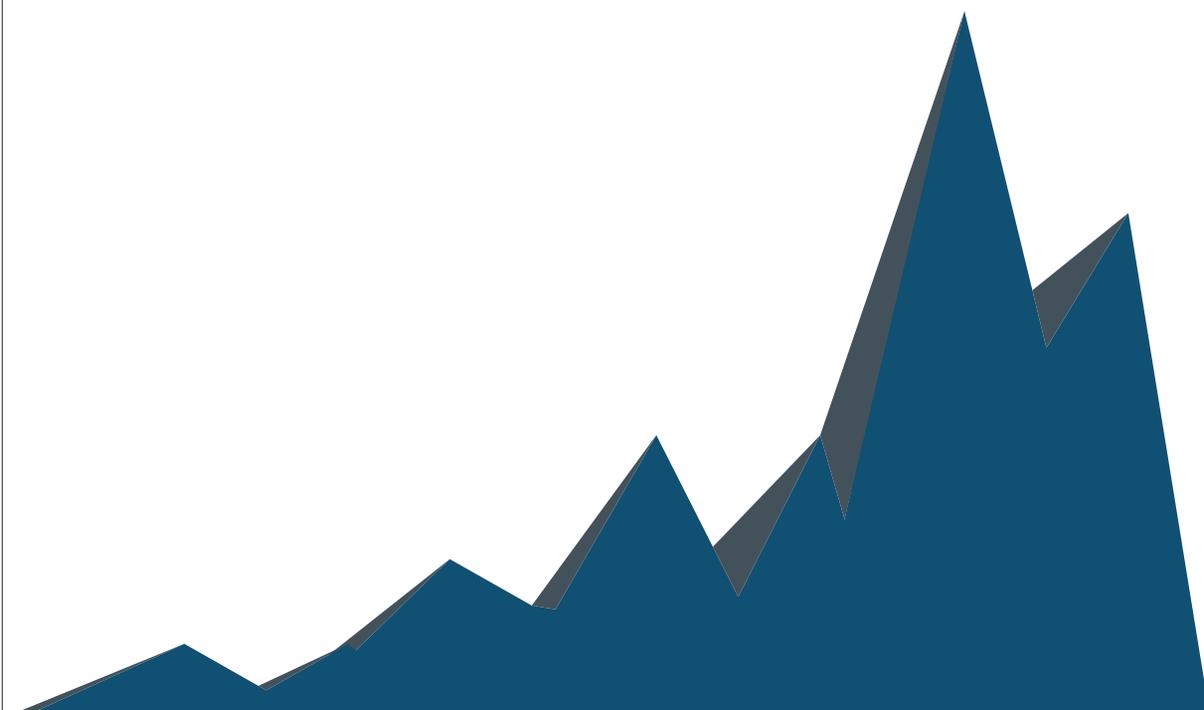


FUNDRAISING FOR DEVELOPMENT

FROM CAPACITY BUILDING TO TRUST

Le Quang Binh

Translated by: Pham Khanh Linh



Fundraising for Development: *From Capacity Building to Trust*

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Please note that the opinions expressed in this report are the authors' own and do not necessarily reflect the views of Oxfam in Vietnam, the Embassy of Denmark, and the Institute for Studies of Society, Economy and Environment (iSEE).

On behalf of the research team
Le Quang Binh

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Fundraising for Development: *From Capacity Building to Trust*

1. Summary of research findings

Fundraising is a topic that interests many civil society organizations, especially when Vietnam is in a transition of funding sources. Since Vietnam has become a low middle-income country, many donors have decided to withdraw from Vietnam, resulting in rapid reduction of funding from crucial international organizations from Sweden, United Kingdom, Denmark, Belgium and the Netherlands. In that context, finding alternative domestic sources of funding, such as the state budget, businesses, or individuals, is considered as a new direction for Vietnamese civil society organizations. There have been a number of studies on the context and status of contributions from businesses, individuals and state budgets; but none focuses on assessing the fundraising capacity of non-governmental organizations (NGOs), charitable groups, common interest groups or social enterprises. This is one of the reasons that we decided to conduct this research.

43% of NGOs participated in the study said that their budgets had been declining over the past three years, mainly due to the reduction of foreign aid to Vietnam in general and to NGOs in particular, leading to serious impacts on the activities of NGOs and their target groups. NGOs have two tendencies to cope with the decline in funding. Some NGOs are seeking to raise additional funds from new international sources (based outside Vietnam) by enhancing organizational capacity, reinforcing English communication, and strengthening cooperation and international connection. The other tendency is to increase domestic fundraising activities by enhancing public communication, making financial management systems more transparent, and concretizing their activities on both individual and community levels to appeal people.

Both directions are challenging and signal a major shift in NGO thinking. If successful, they will help NGOs grow and develop sustainably.

By comparison, the research results show that the budgets of social enterprises are rising, with 43% said that their budget increased and 22% had a stable budget. Most charitable groups and common interest groups, on the other hand, have a small, unstable budget, mainly raised from individual members, the general public, and domestic businesses. These CSOs want to maintain or enhance fundraising from individuals and businesses in the country, or to develop services and products that sell well in order to diversify their revenue sources in the time to come. Charitable groups and common interest groups have had experience in approaching individual and corporate donors; social enterprises have already had products and services provided for the market. Meanwhile, the majority of NGOs are still inexperienced or not yet prepared for fundraising from domestic donors.

While many CSOs want to maintain or increase fundraising from domestic businesses and individuals, they face many barriers. The first barrier concerns unclear regulations on fundraising and tax policy for funds raised from businesses and citizens. The second barrier is about the donors' trust and preferences. Many charitable groups, common interest groups and NGOs said that the donors only wanted to contribute to relief activities directly and materially, rather than to contribute to tackling the root causes of poverty, environmental degradation, or social inequality. Donors do not want to contribute to institutions because they have no control over the cash flow, and they also do not want their contributions to be used for administrative purposes or administrative fees. The third barrier involves moral factors in fundraising. CSOs have a very high level of moral perception¹ in

¹ Moral perception: the discernment of the morally salient qualities in particular situations. Moral perception helps people reason and explain what is the right thing to do in a particular context.

fundraising, but most have not institutionalized their appraisal process of funding sources in writing. Most believe that it would be difficult to evaluate the activities of businesses because the business environment in Vietnam is not transparent.

Though faced with new challenges, a high percentage of CSOs interviewed do not have a fundraising strategy, donor mapping, proactive communication or access to donors according to their capacity, motivation and intimacy with the organization. The majority of CSOs has neither received training in fundraising nor recognized the importance of building trust and communication of trust in donors. In general, charitable groups and common interest groups are building trust based on personal relationships, raising awareness and moral motivation in fundraising. NGOs and social enterprises are more focused on financial management capacity and social responsibility in building trust.

Although they are in a transition period with many challenges in fundraising, most organizations hold positive views of their development in the next three years. The highlights in fundraising show that those positive perceptions are grounded, and that the current social context creates a great demand for the development of CSOs. To enhance fundraising capacity, the research team suggests that CSOs should consider the following recommendations:

First, organizations should use a trust building framework to develop their fundraising strategies and capabilities. Specifically, organizations should create four elements that build trust. The first is to describe in a convincing way why you are committed to and passionate about what you want to do. Commitment and passion create an environment that spreads trust from the organization to donors. The second element is to build an organizational culture that honors integrity. Integrity is embodied in the fulfillment of the organization's promise or mission, in pursuit of inviolable values, and in the spirit of openness, cooperation, and learning. The third element is to develop a transparent financial management system that is accountable to

stakeholder groups. It is not only for donors, but also for the public. The fourth element is to document and communicate the results and impacts of the organization to build trust in its deployment capabilities.

Second, organizations should actively identify, classify and build strategies to approach donors. The classification can be based on attributes such as the donor's capacity to make financial, in-kind, and skills/personnel contributions; their level of commitment to the organization's mission; and their intimacy and closeness to the organization. The classification also can depend on the motivations of the donors, which might include ethical responsibility, social responsibility, and joint liability because of the social traits shared with the target group. The classification of donors will help the organization develop more appropriate approaches for different donor groups.

Third, communication about the organization should be formulated as an active strategy, and messages should be transmitted continuously in various formats to donors. However, regardless of what media channel (public, social network, event, report, publication) is used, it has to convey the organization's foundation of trust (its commitment and passion, integrity, transparency and accountability, results and impacts). Communications also should sharpen and increase the donors' motivation to contribute (moral responsibility, social responsibility, social relevance). Organizational strength (the four elements of trust building) is a necessary condition, while effective communication is the sufficient condition that enables the organization to mobilize funding for its mission.

Fourth, although ethics in fundraising is not yet a big issue, it is a gap that all organizations need to institutionalize through texts, organizational culture, and monitoring mechanisms. This is essential when organizations want to increase their solicitation of funds from individuals and businesses, as these sources of funding often present more ethical risks than development funds or international non-governmental organizations. Having ethical principles in fundraising is

also a prerequisite for raising the trust of donors who are serious about the organization.

Fifth, fundraising activities should be connected to the aim to increase the donor's awareness of philanthropy, social responsibility, community involvement in problem solving, and the role of CSOs. This helps the donors understand that philanthropy is not giving aid to civil society organizations, but getting involved in solving the society's common problems. Thus, when developing fundraising programs, the aim is not just how much fund is collected, but also how many people have access to and understanding of the organization's mission and the reason why it mobilizes them to solve common problems together.

Sixth, Vietnamese civil society is in a transition phase. Especially, some NGOs are moving away from mainly seeking foreign funding to mobilizing domestic funding. Therefore, CSOs need support to change, especially the ability to raise funds from new sources such as (i) international agencies not present in Vietnam; (ii) private enterprises; (iii) domestic individuals; and (iv) product/service development. Specifically, donors should have incentives such as co-funding (each side contributing part of the budget), co-applicants (both sides together ask for donations to a common activity), matching funds (if the Vietnamese CSO raises 1 VND from businesses or individuals, then the donor will contribute 2-3 VND respectively), and core funding (giving financial support to help CSOs improve their fundraising capacity by themselves).

Seventh, organizations need to continue campaigning for a legal framework that clarifies (i) the definition of fundraising activities; (ii) organizing fundraising activities; and (iii) taxation/reimbursement to encourage philanthropic activities, developing and strengthening trust-building elements in philanthropic activities in particular and in society in general. Without a clear, transparent legal framework that protects CSOs' fundraising activities, organizations will not be able to be creative in fundraising or promote a spirit of contribution and mutual assistance through philanthropy and charity activities in Vietnam.

2. Context

According to the "Benchmark Assessment of the Civil Society in Vietnam"², the capacity of civil society depends on a variety of factors, such as the level of richness in the organization types, level of diversity of the types of activities, level of cooperation among CSOs and between CSOs and the state, enterprises and the press. Besides, the capacity of CSOs depends on the quality of personnel and on financial autonomy. Also according to this study, the financial autonomy of CSOs is very weak and particularly vulnerable in the current context. According to this study, the financial autonomy of CSOs is very weak and particularly vulnerable in the current context.

Many experts believe that the development of Vietnamese civil society is at a turning point due to fluctuations in financial resources.³ The funding resources of international organizations for Vietnamese civil society, especially non-governmental organizations, are decreasing rapidly. If failed to access the global funding resources or to open up domestic ones, many NGOs will have to be closed. Civic organizations such as common interest groups, charitable groups and social movements that do not rely on foreign funding are often small in scope, limited in human resources, and operate only as a side interest of participants. As with any other fields, the capacity of civil society predominantly depends on its financial capacity. Therefore, this study will focus on the opportunities and ability to mobilize financial resources of CSOs.

² Le Quang Binh, Nguyen Thi Thu Thanh, Pham Thanh Tra: Benchmark Assessment of Civil Society Space in Vietnam, 2016.

³ First annual conference on the role of civil society organizations in economic, social and cultural development in Vietnam, 2016.

2.1. Outline of the world's fundraising activities

According to figures by the OECD-DAC (2014)⁴, the funding from the governments of the OECD countries through NGOs increased from \$10.7 billion in 2007 to \$17.5 billion by 2012, a percentage increase from 11.3% to 16.8% of the total ODA funding. However, by 2013, the percentage dropped to 15.4%. On a global scale, the amount of funding through civil society organizations accounted for 13% of the total funding in 2014 and has tended to increase in the subsequent years⁵. This increase was mainly due to the rapid increase of contributions from individuals and funds over the past few years. For example, Warren Buffet contributed \$31 billion to Bill & Melinda Gates Foundation, or Maurice Greenberg established Starr International Foundation with the potential capital of \$20 billion. Many large funds such as the Ford, Rockefeller, or Carnegie are increasing funding for global development activities⁶.

To raise funds, CSOs often focus on building relationships with their donors. When studying arts organizations in Scotland, Jenny Harrow⁷ et al. demonstrates that there are many factors affecting fundraising, which can be grouped into five: aspects related to internal organization; the economic, social, cultural and political context and environment; the knowledge of donors; approaches; and criteria for evaluating the fundraising success. From another perspective, this study suggests putting the relationship between the organizations and the donors into three categories: exchange/communal relationship; educational relationship; and relationship oriented. Robbie Samuals⁸ argues that

⁴ Huib Huise and Tom De Bruyn: New trend of government funding of civil society organizations, 2015.

⁵ Babao: Civil society aid trends, 2016.

⁶ Esperanza Moreno and Betty Blewes: Thinking globally? Canadian foundations and philanthropies in international trend.

⁷ Jenny Harrow, Tobias Jung, Hannah Pavey, Jeanie Scott: Donor cultivation in theory and practice, 2011.

