



ASSOCIATION OF YOUNG  
ECONOMISTS OF GEORGIA

# Fundraising Needs Assessment

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Study of Georgian CSO's

1/19/2009

The Study was conducted in scopes of the project "";  
financial support of Eurasia Partnership Foundation



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## Introduction

After the rose revolution in Georgia the civil society organizations are facing new challenges. One of the most questioning is the financial support, since the high amount of aid has been decreased to the sector. The CSO's have variety of problems concerning the fundraising, which negatively impact their sustainable development. Up to date, the information on CSO's needs was available on irregular basis. Thus, it complicated having the united approaches for sector needs.

In order to asses the fundraising needs of Georgian CSO's, Association of Young Economists of Georgia (AYEG) has conducted the survey throughout the country (sample size – 300 Organizations, among them 113 Tbilisi based, 187 regional's) via telephone interviewing. The survey took place during 15-24 December 2008.

The survey was conducted in scopes of the project “Fundraising Development of Georgian CSO's” supported by Eurasia Partnership Foundation. Apart of survey, AYEG prepared the comprehensive Guidebook on Fundraising management, conducted the focus group meetings and plans to deliver the training cycles to CSO's.

## Main findings and Recommendations

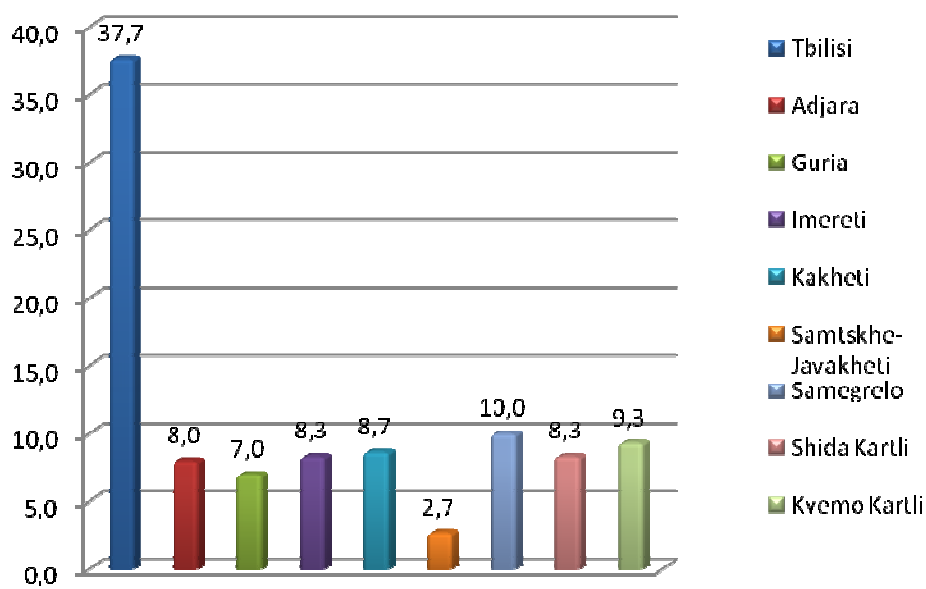
Main Problem/finding	Recommendation
<p><b>CSOs have very limited and non diverse source of income</b></p> <p>In 2008, Tbilisi based organizations had more funds allocated compared to regional ones'. 50.000-100.000 USD range income had accumulated 13,3% of Tbilisi CSO's and 5,7% of regional's. Besides, 19,3% of regional organizations didn't received any funds and in Tbilisi – 15.0%. Many of the CSO's are usually depending on only 2-3 donors. As for alternative sources of income, some of the CSO's are providing trainings and delivering consultations.</p>	<p>The CSO's should be intensively introduced by best practices of fundraising and similar experiences of other countries. A series of seminars could be organized on this issue. Besides, fundraising consultants could be brought for Georgian CSO's for free. It will also increase the amount of 'alternative' incomes: commercial sources, CSR, private contributions, etc.</p>
<p><b>CSOs are not aware of fundraising management, or cannot afford its proper implementation</b></p> <p>There is quite similar situation for Tbilisi and regional based organizations in terms of structural units actually involved in fundraising process. This process is implemented by board and executive director mainly. Besides, only 1.9% of respondents have fundraising officers involved in the process. There is a high demand on professional fundraisers, but in most cases it is almost impossible to find and then hire them (due to the lack of organizational resources). Some of the organizations hire the foreign volunteers in charge of fundraising officer.</p>	<p>The sector development needs overall approaches by state. The well initiative of funding the CSO's by GoG, should be extended to local governments level. Also, the principals of funding, cooperation and other issues of CSO's and state sectors relations could be backed by the law on CSO's. The best practices of other countries could be considered for drafting the law.</p>
<p><b>Regional/local priorities are not directly considered, or are not communicated properly</b></p> <p>Regional organizations mostly complain that donors are not considering the actual regional priorities and in most cases define them by themselves. The lack of communications is declared as main reason.</p>	<p>When approaching the regional problems, the donor agencies should significantly increase the involvement of regional CSO's for defining the priorities and project design. Besides, the donors should include more regional organizations to their mailing list, when announcing the call for proposals.</p>
<p><b>Major CSOs do not/cannot produce basic fundraising materials. Inter organizational management and institutionalization is core challenge.</b></p> <p>77.0% of organizations have not prepared/published the annual report for at least 3 years. Also, only 29% has a web-page. 67.3% don't have the donor's database. At least half of respondents do not have the managerial instruction and forms elaborated and another half have is in process of preparation. Besides, 50.7% of CSO's don't have the organizations banner.</p>	<p>The donor agencies should more intensively cultivate the creation of effective coalitions and coalition based projects. This will increase the grass-root organizations chances for sustainable development. In addition, each CSO will benefit from experience sharing.</p>
<p><b>CSOs lack in cooperation and experience sharing</b></p> <p>48.1% of regional and 39.8% of Tbilisi organizations do not have cooperation experience with other CSO's. Besides, more than half (50.8%) of regional CSO's have the cooperation experience only on regional/local levels. Numerous grass-root organizations considered the cooperation activities as one of the best way's for their</p>	<p>The benefits of coalitions is quite well understood, but meantime the effective methods for expending the performance on country and international level should be brought to CSO's (especially to regional organizations).</p> <p>The series of training courses on fundraising should be conducted for CSO's. For instance several CSO's could receive such trainings and additional consultations and they could multiply them for others.</p>

