge the size of their transactions for fear of being asked to give donations against their wishes. This apprehension would not be entirely misplaced as reportedly the Maoists are known to have “asked” for fixed “donations” from NGOs and INGOs and corporations. Recently these have included even big media entities such as Kantipur Publications (private) and Gorkhapatra Corporation (government-owned), both of which publish daily broadsheet newspapers in the vernacular and English. It has also been said that individuals in rural and urban areas have been asked to “donate” cash or goods to the cause of the “proletariat.” Such an environment contributes to the lack of transparency in many NGOs.

12. Legal Aspects

The fund raising organizations must be aware of the legal aspects of giving and receiving especially when the fund raising is connected with commodity or property. In Nepal, the kin of a giver may have the right to property which s/he may not wish to be given to the organization. Any transfer of property may have to comply with the acts or regulations of the country. In Nepal, the organizers may need prior approval of the local or even national authorities for certain methods of fund raising. For example, raffles and door-to-door collections need to be approved by the district administration. Police acceptance may be necessary for security if large public events are organized. Income tax rebates are legally allowed for donations made to a charitable organization. The donors should be assisted to take advantage of this. ▀

5 | Conclusion and Recommendations

In the Nepali context, the examples of the cases presented here would be useful for many NGOs. The cases here are of those who saw the problem, learned without suffering too long and endeavored to find solutions either on their own or with help from abroad. They devised, copied or simply tried methods that had been useful to others, especially in Nepal. They came up with ways to raise funds to help those in need without expecting much in return for themselves and, most important of all, they demonstrated that the charitable practices of our ancestors in Nepal can be rejuvenated with modern approaches even in this self-centered era. Such NGOs should organize sharing their experiences, views and visions among those who are just beginning to attempt fund raising. The Nepal Fund Raising Group could take a greater lead in facilitating this.

From the foregoing interpretations of the case studies, it is clear that fund raising for development activities is gaining importance in Nepal as a means of mobilizing internal resources and reducing dependence on external resources. In this age of inter-dependence, absolute independence is hard to conceive as fund raising involves asking for donations. This implies that the fund raisers are dependent on the donor. This entails identifying the giver, be it an organization or an individual. Nurturing and sustaining the giver can be a challenge, since the giver may lose interest in the cause, due to the method used or the fund raiser himself/herself. Thus fund raising is both the art and the science of managing the cause, the giver and the methods.

A large majority of Nepali NGOs are only just beginning to learn about fund raising, as running philanthropic projects was not open to ordinary persons until as recently as 1990. Beginning in the 1990s, any NGO with an ability to articulate its cause was almost pampered by bilateral or multilateral development donor agencies. NGOs easily sold the issues of poverty, gender imbalance, child development, environmental degradation or basic

human needs. Many NGOs are now being encouraged to find “other sources of funding” by those who had patronized them. Moreover, donor conditions, donor fatigue, donors being taken for granted, or even donors being “taken for a ride” by older NGOs, have backfired on the fledgling NGOs. On the positive side however, this has sensitized them, to some extent, towards going to the public for money. Many of them have had to go on retreats to deliberate on how to raise funds.

For those who wish to embark on fund raising, the lessons learned are the recommendations themselves. However, the most important recommendation is that, as the first step, one should identify a cause based on one’s vocation. Then find people of similar vocation, devise a strategy for fund raising with such people as a team, implement the strategy, noting down the successes or points of satisfaction and the failures. Failures are lessons too. Review and use them to prevent further failures. The second most important recommendation would be openness in communicating with the donor, the government and the public the activities on which the funds were spent and plans with any funds in balance. Efficiency in the use of the funds is a very important factor in nurturing and keeping donors. The third recommendation would be to use methods that you and the donors feel comfortable with. Methods with a touch of novelty and old/cultural/traditional methods need not be dismissed as, currently, the elite seem to be inclined towards the “uniqueness of our own” Nepali tradition. However, the methods may need some modification to suit the situation and the times.

For the government authorities, it has to be recognized that philanthropy, charity and the NGOs are institutions of human civilization. Building the capacities of “third sector” institutions (the other two being the government and the private sector) helps towards the creation of an equitable and caring society. This, in turn, strengthens democracy. A large majority of the “successful” NGOs are directly or indirectly established, managed or advised by the educated elite, academics, planners or retired senior civil servants. They do feel their responsibility towards civil society and the government. They do recognize their accountability too. They should not just be extensions of the government to implement only its policies. They should be permitted a degree of freedom to be analytical and proactive, many of which are. Thus the government has the onus of trusting them and building an environment of mutual trust. Much improvement has indeed taken place on this, but government’s lack of monitoring capacity should not be substituted by harboring distrust in NGOs. Therefore, the government must also

build up its monitoring capacity. The much needed resources for this can be raised from the NGOs themselves. The NGO Federation or some such other organizations should be mobilized for the purpose of monitoring NGOs. It is believed that this would put fund raising on the right track in terms of transparency, accountability and the methods used. ►

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