⁸ Robbie Samuals: The three Cs of fundraising: capacity, connection and commitment, 2011.

fundraising success depends on three factors, one of which is the financial capacity of the donor, the other is the donor's degree of cohesion with the organization, and the third is the commitment of the donor to the organization's mission and motivation. Depending on the different donors, charities and NGOs build different relationships.

Some studies suggest that the organization's internal factors play an important role in the fundraising effectiveness⁹. In addition to the fundamental factors such as fundraising strategies, human resource capabilities, financial systems, communication skills, and event organization, the diversity of contact channels with donors also plays an important role.¹⁰ These skills need to be adjusted for specific funding groups, such as indigenous people living abroad, those with large assets, or the local community¹¹.

Besides, the ethical issues in fundraising are also respected¹². Many different schools are offered, such as when fundraising is considered ethical: when it is not destroying the trust of the public with charity (trustism), or when the donated money is used exactly as the donors want it to be (donorcentrism), or fundraising is only ethical when the donors represent the rights of beneficiaries but do not force others to pay money (rights balancing)?

Regardless of which aspect of fundraising, the studies, guides, or related suggestions highlight the core issue of fundraising: trust. In other words, no matter how strong the organizational capacity is and how good the organization of fundraising activities is, without trust, the organization can not succeed in fundraising. This will be discussed further in part 4 – Content and framework analysis.

⁹ Margaret Ann Scott: Organizational Factors that Drive fundraising effectiveness in Australian health charities, 2014.

¹⁰ Bradshaw, J: Fundraising guide for NGOs.

¹¹ Thera Trust: Your guide to community fundraising, 2015.

¹² Ian McQuillin: Rights Stuff-fundraising's ethics gap and a new theory of fundraising ethnics, 2016.

2.2. Related studies about fundraising in Vietnam

Vietnamese civil society has been studied by many scholars at home and abroad. The first group focuses on the study of the nature, role and composition of Vietnamese civil society (Norlund, Hannah, CIVICUS). The second group examines the relationship between the state and civil society organizations (Kerkvliet, Wells-Dang, Thayer, Wishchermann). Recently, there have been some studies of contemporary phenomena in civil society conducted by researchers and local actors, such as social networks, social movements and civil society space (Bui Hai Thiem, Vu Ngoc Anh, Le Quang Binh). In addition, a number of studies have been conducted by Vietnamese and international NGOs on the environment for raising funds from the Vietnamese public and enterprises.

According to research by the Institute for Studies of Society, Economy and Environment (iSEE)¹³, most people in Vietnam donate regularly. In 2012, interview participants gave an average of 342,000 VND for different charitable purposes, and the median contribution was 100,000 VND/person. Philanthropy is often understood in terms of humanitarian aid, so people often focus on aiding people in difficult circumstances, rather than donating money to help resolve the causes of social inequality and poverty. The behavior of givers is influenced by the perceived legitimacy of difficulty, leading them to contribute to people with disabilities, or those who suffer from accidents or disasters. A situation in which some charitable donations are made compulsory (through administrative quotas and payroll deductions) have undermined trust in philanthropic activities, as have corruption cases in relief activities. This situation, combined with the public's limited understanding - or even distrust - of non-governmental organizations, lowers the chance for non-governmental organizations to raise funds from domestic individuals.

¹³ Institute for Studies of Society, Economy and Environment: Public awareness on charitable activities and fundraising capacity of Vietnam non-governmental organizations, 2015.

According to the study by the Asia Foundation (TAF)¹⁴, three quarters of corporations conduct philanthropic/humanitarian activities in the form of cash, products, and working hours/skills of staff. The three areas that receive the most humanitarian and charitable contributions from businesses were helping those in distress, disaster relief, and poverty reduction. Understanding of NGOs is quite limited, as most of the businesses participated in the study thought that the role of Vietnamese NGOs (VNGOs) was doing charity work, supporting businesses, or creating services; few knew about other roles of VNGOs. Raising funds from businesses is not easy because nearly 40% of businesses said they did not think that VNGOs "really create positive impacts on the society" and over 50% did not think that VNGOs "work professionally".

A study by the Vietnam Institute of Economics and Policy Research (VEPR)¹⁵ shows that VNGOs depend heavily on foreign funding, ranging from 90% upwards. A very small percentage of organizations have other revenue sources, such as services, or donations from businesses or people in the country. In contrast, associations and unions have 82% of the resources supported directly or indirectly by the state. According to a study by Johns Hopkins University cited by VEPR, the financial resources for social work in other countries are varied and balanced, with 32% from the state budget, 44% from service fees, and 23% from charity volunteering. Compared with other countries, the resource structure of VNGOs is less diversified and may have a higher risk.

The research team has not found any study that assesses the intrinsic capacity of civil society organizations in fundraising. This is the gap that this study intends to address in order to make recommendations to CSOs, government agencies, and donors who want to promote the capacity and the role of CSOs in addressing economic, social, cultural and political issues in Vietnam.

¹⁴ Dang Hoang Giang, Pham Minh Tri: *Charitable Contributions of Enterprises and a Glimpse of Government Agencies in Vietnam*, 2013.

¹⁵ Vietnam Center for Economics and Policy Research: *Towards sustainable development of social organizations from a financial perspective* (unpublished report).

3. Research objectives and framework

The ability to raise funds depends on two main factors. Objective, external factors are quite independent of the intrinsic capacity of CSOs, such as the abundance, increase or decrease, accessibility or inaccessibility (from both technical and legal aspects) of funding sources (international organizations, individuals, businesses, state budget, etc.). Internal factors are connected to the capacity of CSOs, such as the capacity to identify resource-related contexts, communication capacity, image building, and relationships with target donors (knowing who would sponsor for the issue/intended audience); capacity and tools to organize fundraising activities (writing projects, organizing fundraising activities, applying technology); organizational capacity, financial management, personnel, monitoring, evaluation, reporting on the use of funding resources.

However, many studies also indicate that the abundance of resources or the capacity of organizations is not enough to raise funds. A more important value, which is the decisive foundation for fundraising success, is trust. According to Lukas O Berg¹⁶, trust is the organization's most important asset, a strong point for non-profit organizations to reach out to donors, and a motivation for donors to support. Rene Bekkers¹⁷ says that economic, legal, and political theories all affirm that trust plays an important role in charitable activities. Dorothea Greiling¹⁸ claims that because of information asymmetries, donors are often absent when charitable organizations or non-profit organizations implement their projects, so they have to rely on trust to make contributions. Robert D. Putnam¹⁹ when studying social capital has

¹⁶ Lukas O Berg: *The Trust Report*, 2011.

¹⁷ René Bekkers: *Trust, Accreditation, and Philanthropy in the Netherlands*, 2003.

¹⁸ Dorothea Greiling: *Trust and performance management in non-profit organizations*, 2007.

¹⁹ Robert D. Putnam: *Bowling Alone: American's declinging with social capital*. 2000.

always asserts that trust is the central element of social capital: the higher the trust, the greater the opportunity for cooperation.

In the fundraising context, trust plays a central role. Trust can be created in many different ways, but can be attributed to two main sources: the emotional source and rational one. No matter how trust is built, it can be understood simply as the expectation of one person that is placed on the promise of the other. In the fundraising context, it is the donor's expectation for individuals or organizations to raise money to help a person or to perform a promised activity.

Emotional trust is often built through personal relationships, acquaintances, and loving feelings. According to Stephen M. R. Covey²⁰, trust is built based on integrity, intent, capability, and result/impact. Rational trust, according to Lukas O Berg, the rational belief, according to Lukas O Berg, is often based on institutional evidence, namely the transparency of the organization's financial and accounting systems; accountability; and especially the impact/efficiency of the organization's activities. When there is trust, individuals and organizations can reach out to donors with their activity plans to persuade donors to support them. It can be said that the higher the level of trust, the greater the ability to persuade donors to contribute.

The research team use this analysis framework to assess the current condition and the gaps of VCSOs' trust building capacity in fundraising. From this analysis, recommendations to strengthen the mobilization of funds through increased trust and donor-approaching skills will be proposed to civil society organizations, donors, and relevant government agencies.

In terms of scope, this study does not focus on specific skills, such as the ability to hold a fundraising concert or how to build a media activity. In contrast, the study focuses more on the underlying factors that are needed if the organization wishes to build the trust of donors in order to raise funds.

²⁰ Stephen M. R. Covey: *The Speed of Trust*, 2006.

4. Research methods

This research uses a combination of in-depth interview and quantitative research methods. 17 people were interviewed in Hanoi and Ho Chi Minh City. The research team focused on understanding the key characteristics that make these models successful in raising funds, thereby incorporating lessons that could be applied to other organizations. Participants in the study were chosen from four different groups²¹ with consultation from a small group of experts. The first group were non-governmental organizations with legal status (4 organizations). The second group were made up of charitable organizations, which can be understood as groups with fundraising activities to help a third party such as the poor, children in remote areas, or residents of the disaster area (6 organizations). The third group included non-charitable community organizations, which raise funds for the benefits of the members themselves (3 organizations). The fourth group consisted of social enterprises that use the market as the way to solve a social problem, with most profits used to re-invest in the society²² (4 organizations).

²¹ There are various ways in classifying Vietnamese civil society organizations (or VCOSs). For example, Norlund (2007) classifies different types of organizations, such as unions, professional organizations, NGOs and community organizations. CIVICUS (2006) divides VCOSs into unions, governing bodies, professional associations, NGOs working in science and technology, other NGOs, informal groups, religious organizations, and international NGOs. In this study, we focus only on organizations that are relatively independent of the government, highly voluntary and autonomous.

²² We also include social enterprises because this is a kind of organization that was born to deal with a certain social problem through the market mechanism. Inclusion of social enterprises in the analysis does not mean that they are part of the civil society as the common definition, especially in the structuralist sense. We study social enterprises because this is a new phenomenon in the Vietnamese society, and many consider it to be a solution to social, environmental and cultural issues in Vietnam.

Regarding quantitative methods, a detailed questionnaire was designed and tested with a group of social activists in Hanoi. Afterwards, the questionnaire was posted on Survey Monkey for participants to respond online. The link of the survey was posted on social networks and sent via e-mail to networks of the above four types of organizations. The data was collected from 22 February to 14 March 2017. It was then analyzed statistically according to the indicators developed in detail to reflect the objectives and content of the study.

5. Research findings

This section will focus on describing the current financial mobilization of civil society organizations in relation to forms of organizations, activities, and fundraising environment. Next, the report will analyze fundraising capacity of the organizations. In the last section, we will look at this capacity through building trust with donors of civil society organizations. This is the platform to put forth recommendations to help civil society organizations become more efficient in fundraising and maintain their sustainable operations.

5.1. Organizations involved in the study

There were 396 participants responding to the questionnaire, of which 380 were eligible for analysis. Regarding location, 48% of respondents were in Hanoi, 30% in Ho Chi Minh City, and 22% in other provinces. In terms of gender, 40% identified themselves as male, 56% identified themselves as female, and 4% identified themselves as having another gender. In terms of organization type, 15% were social enterprises, 33% were NGOs/Funds/Social welfare establishments with

legal status (referred to generally as NGOs), 16% were common interest groups, 11% were charitable groups, and 15% claimed to be others (government agencies, businesses, universities), while almost 10% did not respond. In terms of job position, 43% of respondents were organizational leaders, and 57% were staff. When comparing, we did not see any significant differences between leaders and staff or between men and women, so the data will be treated collectively. In case of major differences, they will be described separately.

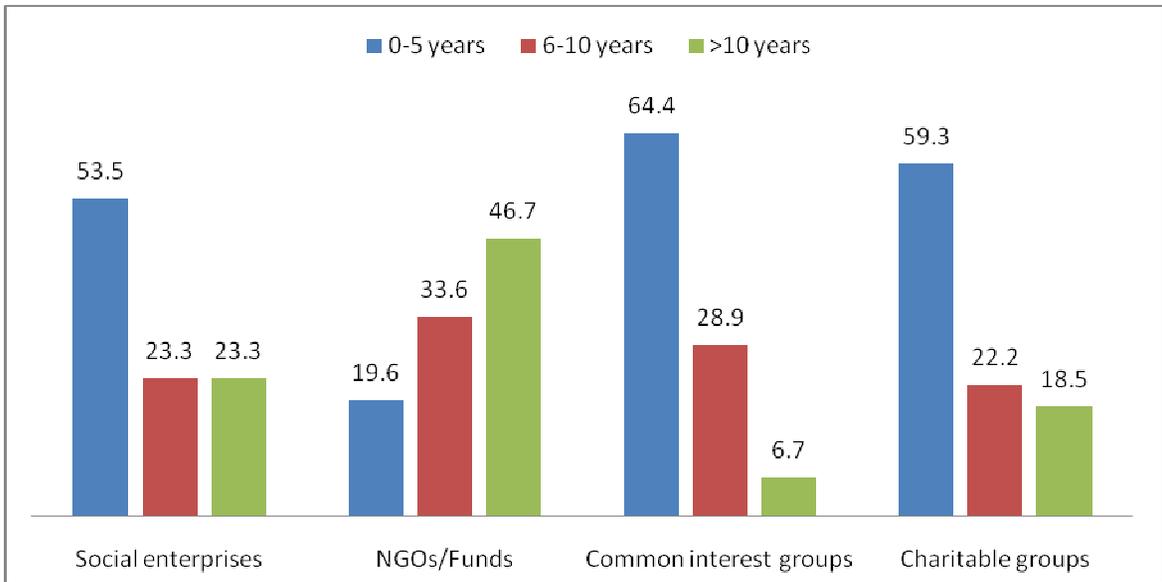
In terms of time, according to the survey, 33.6% of NGOs have operated since their establishment for 6 - 10 years, and 46.7% for more than 10 years. Meanwhile, the majority of social enterprises (53.5%), common interest groups (64.4%), and charitable groups (59.3%) have operated for less than 5 years.

According to the results, nearly 47% of NGOs have a lifetime of more than 10 years. This is because many NGOs were established in the 1990s as a change agent working on socio-economic issues when Vietnam opened its doors to many international non-governmental organizations. The charitable groups have been developing in recent years, especially since 2010 when there was a historical flood in Central Vietnam. There are many different reasons, but one reason mentioned by in many of the in-depth interviews is that they were disappointed with the effectiveness of the state's aid relief, especially cases of corruption in the relief operations; so they set up their own groups, donated their own money and worked directly with the people. The concept of social enterprises has just been introduced into Vietnam in the past few years, and the New Enterprise Law has recognized the form of social enterprises since 2014.

The CSOs that are considered successful were interviewed in this study. Of the four NGOs interviewed, NGO1 focuses on promoting the development of social enterprises in Vietnam. NGO2 focuses on promoting human rights of minority groups, civil society, and gender justice. NGO3 focuses on environmental issues, climate change, livelihood and community

development. NGO4 focuses on developing the network, community, and initiatives of nonprofit organizations. About social enterprises (SE), SE1 develops local herb products to preserve the indigenous knowledge and forest ecosystem. SE2 promotes green offices and energy conservation. SE3 specializes in providing psychological advisory and training services. SE4 promotes sustainable, natural agriculture.

Chart 1: Vietnamese CSOs by Age



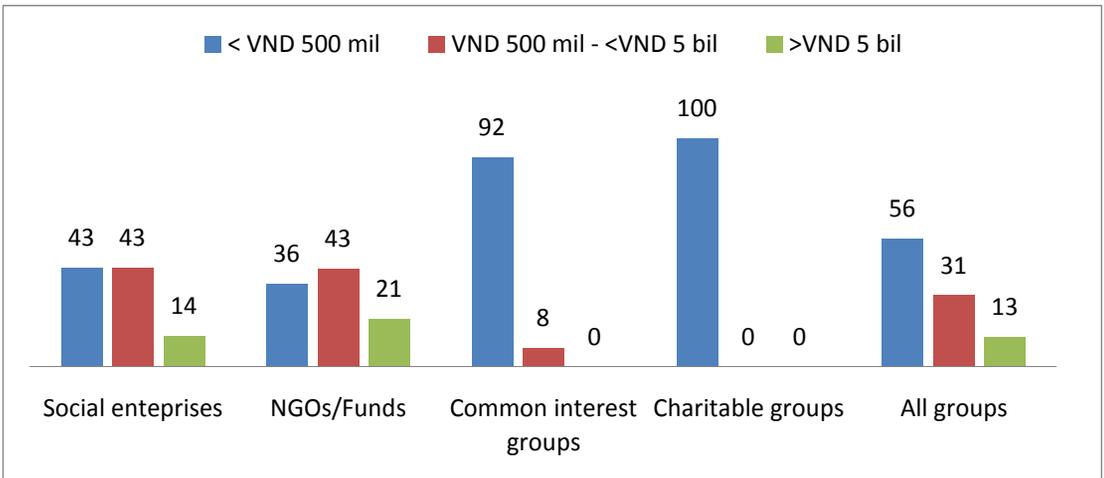
In the common interest groups (CIGs), CIG1 concentrates on the promotion of anthropological research methods and training. CIG2 focuses on assisting members and their families in the treatment and care of breast cancer. CI3 focuses on promoting aesthetics, training, performance and art research. In charitable groups (CG), CG1 focuses on fundraising for its members to cook porridge, build bridges and provide warm clothings for children in the highlands. CG2 raises funds and mobilizes its members to help the difficult regions and sick kids, and to plant trees in the school gardens. CG3 works to provide relief, material support to children and schools, but more personal. CG4 raises funds to

cook delicious foods for children in charity shelters. CG5 focuses on education for immigrant children. CG6 raises funds to build flood-proof homes and help people from disaster areas.

5.2. Fundraising of civil society organizations

According to the survey results, the budgets of civil society organizations were diverse. NGOs and social enterprises had larger budgets, with 21% of NGOs and 14% of enterprises surveyed having a budget of over VND 5 billion in 2016. Meanwhile, 92% of common interest groups (CIGs) and 100% of charitable groups (CG) had a budget of less than VND 500 million. The results are presented in chart 2 below.

Chart 2: CSOs' budget in 2016 (% of survey respondents)

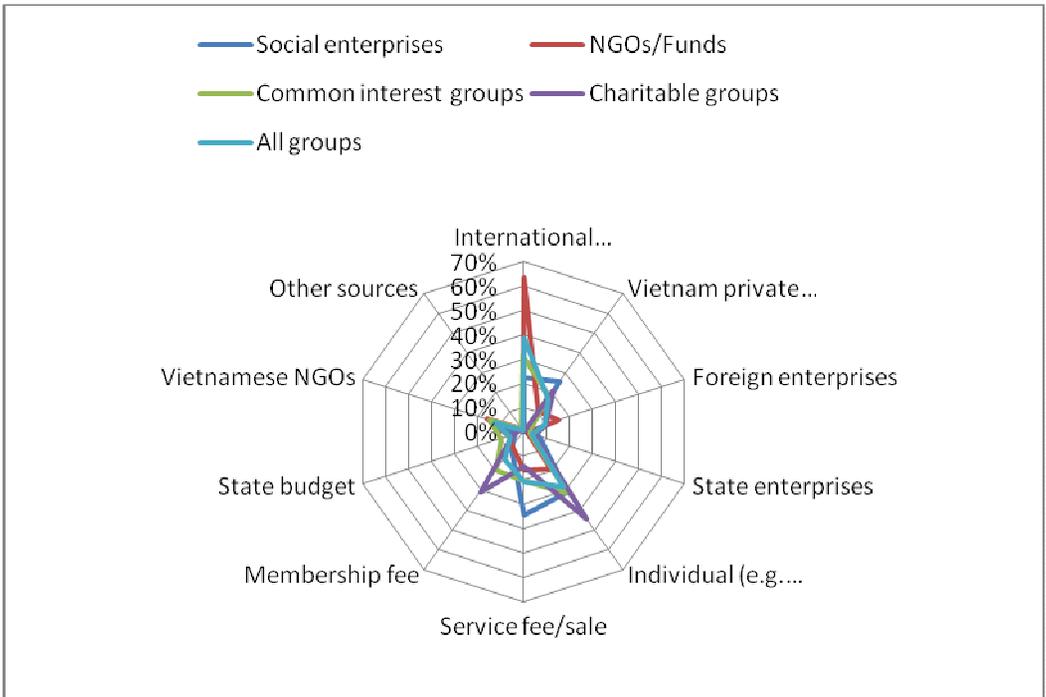


There are many reasons for this difference, mainly because these NGOs and social enterprises have the legal status that enables them to receive foreign funding, or to sell services and products to the market. These grants are usually large and deployed over a long period of time. Charitable groups and Common interest groups often operate on a small, intermittent scale, calling for contributions in batches from their

members or the public, so their budgets are usually not large. In the in-depth interview, the representative of CG2 said that his group only made two charity trips per year, one in March and one in September. CG1's representative said that the group only calls for contributions when there is a need, for example, when a member proposes building a bridge for a particular community.

Regarding revenues, different CSOs have different primary revenue sources. For example, 63% of NGOs have international funding, while no charitable groups do. In contrast, 44% of charitable groups receive individual donations (including crowdfunding - mobilizing donations from individuals and online organizations for a particular activity or product), while only 19 % NGOs have revenues from this source. The difference in revenues is shown in chart 3 below.

Chart 3: Revenue sources of CSOs in 2016

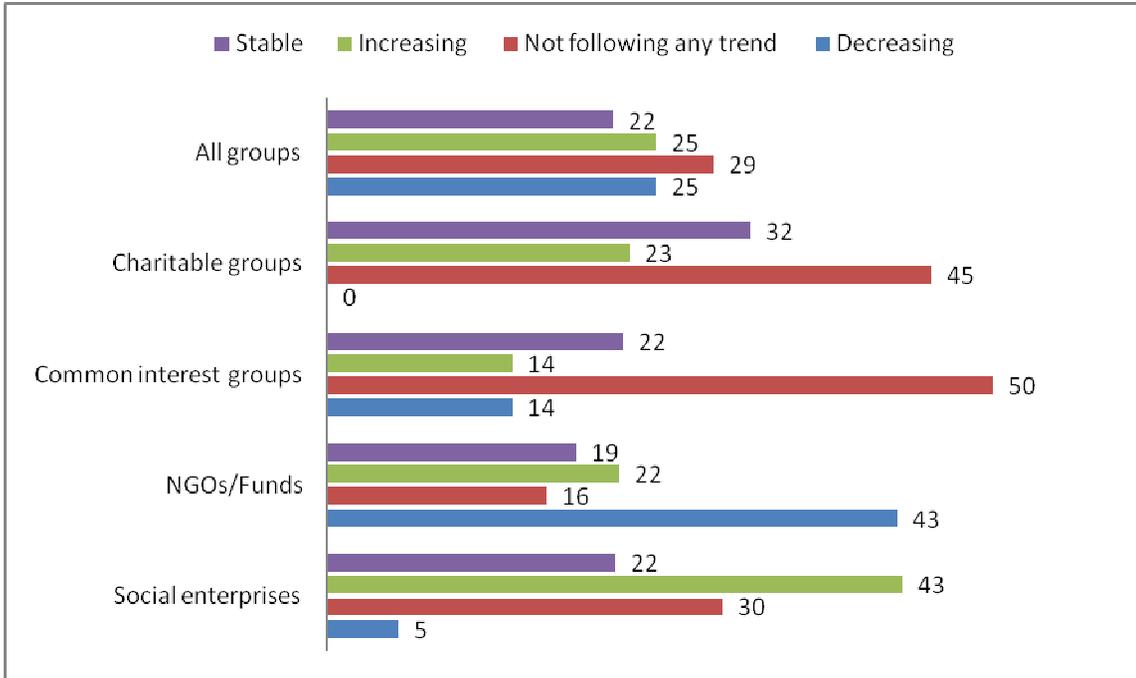


In in-depth interviews, NGO representatives said that their revenues came mainly from international donor organizations, which often accounted for more than 90% of the organization's budget. Only NGO4 has a more diversified source of revenues, with 60% from foreign donors, 30% from businesses and 10% from individuals. Charitable groups had more revenue sources: from member contributions, personal and corporate grants, or sales of their products. Social enterprises are primarily based on individual capital, with the initial support of the investor and their products or services. The revenue sources of common interest groups primarily came from member contributions, and selling part of the services such as training and access to libraries, materials, or information. Besides, common interest groups were also sponsored by businesses when they organize public events with many participants. Although the revenue sources were different, all CSOs value financial autonomy. Some consider this to be the philosophy of the organization's existence. For example, the representative of CIG3 stated that *"when participating, the members contribute their knowledge, mutually cultivate and enrich each other, jointly increase their capacity and experience emotions in art activities. Therefore, the participants must pay to organize activities. I believe that art must live on its own. I try not to ask for donations because participating in institutions has certain limitations."*

When asked about budget changes in the past three years, the quantitative survey results showed that NGOs experienced the greatest difficulty compared to other types of CSOs, with 43% of NGOs saying their budget was declining. In in-depth interviews, the 4 selected NGOs said that their revenues were stable, but large grants became fewer. They had to mobilize the small grants, which leads to the burden of reporting and management costs. In contrast to NGOs, 43% of social enterprises had budget increases over the same period (chart 4).

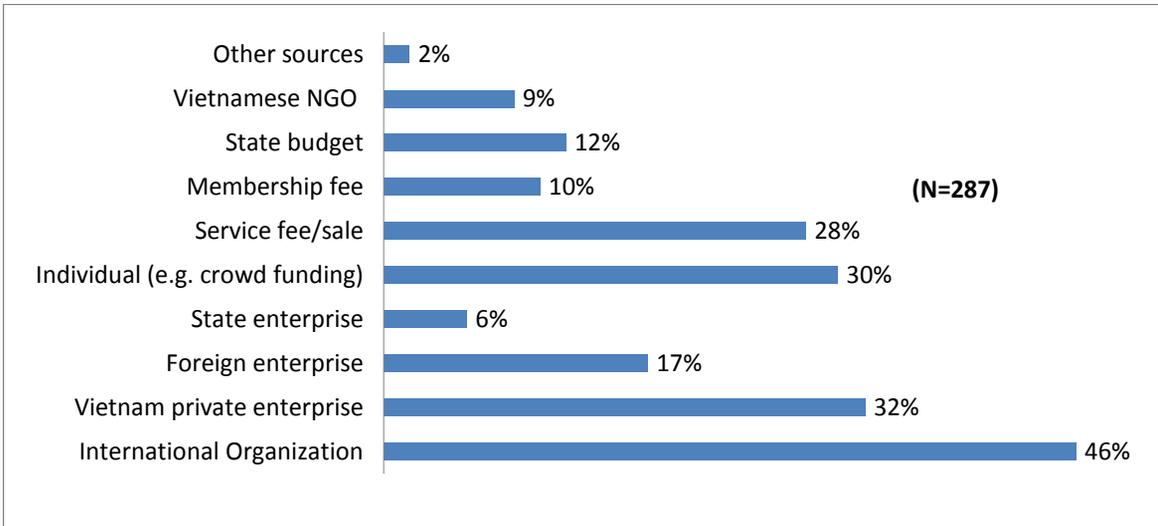
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Chart 4: Fluctuations in budget of CSOs in the past 3 years



The chart above shows that CGs and CIGs have a "highly fluctuating" budget, partly because of the seasonal nature of their job, and in part because their volunteering activities are unstable. Most groups do not consider this to be a major issue. They were even fairly satisfied with the philosophy of "spending all the money earned right away". The representative of CIG3 said that *"instability is also part of the operation. The critical philosophy was being creative and passionate, and even going through hardships to be free. Acting for myself, not for donors"*. All CGs said that they only mobilized the amount of money they needed; when it became adequate, they would stop. They did not want to keep their money extending from one activity to another, from year to year.

Chart 5: Funding sources in the next three years



When asked from which funding sources they would focus on in the next three years, international funding sources are still the most targeted by most CSOs, with 46% of the organizations selecting it, followed by private Vietnamese enterprises (32%), individuals (30%) and services/products (28%). There was a small percentage of organizations planning to approach the state budget (12%) or state-owned enterprises (6%). In the in-depth interviews, only one NGO said that state agencies had suggested that they might receive ODA through state agencies to implement the project. However, they declined because of concerns about administrative procedures and the risks of corruption. Other CSOs did not plan to access resources from the state budget.

However, there are differences in approach among types of organization. If we compare the current revenue sources and desired ones in the future, we can see that most organizations will soon demand for more access to Vietnamese private enterprises. Other revenue sources will be relatively maintained, or will increase by about 10 percentage as presented in table 1 below.

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Table 1: Comparison between current incomesources and those in CSOs' plans

Type of organization	Funding sources (% of surveyed CSOs)									
	Vietnamese private enterprises		Individuals		Membership fees		Services and products		International organizations	
	At present	In plans	At present	In plans	At present	In plans	At present	In plans	At present	In plans
Social enterprises	26	38	31	38	9	10	34	36	22	38
Charitable groups	21	28	44	37	30	16	14	23	0	12
Common interest groups	18	26	31	36	20	21	20	26	31	38
NGOs	10	33	19	21	8	6	16	26	63	65

In the in-depth interviews, all organizations wanted to diversify the funding sources for their activities, either in the form of financial support or materials/services. With charitable groups, individual sources of funding decrease while there is an increase from enterprises and services source. For the interviewed NGOs and from the quantitative data, there are two clear parallel strategies. The first one is to increase the capacity to attract funding from global sources, not just from Vietnam. NGOs pursuing this strategy focus on enhancing organizational capacity, such as establishing financial, accounting and communication systems in English, or building international networks. They cooperate with international non-governmental organizations to ask for funding. This process is about both learning and increasing the "winning" ability. The second strategy is to adjust to domestic donors, particularly to businesses and the public, or to increase income-generating activities and services. Although there are not many organizations that follow this second approach, a significant number of organizations are building domestic fundraising targets, improving the financial, human resources and communication systems to raise funds in the country.

5.3. Evaluations of CSOs on the fundraising environment

When asked about the fundraising regulations, the organizations' evaluations were quite different. For example, 62% of the NGOs agreed or strongly agreed that the state regulations made it difficult to mobilize funds from foreign donors. For Social enterprises, Common interest groups and Charitable groups this percentage was 55%, 66% and 35% respectively. This is also reflected in the interviews with the NGO representatives who rely heavily on foreign funding. They complained about the Decree 93 and the project approval process of state agencies.²³

When asked about the legal provisions related to fundraising from domestic businesses or individuals, the evaluations were more positive. For example, only 18% of the charitable organization agreed or strongly agreed that state regulations made it difficult to mobilize funds from businesses. This percentage was 38% for social enterprises, 35% for NGOs and 53% for common interest groups. The organizations had a similar evaluation regarding activities to raise funds from the public. According to the results, the group that had the most negative evaluations on fundraising regulations was the Common interest groups. In the in-depth interviews, representatives from Common interest groups indicated that their projects are of interest and supported by the donors. Nonetheless, the foreign-funded project approval process hindered them from receiving the funds because they do not have the appropriate legal status.

²³ The above evaluations coincide with a number of previous studies on the primary reasons for difficulties in receiving foreign assistance: (i) The project's content is considered sensitive, such as the protection of human rights, complaint, transparency, accountability or contradiction with the views and interests of the state. (ii) Several agencies (5-8 state agencies and local governments on average) participate in the grant approval process (the content is considered whether priority or sensitive), which makes asking for permission a time-consuming and overlapping procedure. (iii) The request for a permit to operate in Vietnam or in the project area also leads to an extension of the time required to complete the procedures. (iv) That one-third of the organizations have to spend money on project approval is also a barrier that make it difficult for organizations to account for or cover the budget.

In in-depth interviews, no Charity group or Common interest group complained about the state's fundraising regulations. However, NGOs were more concerned about the legal framework for fundraising activities. NGO1's leader said *"we haven't yet prioritized fundraising from individuals and domestic corporations because there are still legal risks. We don't understand if it's allowed to organize large-scale fundraising activities or not, who is the person who gives us permission, and how the taxes are calculated for NGOs and the sponsor after we've mobilized the funds"*. NGO2's leader said they were preparing to raise funds in the country, but still concerned about the legal framework and tax regulations for the domestic funds, *"particularly if the funds are used for activities that the government considers as sensitive, such as the promotion of transparency, anti-corruption, human rights protection or fundraising activities that are implemented on a large scale and have social impacts"*.

According to analysis by the LIN Center for Community Development, Vietnamese law does not provide any definition of "fundraising". Instead, there are regulations on activities that are permitted, including fundraising activities, which are mainly "eligible to receive grants from individuals and organizations at home and abroad." This means that organizations can organize cultural activities such as art performances, fashion shows, festivals, or charity runs, but these activities must comply with Vietnamese law on public activities. This also means that organizations must obtain a permit from a relevant authority (e.g. the Department of Culture, Sports and Tourism), and comply with prohibitions, such as the incitement to rebel against the government of the Socialist Republic of Vietnam, or propaganda of reactionary ideology and culture, or depraved lifestyle.²⁴ In other words, the right to organize fundraising activities of CSOs depends on the rights to freedom of expression and freedom of association, which are still relatively "vague" under current rules, leading to the risk of arbitrary interpretations of the governing bodies²⁵.

²⁴ LIN and YKVN: Fundraising activities of non-profit organizations under the law of Vietnam, 2012.

²⁵ See also Oxfam's Report "Assessment of Barriers, Opportunities and Strategies for Vietnamese Youth to Engage in Civil and Social Activities." Le Quang Binh, 2016.

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Regarding the funding sources, 69% of surveyed social enterprises, 79% of NGOs, and 63% of common interest groups agreed that foreign funding was declining. 41% of charitable groups agreed and 35% did not know about this. Regarding the financial contribution of enterprises to CSOs, 48% of social enterprises agreed or strongly agreed with the view that this source was increasing. The percentage of the NGOs, common interest groups and charitable groups were 31%, 33% and 36% respectively. 45% of the social enterprises, 31% of the NGOs, 47% of the common interest groups, and 65% of the charitable groups agreed and strongly agreed that the public's financial contribution was gradually growing. Only about 10% of the organizations claimed that the state budget for CSOs was increasing.

Table 2: Organizations' evaluations of potential funding sources

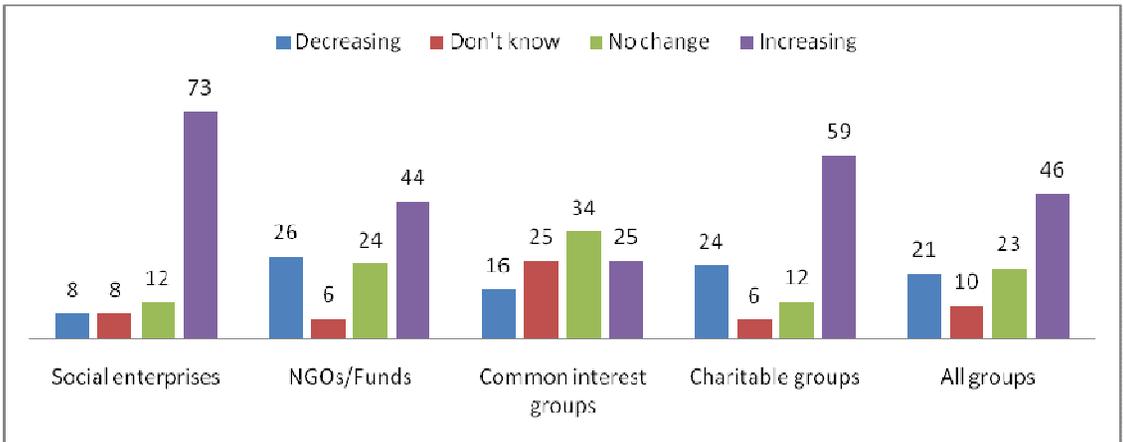
Type of organization	Funding sources		
	Increase in funds from private enterprises (%)	Increase in funds from individuals (%)	Decline in international funds (%)
Social enterprises	48	45	68
Charitable groups	36	65	41
Common interest groups	33	47	63
NGOs	31	31	79

In in-depth interviews, many respondents have positive evaluations of CSOs' fundraising opportunities. NGO4's representative believes that the trend to contribute to charitable and humanitarian activities in Asia is going upward. In Vietnam, the number of middle-class people was also increasing. Besides, a number of donors were also interested in supporting NGOs in improving their fundraising capacity from the public. Some enterprises encouraged NGO4 to run their CRS funds. Sharing about this, NGO2's representative said that although they had no plans to raise funds from enterprises, several companies had contacted NGO2 because they wanted to fund some community initiatives. Besides, direct personal fundraising, or through crowdfunding, was possible because NGO2 was a group known to the

public and had experience in organizing public activities. In addition, fundraising may not be about only the money, but also the experience and expertise of the individuals and enterprises.

When asked about the donors' interest in their activities over the past three years, most of the organizations rated it unchanged (23%) or increasing (46%). Social enterprises and charitable groups had the most positive evaluations, while NGOs and common interest groups were not as positive, as shown in chart 6 below.

Chart 6: Evaluations of donors' interest level in the organization's activities



Although social enterprises are a new form that has recently appeared in Vietnam, the model received positive evaluations from CSOs. When asked if social enterprises are the future of VCSOs, 79% of the social enterprises agreed and strongly agreed. This percentage in the common interest groups was even higher, reaching 84%. The charitable groups had a lower support rate of 61%. The lowest rate was among NGOs, which was 58%. Social enterprises are highly expected for several reasons. First, in the past few years social enterprises have been intensively promoted as a self-sustainable model to solve issues related to independent society and sustainability. Second, the Enterprise Law officially recognized social enterprise and the government has issued a

guiding decree. Third, due to the difficulty in establishing a NGO, so many people think that social enterprise is a perfect alternative option. This situation is represented by the number of social enterprises and non-profit enterprises registered recently. According to a study by VEPR, the number of nonprofits doubled in three years (2011-2014), from 3,000 to 6,000. Most of them focused on education and healthcare²⁶.

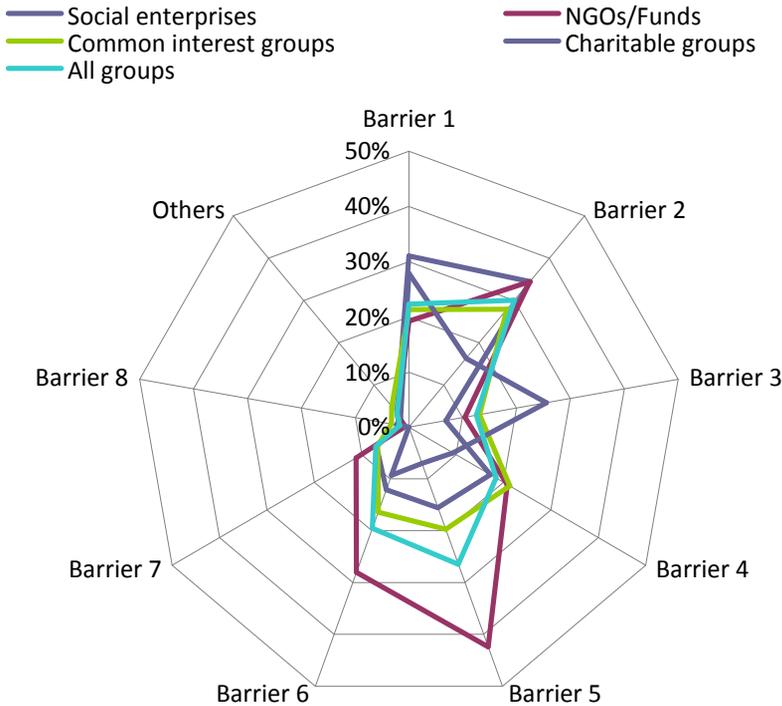
When asked about the biggest barrier to fundraising, most organizations thought that it was the public and enterprises' understanding of their activities. Particularly, the barrier due to the withdrawal of international donor organizations from Vietnam was frequently mentioned by NGOs. The specific results are shown in chart 7 below.

In in-depth interviews, some barriers were often discussed from people coming from various types of organizations. First, private donors and companies did not want to pay for administrative and organizational costs. The majority of those individuals, even businesses, did not want their money to be spent on administrative costs. This is a quite big challenge for NGOs because they need money for office and personnel expenses. For the charitable groups and common interest groups, this issue is not a major barrier because they do voluntary work: they neither receive salaries nor have an office. The members participating in charity trips must pay for all expenses. Of course, for large-scale charitable groups, it is difficult to find a professional who is committed to working on a continuous basis. CR4 's representative said that *"donors prefer to contribute to material costs such as bicycles, books or scholarships for students. Very few want to pay for the costs of hiring teachers or operating of CR4 "*. For social enterprises, their revenues came from the sales of their products and services, so they could cover the administrative costs. NGO1's leader claimed that non-profit organizations needed to develop more commercial activities and services to be able to cover the administrative costs if they wanted to raise money

²⁶ VEPR: *Toward the Sustainable Development of Social Organizations from a Financial Perspective*, 2016.

from individuals, enterprises, even from donors that require an equivalent budget.

Chart 7: Perspectives on the fundraising's barriers/challenges



Notes: Barrier 1: People's understanding of organization's activities is low; B2: Enterprises' understanding of the organization's activities is low; B3: people's financial capacity to contribute; B4: there are no measures to make it easier for people to contribute; B5: international organizations reduce funding for Vietnam; B6: competition from other organizations; B7: difficult state budget; B8: unknown; B9: other(s).

The second barrier that was frequently mentioned in in-depth interviews was the trust of the public in charitable activities. According to CG1's representative, the formation of the group in 2010 was also due to the fact that the founding members had lost faith in state-linked

associations when they witnessed many corruption cases during relief operations. Therefore, they wanted to do it themselves, to directly bring gifts, money, and supplies to the victims. The need to "see" or to participate directly in philanthropic activities to feel assured was to some extent preventing people from contributing to organizations, as for them, the money that went into organizations was going into a black box where they could no longer monitor their own contribution. This is a challenge that organizations such as NGOs, foundations, and associations will encounter if they want to raise money from individuals.

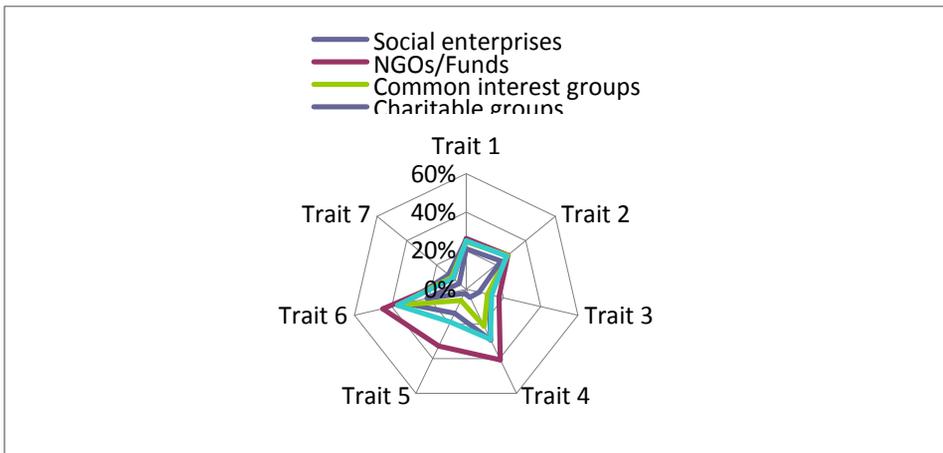
The third barrier mentioned by some interview participants relates to raising funds from enterprises. NGO3's representative stated that working with large corporations that have money, the NGOs might have to face ethical issues, such as whether the corporation is "clean", or whether its activities conflict with the organization's mission. NGO2 representatives also shared their concerns about raising funds from businesses, as *"businesses do not have the same transparency as traditional donors. For example, when receiving donations from embassies, international non-governmental organizations, or bilateral and multilateral donors, we do not have to worry about money laundering, corruption, or moral, environmental or human rights violations. But in the case of businesses, it is difficult because we don't have any experience in working with them, and their activities are not as guaranteed as the other donors' "*.

In general, foreign funding was thought to have a tendency to decrease, and NGOs that receive grants had difficulty in receiving those grants due to government regulations. Evaluations of domestic funding sources, specifically from businesses and from the public, were more positive. Although the trend of raising funds from domestic sources was quite positive, CSOs still had many barriers to effective fundraising for their activities as discussed above.

5.4. CSOs' evaluations of their own fundraising capacity

Although fundraising is an important activity, only about a quarter of the organizations had a fundraising strategy. The number of organizations with communication strategies was also not high. Many charitable groups even did not want to communicate about their work. The percentage of NGOs and social enterprises with financial, accounting and financial reporting systems was much higher than charitable groups and common interest groups. However, these reports were only sent to donors, while the rate of financial reports open to the public was relatively low, as shown in figure 8 below.

Chart 8: Fundamental characteristics of organization's fundraising



Notes: *Characteristic 1: fundraising strategy; C2: communication strategy; C3: personnel responsible for raising funds; C4: transparent accounting financial system; C5: independent audit; C6: financial report for donors; C7: public financial audit reports on website*

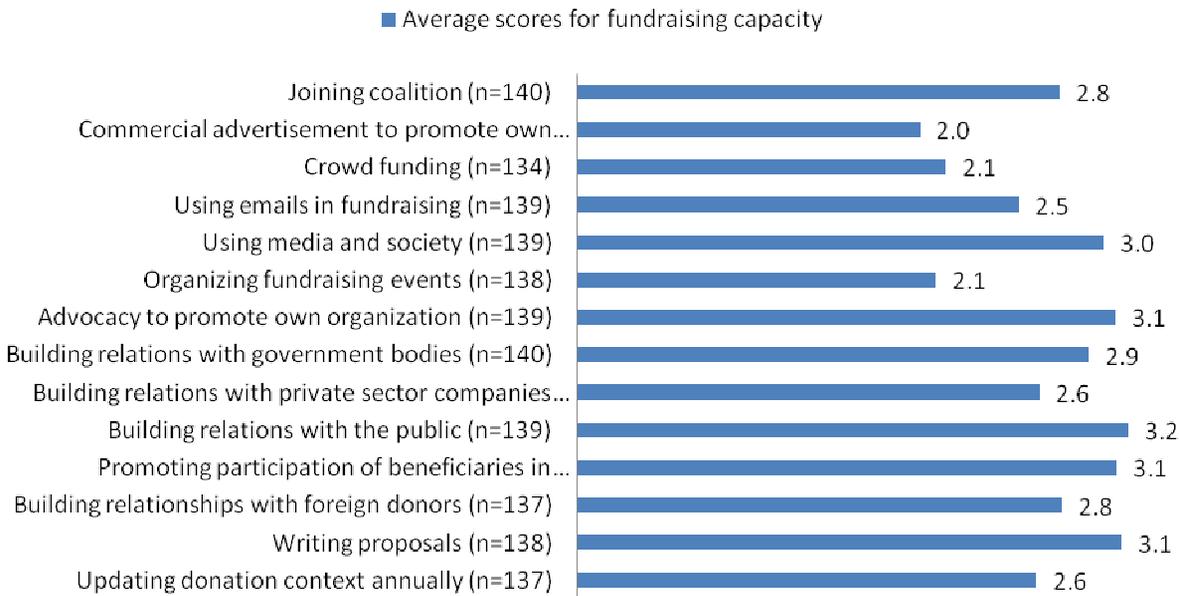
In in-depth interviews, NGOs' fundraising was mainly conducted by the head of the organization with moderate involvement of the staff in the preparation of project documentation and budget. On the contrary, for charitable groups and common interest groups, fundraising did not depend on an individual but extended to almost all members of the group.

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In terms of fundraising training, NGO leaders participated in related courses such as "project writing", but most did not learn about fundraising methods. NGO1's leader participated in a training course in the United States on fundraising methods, which was rated great but very "American", so it could not be applied directly into Vietnamese culture. However, the basic philosophies, values and principles were still useful in fundraising in Vietnam. The leaders of the charitable groups, common interest groups and social enterprises were yet to learn about fundraising; they were just "learning by doing".

When asked about the capacity to implement and organize fundraising activities, the majority of organizations rated themselves moderate or weak. The specific results are shown in chart 9 below.

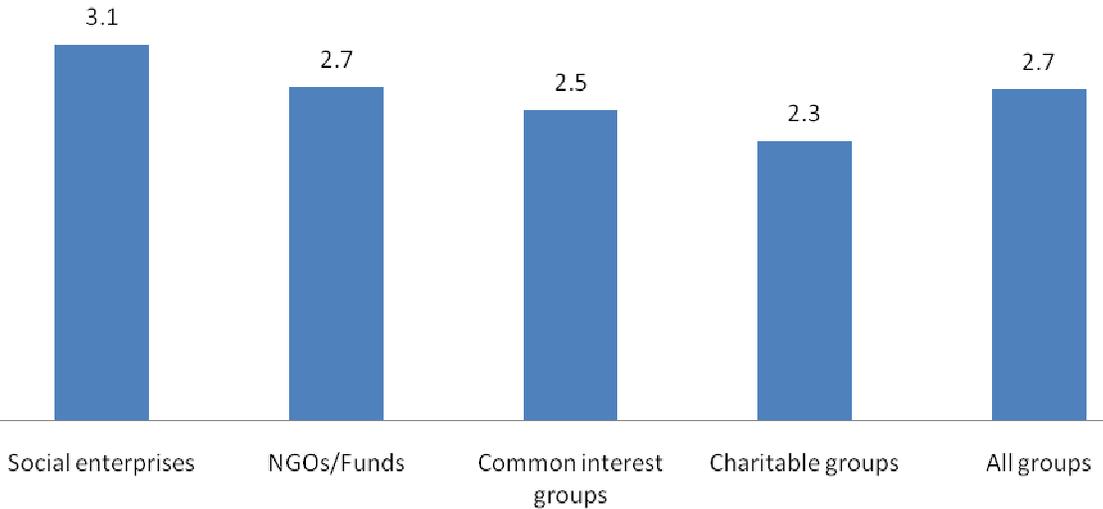
Chart 9: Evaluations of the implementation of fundraising activities



Note: Points for each sentence: 1 is very weak, 2 is weak, 3 is normal, 4 is strong, 5 is very strong; points are not counted if the answer is "don't know"

According to the average capacity for each type of organizations, social enterprises rated themselves as the highest, reaching 3.1 points, followed by NGOs with 2.7 points, common interest groups with 2.5 points, and the lowest is charitable groups with 2.3 points.

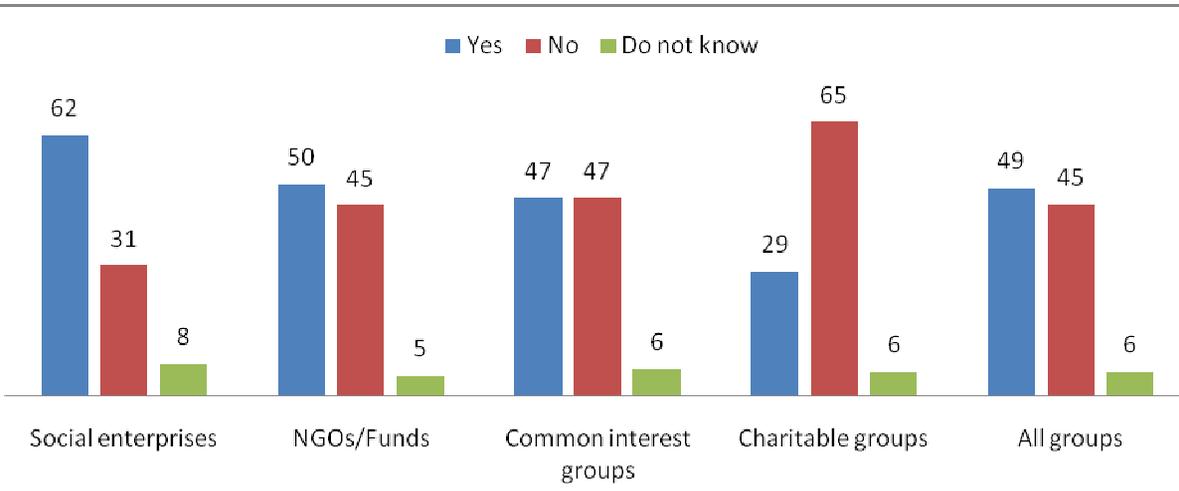
Chart 10: Average capacity of types of organizations



However, the capacity to implement each activity was different among organizations. For example, regarding the capacity to join alliances, the highest score of 3.1 belonged to NGOs, while the average score of social enterprises was 2.9 points, of the common interest groups was 2.5, and of common interest groups was 2.1. In terms of social media usage, the social enterprises, the common interest groups and charitable groups all had a high capacity of 3.4 points, 3.3 points and 3.2 points respectively. Only NGOs had a lower score of 2.7, which was below the average 3.

To develop fundraising capacity, it is important to know and establish relationships with donors. However, most CSOs did not actively or strategically do this. For example, the understanding, evaluation, and mapping of donors was only done by half of the organizations, as shown in chart 11 below.

Chart 11: Percentage of CSOs conducting evaluation and mapping of donors

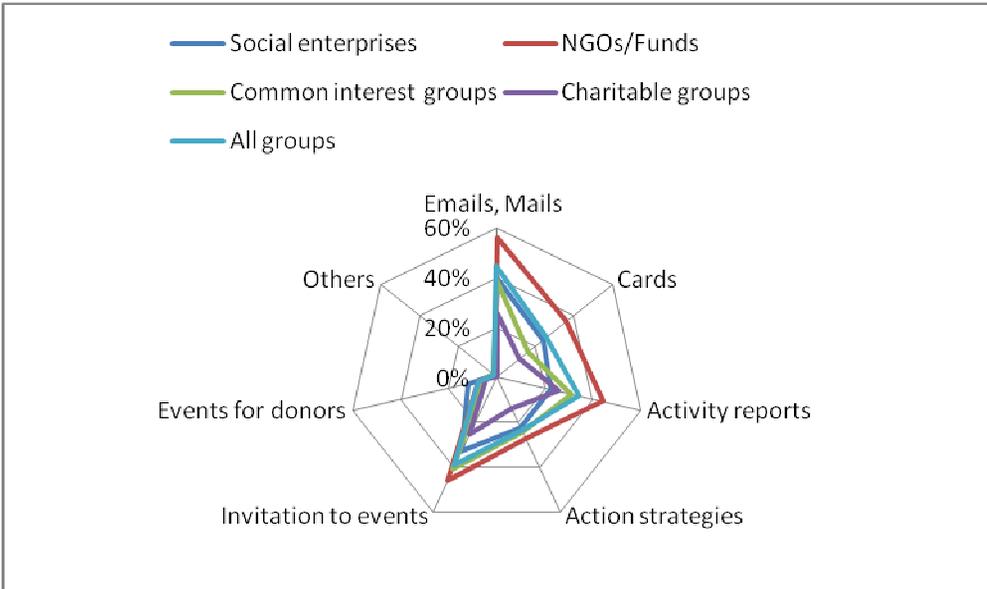


To raise funds effectively, organizations need to understand their donors in order to use different approaches. However, this was not done by the majority of organizations studied. For example, 60% of the organizations did not classify donors according to their capacity (large or small donors), 52% did not classify donors according to the level of commitment to organization's mission and activity, and 41% did not classify donors according to their degree of intimacy with the organization.

To maintain relations with donors, most of the organizations only sent greeting emails and cards on public holidays, or reports to the donors. As shown in chart 12, NGOs had the highest percentage of having activities to maintain relationships with their donors.

Building relationships with donors needs to be aligned with the general principles of reciprocity, in this case, respect for the donors' contributions; responsibility – expressing social responsibility at work; accountability – reporting results; and commitment – demonstrating efforts to maintain good relationships with the donors. When a relationship has a clear motivation and the above qualities, its quality will be improved: trust, commitment, satisfaction, and balance (in power).

Chart 12: Activities to maintain relationships with donors



In-depth interviews confirmed that most organizations do not actively build relationships with donors. The majority of charitable groups, common interest groups, or social enterprises did not organize events for donors. Even if they did, they only organized fundraising events where donors came to contribute and buy items. This was partly because the majority of the donors were individuals. They were even the "core" members of the group and involved in the implementation of the group's activities. Some NGOs had exclusive activities for the donors, for example making the annual closing ceremony the chance to meet with important donors. NGO4's representatives stated that there should be activities designed exclusively for donors, especially private donors. These activities aimed to increase the commitment of donors to the organization. According to the experience of NGO4, many of their donors did not want to participate in joint activities because they did not feel special.

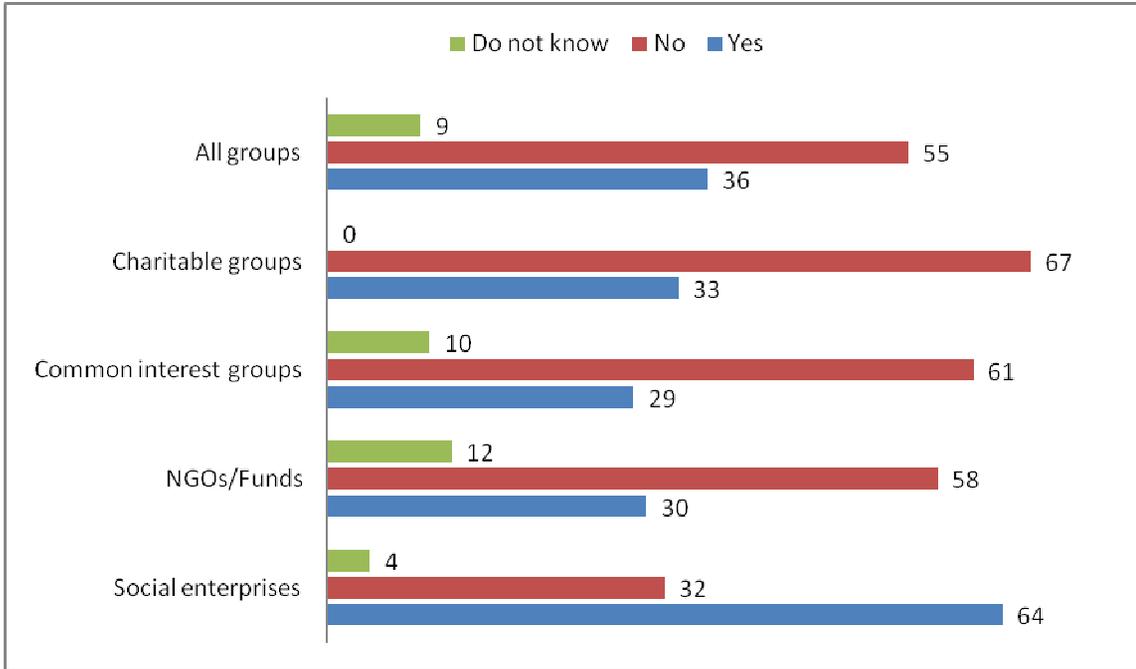
In building relationships with donors, sharpening the motivation for social contribution is very important. Usually, an individual contributes because of the feeling that he/she has a moral obligation, a social bond

with the groups who need help, or have a shared identification. However, in the process of building relationships with donors, the organizations did not emphasize on these motivations. This caused long-term difficulties, as representatives from CIG2 shared that many donors still believed that they were in a higher position, leading to unequal relations. This representative said that companies, especially Vietnamese companies, sometimes gave money to the victims as an act of salvation, rather than as an engagement in solving part of the social issues.

A problem in fundraising rarely mentioned is the ethical standard in fundraising activities. In addition to ensuring the donors' interests (using the funds for the right purposes, with efficiency, financial transparency, and recognition of the donors' contributions), checking the source of funds is also necessary to ensure that CSOs do not contradict, or even destroy, the values they pursue. For example, should an environmental protection organization receive donations from a logging, mining, or polluting company; or should a human rights organization receive money from a company that uses child labor? According to the survey results, 36% of the organizations had written ethical principles when raising funds, of which social enterprises had the highest percentage of 64%. The specific results are presented in chart 13 below.

When receiving funding from individuals, 93% of the charitable groups did not check the source of money; the corresponding percentages in the common interest groups, NGOs and social enterprises were 65%, 28% and 32% respectively. When receiving donations from companies, a similar percentage of organizations did not check the source of money, specifically that of charitable groups was 87%, of common interest groups was 58%, of NGOs was 26%, and of social enterprises was 36%. According to the survey results, it was relatively clear that the organizations had moral intuition in receiving funding. When asked specifically if they would receive funding from a terrorist organization, or a company that uses child labor or has activities that pollute the environment, discriminates between men and women, or violates workers' rights, nearly 100% of the organizations answered no.

Chart 13: Percentage of CSOs with written ethical principles in fundraising



In in-depth interviews, many organizations had to face ethical issues. For example, CIG2 said that although they had neither a fundraising strategy nor written ethical principles in fundraising, they were aware that enterprises could take advantage of their image. For example, if they received funding from pharmaceutical enterprises, they should be careful in screening, because their sponsorship might be advertising a product that they did not want their members to use. CG2 said that some car garages offered to set up a donation box for the group there, but CG2 was afraid that it would influence the group's reputation, not knowing what the garage was doing and if there were any risks.

Thus, the capacity of NGOs was better, particularly in relation to organizational matters, financial accounting, and reporting to donors. On the other hand, the charitable and common interest groups were stronger in communication activities for their members, especially

through social media tools. No groups have enough activities and capacity to sustain, strengthen intimacy, or sharpen the donors' motivations for contribution. While the organizations' moral intuition was very high, it is not institutionalized to protect CSOs in fundraising.

5.5. Factors for successful fundraising

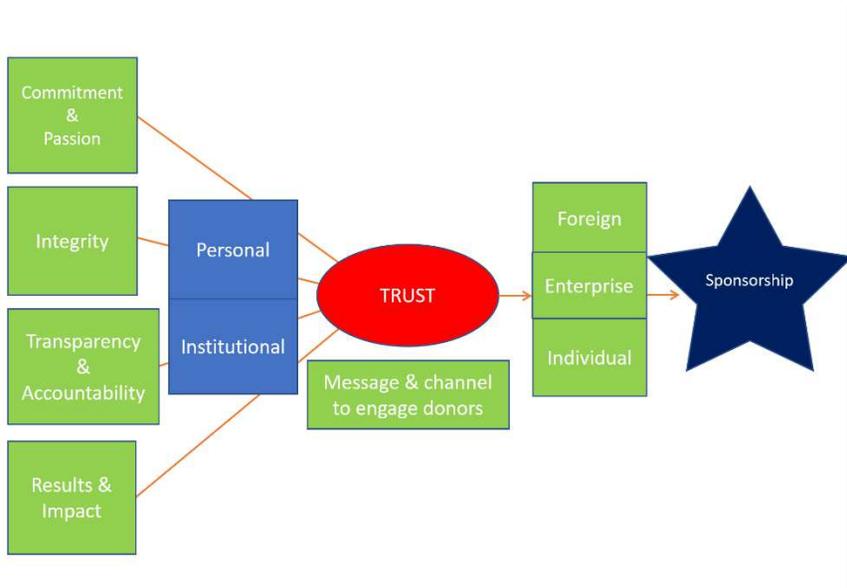
In this section, the report will focus on a more in-depth analysis of the factors that have created the success of some NGOs, charitable groups, common interest groups and social enterprises in fundraising. As discussed in the analytical framework, in addition to the usual elements of companies' marketing activities such as 4Ps – Product, Price, Placement, and Promotion, non-profit organizations also need more T – Trust because trust is their "monetary units" and their "blood"²⁷. Successful CSOs understand this very well, so they have managed to build trust with their donors.

Based on different studies on trust and trust building methods, as well as the findings of this study, the authors propose the following framework to clarify the factors and the way to build trust that leads to success in fundraising.

According to this framework, trust is created from factors such as (i) passion and commitment; (ii) integrity; (iii) transparency and accountability; (iv) results and impacts. It can be seen from the perspectives of both individuals and organizations, particularly that of the founder/head of the organization. These are necessary but not sufficient conditions, because for donors to have trust in the organization, they need to be persuaded through the media. Trust-building communication should be based on the message and channel that match each donor. This is also an important aspect of capacity, which will be discussed in detail next.

²⁷ Lukas O Berg: the trust report. 2011.

Chart 14: Trust in fundraising activities



5.5.1. Establishment of trust

Passion and commitment

The leaders of CSOs who participated in interviews expressed their passion, commitment and concern over the issues that their organizations wanted to address. For example, NGO1 had a strong belief and commitment to promote the development of social enterprises so that they could address cultural, social and environmental issues. Their passion and commitment became the "solvents" that successfully conveyed the values of sustainability and creativity, as well as the profound impact of using the market as a positive power. According to NGO1's representative, this was the key for NGOs to successfully persuading donors, although the "social enterprise development" segment was not part of their funding strategy.

Likewise, NGO2 showed its mission towards equality, freedom and dignity for all, especially for disadvantaged minorities by the aspiration

and commitment of the insiders. The direct involvement of ethnic minorities, gay, lesbian, bisexual and transgender people in the organization helped NGO2 persuade donors about their commitment to protecting the rights of minorities, because the insiders are the most motivated ones to protect their own rights. The representative of NGO2 said that the insiders were the strong point of the organization, and that they were the ones who conveyed the creative, professional and transparent values of the organization to the public and donors in the most persuasive way.

Social enterprises were also born from the passion of the founders to solve a problem they cared about. For example, the founders of SE1 were passionate about protecting indigenous knowledge by using the power of the market. Their philosophy was simple: when people were able to sell Vietnam's traditional medicine, and thus, able to make a living from the traditional medical profession, they would retain knowledge about traditional medicine, thereby preserving the Vietnam's medicinal plants and the ecosystem that allows them to exist and to develop. Thus, in terms of community organization, rather than the rights approach, SE1 explored the development of traditional products accepted by the market and consumers, thereby creating a driving force for conservation. . It is the desire to preserve traditional knowledge in a sustainable way that motivated the founders of SE1 to leave the non-profit sector, because they had problems that were solved better and more sustainably by the market.

The founder of SE4 was concerned about the reason why Vietnam exports large agricultural products, and Vietnam's GDP is increasing continuously, but Vietnamese farmers are still poor. Or why are companies and corporations are spending money on CSR, why are NGOs supporting farmers, but the problems of environment, poverty and inequality are not solved but still serious? Why is Vietnam a tropical, agricultural country but still has to import the drip irrigation technology from Israel or use hydroponic farming, while the people are still worried about food poisoning? Thus, the founder of SE4 left international corporations and

built a network of natural organic farmers based on trust, transparency in production and voluntary supervision of the community. The passion for natural agriculture, for the role of nature, and for the interests of producers and consumers is SE4's foundation for success.

Similarly, the founders of the charitable groups or common interest groups all have a passion that motivated them to innovate. For example, CIG1's leaders are anthropologists who are concerned that anthropology in Vietnam was lagging behind the world. They want to promote the development of anthropology in Vietnam by supporting young anthropologists to improve the quality of training and research to produce products comparable to regional and international ones. The founders have spent their own money to invest in documents, websites and networks; spent time connecting and sharing information; and tried to find a way to inspire the young to conduct anthropological research. Their passion has attracted many people, expanded the network as well as the support of the academics and society.

The founder of CG6 said that witnessing the relief for the central people during the floods, they could not feel satisfied because clearly, boxes of instant noodles, old clothes, or books for students could only partly compensated for the farmers' houses and properties that had been swept away by the flood. That is the reason why CG6 has managed to find the solution of flood-proof homes, enabling people to stay on their land, to their properties and to live safely with the floods. With the passion for finding solutions, CG6 has found this sustainable solution, helping them mobilize support from many individuals and companies, especially from the local authorities and communities.

Thus, commitment and passion are important factors that can not be measured but felt by those around them. It creates positive energy, promotes creativity, and spreads easily to the donors. When donors feel the passion of an organization, they can more easily trust and share the mission of the organization. Passion and commitment can be regarded as a solvent/environment for organizations to convince donors to believe in their solutions more easily.

Integrity

Integrity is based on three important factors. First, there is a clear, specific, and transparent mission. It is a promise of the individuals or organizations to the donors in particular and the society in general. Second, it is the ethical standards that the organization pursues and preserves. Third, it is the attitude of openness, cooperation and learning to best promote its mission.

The organizations interviewed all have a "promise" - whether written down or not - as their mission. These promises might be enormous, such as "to protect of freedom and equality for the minorities", or very specific as "to enable herb doctors to make a living from this profession and preserve their indigenous knowledge". CG4, for example, has a very simple promise, which was "to provide delicious and special meals for those who are in particularly difficult circumstances." According to CG4's representative, the group wanted to bring not only a meal but also joy and happiness to the poor. The joy and excitement of the children in the shelters when seeing the members of CG4 come created the donors' trust. The donors believed that CG4 would always keep their promise, which was to create a sense of fulfillment and positivity for those in difficult circumstances. As can be seen from the above example, the organization's mission is to help donors assess if the activities of the organization stay true to its promise. Keeping the promise is the organization's basis for integrity and trust.

The organizations have their own ethical principles, and many interview participants said that ethical principles had become part of the organizational culture. The principle of transparency and anti-corruption is best complied and practiced by many organizations. This is the reason why NGO3 said no to government grants because of the risk of corruption, which violates the ethical principles of the organization. For CIG2, protecting the interests and rights of its members is the most valued ethical principle. According HB2's representative, the group was born to protect the rights of its members, otherwise it would lose the integrity and

trust of the members and their families. Then the group would not be able to exist, let alone to mobilize everyone's contributions. For SE4, the protection of nature and respect for harmony with nature is very important. SE4's representative said that SE4 eliminated some producers just because they wanted to excessively increase production. *"Someone who is too greedy for their own benefit will also be willing to violate the principle of living in harmony with nature and harm the ecosystem. They need to be excluded from the community."* Therefore, the commitment to protecting their ethical values that has created the integrity of CSOs and has contributed to gain the trust of their members, their donors and the society.

The values of openness, cooperation and learning are greatly practiced by CG6. The founder of CG6 said that because of the wish to solve the flooding problem in central Vietnam, they have learned and cooperated with many more parties. The flood-proof home was also learned from the model of stilt houses of a professor of construction materials in Ha Tinh. Collaborated with the architects, from this model, CG6 created a suitable technical model for the people in the flood zones. CG6's founder stated that cooperation with different groups was necessary because all of us wanted to do good. CG6's representative shared that *"I had a heated argument with a person on Facebook about the feasibility of flood-proof homes. He was in Hanoi, and I flew from Saigon to Hanoi to meet him with a promise of open debate. In the end he was convinced, and he is now one of our core members. I believe that we can challenge and debate fiercely with each other. But in the spirit of openness, cooperation and learning, we will gain respect without losing our integrity."*

Transparency and accountability

Transparency and accountability are important aspects of the organizations. Although they have different systems to achieve this, all organizations interviewed said that they are aiming for this purpose.

According to the interview results, NGOs and social enterprises have better financial accounting systems and have invested more in this area

than charitable groups and common interest groups. This is partly due to foreign donors' requirements. NGO3's representative said that many donors went to their office to evaluate their system capacity before cooperating with them. They considered the financial system, reporting, auditing, and human resources to see whether the organization was credible institutionally. This was also a condition for NGO3 to cooperate with many international organizations in fundraising. NGO3's representative said that technical capacities related to climate change, the environment, livelihoods or networks and personal prestige of the organization's leaders were only preconditions. To be eligible, the organization needed a transparent financial system; only then were the donors willing to cooperate.

The interview results suggest that neither charitable groups nor common interest groups have adequate accounting systems. They rely mainly on personal accounts and records of members who are treasurers. They share financial reports with members via email, at meetings, or with donors via facebook. Some groups have tighter control mechanisms, especially in groups receiving funding from non-members. CG2's representative said that they had an independent board that received information from financial regulators and disclosed it. In the interviews, nearly 100% of representatives of charitable groups and common interest groups said that their donors hardly asked about the group's financial system. Donors, especially individual donors, cared only about the results.

Despite their varying capacities, CSOs are improving their accounting and financial systems in the direction of increasing transparency. NGOs want to improve their ability to compete internationally, or to receive new funding from people and companies in a way that allows people to have control over their own cash flow which they have donated to the organization. Charitable groups and common interest groups, especially those with large budgets, would like to improve their financial management capacity to avoid risks and loss of

reputation, when the public's interest in the transparency of non-governmental charitable activities is increasing.

Results and impacts

Previous achievements of the organization and the ability to generate future influence are also very important in building trust with donors. This is a valuable asset that the CSOs interviewed have managed to obtain.

For the NGOs, reputation in their field of activity is like a ticket to persuade donors to come to them. They all have image building efforts in their field of activity. For example, when referring to NGO1, we must mention social enterprises or vice versa; mentioning NGO2, we must talk about minority rights and gender equality; NGO3 is about climate change and rural livelihoods; and NGO4 have a reputation for raising funds to support community initiatives. NGO2's representative said that a bank had come to them and wanted to develop a product for same-sex couples, because they knew NGO2 was very active and widely connected to the LGBT community. Similarly, NGO3's representative said that many international organizations met with them and proposed cooperation because NGO3 had done much about climate change and environmental protection. It is the past achievements that are the foundation for donors to believe that these NGOs have the capacity to successfully implement the programs or projects they have proposed.

Likewise, charitable groups and common interest groups also have activities that show their achievements in the past. After making a relief trip, building bridges, or organizing meals or media events, the groups would always share photos on social networks with a thank you message to their donors. CG6's representative said that the group always had "before" and "after" photos that showed the results of their support in building flood-proof homes for the people. The difference that CG6 has created proves the superiority of the solution, as well as the effectiveness of support. This convinces the donors to contribute to the projects that CG6 want to undertake. Similarly, CG2's representative said

that the group's relief results were always shared directly by the members/active participants. Therefore, other donors are convinced, which enables CG2 to reach their donation limit every single time.

5.5.2. Trust building communication practices

The above section has discussed four factors that are essential to building trust with donors. The existence of these four factors is necessary but not sufficient. Organizations need to persuade donors that they have these four factors in order for the donors to have confidence in them. This is the role of trust building communication. In this section, three important issues in trust building that successful CSOs are applying will be discussed, including: (i) communication about the four factors in building trust that the organization has; (ii) communication that sharpens the donors' motivation to donate; (iii) communication that promotes the relationship between the organization and the donors.

Communication about the four factors in building trust that the organization has

In whichever way and through whichever channels communication is carried out, its purpose is to sharpen and highlight the factors in building trust that the organization has. This is done by CSOs in varying degrees, in different ways.

In in-depth interviews with NGOs, they said that they did collaborate with the mass media but mainly communicated about the problem, the difficulty of the target audience, or the solution needed rather than the capacity of the organization. This partly contributed to the organization's overall image, and in part communicated the message of the organization's commitment to the social issues that they wanted to address. NGO3's representative said that their organization also worked with the media, but this was not useful for fundraising, as all of NGO3's donors were international donors. NGO2's representative stated that the mass media was an important part of the organization. However, the

purpose of communication was to raise public awareness of equality, humanity and respect for differences, not to raise public trust in their organization. The representative also said that communication could help people know quite well about the organization's activities, but they had not raised funds from people so it was not known how this would affect the public's trust in NGO2.

NGOs often publish their missions and values on the organization's website, turning it into their organizational culture and operating principles. They also demonstrate their transparency and accountability to foreign donors by submitting financial reports, independent audits and disclosure of operational strategies. However, they do not share this information with the public, in part because this is not required, as part of the public is not the subject of NGO fundraising. Likewise, NGOs have synthesis reports, which highlight major policy changes, putting less emphasis on specific stories; and if any, they are only for illustrative purpose. It can be said that the NGOs are communicating to build trust with their international donors, not having specific activities to build public trust.

In contrast to the NGOs, charitable groups, common interest groups, and social enterprises are really interested in trust building communication with their members and the public. The highlight of their communication is the dedication, sharing of difficult circumstances, and the commitment to provide direct funding to the poor, disaster victims, or other disadvantaged communities. In contrast to NGOs, these CSOs do not use mass media. Many groups even avoid it because of the belief that they should not talk about their good deeds. However, they use social media a lot, especially facebook and email when calling for support. NTT3 's representative said that every time she called for the donation of books, clothes or materials to a school in difficult circumstances, it received much support from people all over the country. Touched by her dedication and sincerity, many transport companies did not take money or gave her a very cheap price. Many

companies also offered free warehouses because they knew that she was doing charity.

Similarly, SE1 and SE4 have succeeded in communicating their social commitment and dedication to their customers, suppliers and retailers. SE1's representative said that only retailers who understood and shared the passion and social value of herbal products would be able to accompany them. It was simply because when they were inspired, they would introduce SE1's products to the customers. They were like marketers for the enterprise, without them, consumers could hardly know the products' meaning and effects. SE4's representative stated that they not only provided an organic, natural product, but also spread a philosophy of living and a spirit of harmony with nature to customers. Those who came to SE4 understood that "nature is god, not customer is god."

In addition to the clear communication about their commitment and passion, charitable groups, common interest groups, and social enterprises also communicate well about their results and impacts. By exhibiting the results of their members' compositions, CIG3 shared the feelings and changes that their members got. To get the donors' support, CG5 then shared the stories of immigrant children who could go to school, pictures of children in neat uniforms, who did not drop out of school to become street children. CG6 said that images of flood-proof houses and the philosophy and influence of their work shared on facebook were very useful. In addition to the artists donating paintings and individuals donating money, now some companies agreed to donate billions of dong to VCG6. CG6's representative said that the companies knew CG6's achievements through social media and supported them.

Thus, communication through the press, social networks, reporting or events of CSOs should highlight (i) passion and commitment; (ii) integrity; (iii) transparency and accountability; and (iv) results and impacts. Not all organizations have all four of these factors, and not all organizations communicate well on what they have. However, organizations are promoting their strengths and communicating that

strength to their target donors. In the future, it might be better if NGOs emphasize the passion and commitment, the personal outcomes, and the humanitarian spirit in their work. Charitable groups and common interest groups can put more emphasis on their transparency, accountability, and values of justice and equality.

Communication increases the donors' motivation to contribute

A donor contributing to a humanitarian activity is often motivated by (i) moral obligation; (ii) identity; and (iii) social responsibility. Therefore, organizations that want to increase donor contributions need to understand the motivation of donors, and then communicate their work appropriately.

In the in-depth interviews, all charitable groups have managed to evoke ethical responsibility among their members and the public. When calling for funding, the charitable groups have descriptions and pictures of the difficulties of the children, of the poor, of the communities living in the highlands to touch the compassion of the people. In the disaster relief, the spirit of sharing is also used to call for support. However, the charitable groups do not exploit the social responsibility of donors, whether individuals or businesses. No charitable groups mentioned the aspect of human rights or justice in their work. Therefore, the relationship in the humanitarian relief of the charitable groups is usually the one between the donors and the recipients/victims.

For NGOs, the aspect of human rights and social responsibility is more emphasized than other motivations. NGO2's representative argued that in addition to the importance of promoting fundamental values of freedom, human rights remained an attractive element to international donors. Other NGOs have integrated fundamental principles of human rights into their work, such as non-discrimination, gender equality, or people's participation. However, this method of communication is appropriate for international donors, but not effective for the public. The concepts and language used are relatively academic, specialized, and

somewhat sensitive to the public, so it has not yet attracted the public to participate.

As for common interest groups, their communication focuses heavily on group identity, social relationships and common interests. CIG1 used a common interest in anthropology to attract members and raise money from them. CIG2 was based on a common concern about breast cancer to promote participation and contribution. According to CIG2's leader/founder?, CIG2 exists because of the trust of members and insiders, which was the core value of the organization. CIG3's representative said that their communication focused on the passion for the art, and everyone had the artistic ability to share it with others. Therefore, CIG3 could charge members for their activities instead of asking for funding from other organizations.

Communication promotes close relationship with donors

In fundraising, the relationship between the organization and the donor is a social one, so the level of intimacy and commitment must also be in line with the general rules. In particular, this relationship should be "reciprocal", transparent and honest, sharing a common purpose, and overcoming the "work" nature to solidify the relationship.

In the in-depth interviews, the charitable groups strongly emphasized the nature of "reciprocity." According to CG1, many donors believed that helping others was a virtue. Some donors only contributed to the construction of bridges because they believed that building bridges was like "letting others pass on their backs", which was a great virtue. CG3's representative also shared that in doing charity, the donors were even happier than the recipients because giving could last forever. Other charitable groups had similar views, so they often created opportunities for donors to be directly involved in their activities so that they could feel reassured and happy through their work.

In relationships with corporate donors, the meaning of "reciprocity" is quite different from individual donors. CIG2' representative said that

the corporate donors were interested in the event's communication, for example, if there were 500 or more participants, they could sponsor because their product could become more well-known. NGO4's representative also said that although businesses were diversified and different, most of them were interested in product branding and marketing. They did not care much about the organization's management system, but they cared about their rights and the benefits that sponsoring would bring to their employees or the company image. CG6 said that when doing charity, organizations must also build their brand. CG6's philosophy was humanity, creativity and sustainability, and this was also the foundation of CG6's brand. If their brand is beautiful, positive and useful, businesses will want to donate to put their image together with the organization's image.

NGOs often focus on common goals and transparency in their relationship with the donors. This is easy for NGOs because their donors are primarily international development organizations that share the mission, values and transparency in their activities. However, the NGO representatives interviewed were concerned about the transparency of the relationship with corporate donors. They had no experience in working with businesses, and believed that it would be very difficult to have transparency in the companies' operations. Therefore, the risk of receiving money from companies whose activities are contrary to the organization's purposes and moral values is entirely possible.

The representative of NGO4 said that this was a risk, but the first step in establishing a relationship with companies was that the NGO had to be transparent in its activities. NGO4 was not only financially transparent but also transparent about both difficulties and failures. This helped NGO4 gain the trust of donors and broad support. According to the survey, 60% of donors came to NGO4 because NGO4 was recommended by others, and 70% were willing to donate NGO4 office and personnel costs because they believed in the transparency and effectiveness of the organization.

This principle of transparency is thoroughly applied in communication activities of charitable and common interest groups. They usually publish revenue reports for each activity so that people can follow up. Besides, as CG2's representative said, they also applied direct, clear and immediate rules to the relationship between the donors and the recipients. This eased people's fear when donating for CG2 because they knew where their money would go.

It can be said that building solid foundations of trust and communication about these foundations with donors are very important in fundraising. These are the prerequisites for an organization to succeed in raising funds. Without these foundations, no matter what skills CSOs have, they would still not be able to succeed. To illustrate this, the next section of the report will share some of the specific characteristics and experiences in fundraising that will clarify the analysis in this section.

5.6. Some specific experiences in fundraising

Believing in visions and inspiring with trust: CG6's vision is to replace traditional houses that are vulnerable to flooding with disaster-proof houses that fit the community's culture and landscape. This vision is very clear and specific. But more importantly, the way that CG6 communicates about this vision made a difference. They do not talk much about how the houses were built or how useful they are to the people. Neither do they talk much about how the people, local authorities, architects, and donors worked together to build these houses. They talk about beliefs. They believe that people can "settle" as the Vietnamese cultural traditions. They believe that people can contribute to solve their own problems. They believe that the creative, sustainable and human values will connect all walks of life. The way that CG6 explain why they want to make this change inspires people and enables the organization to create trust and mobilize contributions from many. CG6's representative said that the message "when we believe" was used for communication about their work.

Having inspirational ideas and philosophy is something that SE4 have pursued and succeeded. In order to build a network of suppliers and consumers who share the value of natural agriculture, SE4 have had publications that emphasized the role of the ecosystem, sustainable lifestyle and autonomous community in solving their own problems. This philosophy has helped SE4 inspire stakeholders and build a community that wished to promote sustainable agriculture. In other words, SE4's customers and supporters are connected with one another and with SE4 by their philosophy, not simply by their products.

Being the constant messenger of the organization's mission: one of the most prominent features of successful CSOs in raising funds is to believe in the organization's mission and communicate about it every time and everywhere. NGO1 do that whenever they have the opportunity to meet with donors at policy forums and development workshops. This belief is illustrated specifically through NGO1's initiatives, results, and impacts, as well as the social enterprises that NGO1 support. It is the belief in the solution of social enterprises, the passion and continuous communication that have helped NGO1 succeed in creating trust among stakeholders, and especially among donors. This is a lesson that CSOs should learn: always communicating their organizational mission with their staff and partners, with the society, and with their donors.

Insiders carry the persuasive message: the strength of NGO2 when carrying out its activities. NGO2's representative said that having minority people in the organization helped NGO2 understand issues more deeply, and align the organization's development with the needs of ethnic minorities. Therefore, the organization's activities are always oriented towards building community capacity and leadership, making the community initiator in solving its own problem. It can be said that the voice and the leadership role of the insiders have helped NGO2 gain the trust of the community and of donors.

Meeting the diverse needs people: Each person has a different motivation for contributing, so there are a variety of opportunities for

people to contribute. CG1 has created various funds, such as the Bridge Fund, Porridge Fund, and Warm Blanket Fund, so that the members can donate according to their concerns. Similarly, NGO4 also has various community initiatives, such as education or environment initiatives, to attract different donors to contribute.

Having specific projects for donors to contribute: charitable groups always have specific plans to call for contributions from members and people. Only after NGO2 conducts detailed surveys, make plans, and estimate the costs will they call for funding. Call for funding is usually from the members, if not enough to expand beyond. Similarly, CG6 has a one-year work plan, for example the plan for 2017 is to raise 9.5 billion VND for specific jobs. Once they have raised enough money, CG6 will stop to avoid the case of excess demand, resulting in disbursement pressure, which can affect the quality and reputation of the organization.

Organizing mass communication events: These include activities that CIG2 usually organize to promote breast cancer prevention, and to create the opportunity to invite companies to donate. Organizing public events to raise funds is also used by NGO4. The aims of these events are not only to raise funds, but also to allow donors to exchange and learn more about social issues and non-profit organizations.

Using the available relationship skills of members: CG2 has the advantage of having many members with specialized expertise, such as construction engineers, doctors, or financial professionals. Therefore, the members can contribute to the activities. For example, the construction engineers will design schools or appraise constructions that CG2 fund. The doctors will visit the patients. In severe cases, they will bring the patients to Hanoi for treatment, with all expenses covered by the group. Likewise, CG1 and CG6 rely heavily on personal relationships to mobilize contributions. For example, CG1 have places to sell cheap products for the group's activities, while CG6 have many artists participating in fundraising activities. This diversifies the contributions:

not only can people contribute financially, but contributions may also take the form of skills and items. NGO4's representative said that companies were also interested in allowing their employees to participate in social activities to learn and improve their knowledge. Therefore, NGOs can approach companies not only from the CSR fund, but also from the workforce training fund.

Establishing a Board of Directors who have relationships with major donors: this is NGO4's advantage when the members of the Board of Directors have extensive relationships with enterprise leaders and benefactors. The Board of Directors not only strengthens organizational governance but also helps fundraising. Vietnamese law does not require NGOs to have Board of Directors, but this is a useful model that organizations should consider applying.

Understanding donors and organizing communication activities for each type of donor: is what NGO4 is investing in, which is effective with 40% of the budget coming from businesses and individuals. NGO4 has developed a donor database, which has a contact email list for each group of donors. From then on, NGO4 knows how to increase their networking activities with businesses, especially with the local and foreign business associations, using different types of media for different business groups.

The determination to pursue passion and creativity: is the feeling of anyone who has contacted the founders of SE1. A founder of SE1 said that they always had to understand the market, the needs and interests of consumers to design products and find channels to reach their target customers. Social enterprise is really a way to support the economic development of households with knowledge of traditional herbal medicines. Different from the development projects of NGOs or charitable groups that aimed only for social goals, social enterprises enter the market. The results can be calculated and evaluated because the market either accepts or rejects the products of social enterprises. Although faced with many difficulties in capital budgeting, and in the

knowledge of business and marketing, since he left the NGO sector for social enterprise sector, the founder of SE1 had no intention of returning to NGOs, because social enterprises created products and resources to operate. And most importantly, the market has succeeded in persuading people to preserve the traditional medicine because they are able live by their own indigenous knowledge.

6. Conclusions

From the results of surveys and in-depth interviews with CSOs, the team has drawn some key conclusions.

First, 43% of NGOs said that their budgets had been decreasing in the past three years, mainly due to the reduction in foreign funding for Vietnam in general and for the NGO sector in particular. With the majority of the budget coming from foreign donors, this reduction has greatly affected NGOs and their target groups. NGOs have two tendencies to cope with the decline in funding. One seeks to raise funds from international sources by enhancing organizational capacity, reinforcing English communication, and strengthening cooperation and international connection. The other wants to increase domestic fundraising activities by enhancing public communication, transparentizing financial management systems, and concretizing their activities to both individual and community levels to appeal people. Both directions are challenging, but they signal a major shift in NGO thinking. If successful, they will help NGOs grow and develop sustainably.

Second, the research results have also shown that the budgets of social enterprises are evaluated positively, with 43% said that their budget increased and 22% had a stable budget. Most of the charitable groups and common interest groups, on the other hand, have a small, unstable

budget, mainly raised from individual members, the general public, and domestic businesses. In this context, most CSOs want to maintain or enhance fundraising from individuals and businesses in the country, or to develop services and products that sell well in order to diversify their revenue sources in the time to come. Charitable groups and common interest groups have had experience in approaching individual and corporate donors; social enterprises have already had products and services provided for the market; while the majority of NGOs are still inexperienced or not yet prepared for fundraising from domestic donors.

Third, while many CSOs want to maintain or increase fundraising from businesses and people in the country, they have many barriers. The first barrier concerns unclear regulations on fundraising. The NGOs are more concerned that the current legal framework can be arbitrarily interpreted in a way which was detrimental to them, particularly about activities considered sensitive by the government. The charitable groups and common interest groups are less concerned about law, as they have never been bothered in their fundraising activities. However, the vast majority receive funds via their personal bank accounts, which can lead to tax problems, or financial transparency later on. The second barrier concerns the donors' trust and preferences. Many charitable groups, common interest groups and NGOs said that the donors only wanted to contribute to relief activities directly and materially, rather than contribute to tackling the root causes of poverty, environmental degradation, or social inequality. Donors do not want to contribute to institutions because they have no control over the cash flow, and they also do not want their contributions to be used for administrative purposes or administrative fees. The third barrier involves moral factors in fundraising. CSOs have a very high level of moral perception in fundraising, but most have not institutionalized in writing the appraisal process of funding sources. Most believe that it is difficult to evaluate the business performance because the business environment in Vietnam is not transparent.

Fourth, a high percentage of CSOs do not have a fundraising strategy, donor mapping, proactive communication and access to donors by their capacity, motivation and intimacy with the organization. The majority of CSOs have neither received training in fundraising nor recognized the importance of building trust and communication of trust in donors. In general, charitable groups and common interest groups build trust based on personal relationships, raising awareness and moral motivation in fundraising. NGOs and social enterprises are more focused on financial management capacity and social responsibility in building trust.

Fifth, although they are in the transition period with many challenges in fundraising, most organizations hold positive views of their development in the next three years. The highlights in fundraising show that those positive emotions are grounded, and that the current social context creates a great demand for the development of CSOs. The study also shows that if organizations invest in creating trust-building capacity, then success in raising funds to carry out their mission is totally possible.

7. Key recommendations

The following recommendations are synthesized from the current fundraising situation of CSOs and lessons learned from successful cases.

First, organizations should use trust building frameworks to develop their fundraising strategies and capabilities. Specifically, organizations should create four elements that build trust. The first one is to describe in a convincing way why you are committed and dedicated to what you want to do. Commitment and dedication work as a solvent/environment that spreads the trust from the organization to the donors. The second element is to build an organizational culture that honors integrity. Integrity is embodied in the fulfillment of the organization's promise or mission, in the

values pursued that never violate anything, and in the spirit of openness, cooperation, and learning. The third one is to develop a transparent financial management system that is accountable to stakeholder groups. It is not only for the donors, but also for the public. The fourth element is to document and communicate the results and impacts of the organization to build confidence in its deployment capabilities.

Second, organizations should actively identify, classify and build strategies to approach their donors. The classification can be based on attributes such as the sponsor's capacity in financial, items/goods, and skills/personnel contribution; their level of commitment to the organization's mission; and their intimacy and closeness to the organization. The classification also can depend on the motivations of the donors, which might include ethical responsibility; social responsibility; and joint liability because of the social traits shared with the target group. The classification of donors will help the organization develop more appropriate approaches for different donor groups.

Third, communication about the organization should be formulated as an active strategy, and messages should be transmitted continuously in various formats to donors. However, regardless of what media (public, social network, event, report, or publication) is used, it has to convey the organization's foundation of trust (its commitment and enthusiasm, integrity, transparency and accountability, results and impacts), sharpen and increase the donors' motivation to contribute (moral responsibility, social responsibility, social relevance). Organizational strength (the four elements of trust building) is the necessary condition, while effective communication is the sufficient condition that enables the organization to mobilize funding for its mission.

Fourth, although ethics in fundraising is not yet a big issue, it is a gap that all organizations need to institutionalize through texts, organizational culture, and monitoring mechanisms. This is essential when organizations want to increase their solicitation of funds from individuals and businesses, as this financial source often presents more

ethical risks than traditional sources from development funds or international non-governmental organizations. Having ethical principles in fundraising is also a prerequisite for raising the trust of donors who are serious about the organization.

Fifth, fundraising activities should be connected to the aim to increase the donor's awareness of philanthropy, social responsibility, community involvement in problem solving, and the role of CSOs. This helps the donors understand that charity is not giving aid to civil society organizations, but getting involved in solving the society's common problems. Thus, when developing fundraising programs, the aim is not just how much fund is collected, but also how many people have access to and understanding of the organization's mission and the reason why it mobilizes them to solve common problems together.

Sixth, Vietnamese civil society is in the transition phase. Donors who concern about the development of CSOs in Vietnam need support them to build the fundraising capacity from new sources such as (i) international; (ii) private enterprises; (iii) people in the country; (iv) product/service development. Specifically, donors should have incentives such as co-funding (each side contribute to part of the budget), co-applicant (both sides together ask for donations to a common activity), matching fund (if Vietnamese CSO is entitled to 1 VND from businesses or individuals, then the donor will contribute 2-3 VND respectively), or core funding (give financial support to help CSOs improve their fundraising capacity by themselves).

Seventh, organizations need to continue campaigning for a legal framework that clarifies (i) the definition of fundraising activities; (ii) organizing fundraising activities; (iii) taxation/reimbursement to encourage charity activities, develop and strengthen elements that build trust in charitable activities in particular and in society in general. Without a clear, transparent legal framework that protects the CSOs' fundraising activities, it would prevent the organizations from being creative in fundraising. Moreover, it also prevents the spirit of contribution and mutual assistance through charity and relief activities in Vietnam.

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