<p>development. Nearly half of Tbilisi and regional organizations (47,8% and 50.8%) haven't implemented coalition based projects, but consider them as very effective.</p>	
<p><b>Informational provision and proposal writing are named as key problems; The capacity and skills for attracting alternative funding is undeveloped.</b></p> <p>The majority of Tbilisi and regional organizations (87.6% and 80.2%) receive the information for fundraising opportunities regularly, by internet. Only 21.9% of regional CSO's receive information from e-mail/newsletters, but in Tbilisi – 52.2%. There is difference also in receiving information via personal meetings: in Tbilisi 80.5% receives information this way and in regions – 48.7%.</p> <p>67.9% of regional organizations need the skills raised for informational provision and analysis. Besides, 43.3% of them require developments in proposal writing. The Tbilisi CSO's have high demand (63.7%) on defining alternative sources of income. Besides, organizations need to be introduced by successful fundraising campaigns.</p> <p>The informational provision (37.1%) is considered as the most problematic issue for fundraising. Also, less problematic are the project idea generation and proposal writing. The weak institutional development is also one of the main problems. Many organizations do not have their own building and facilities, the high rate for rent, high costs on utility makes them mostly focused for covering such expenses</p>	<p>Targeted affords should be directed in order to strengthen institutional development of CSOs.</p> <p>Easy access informational source, which cover at least major announcement, would support funding opportunities, especially for regional NGOs;</p>

## Description of organizations

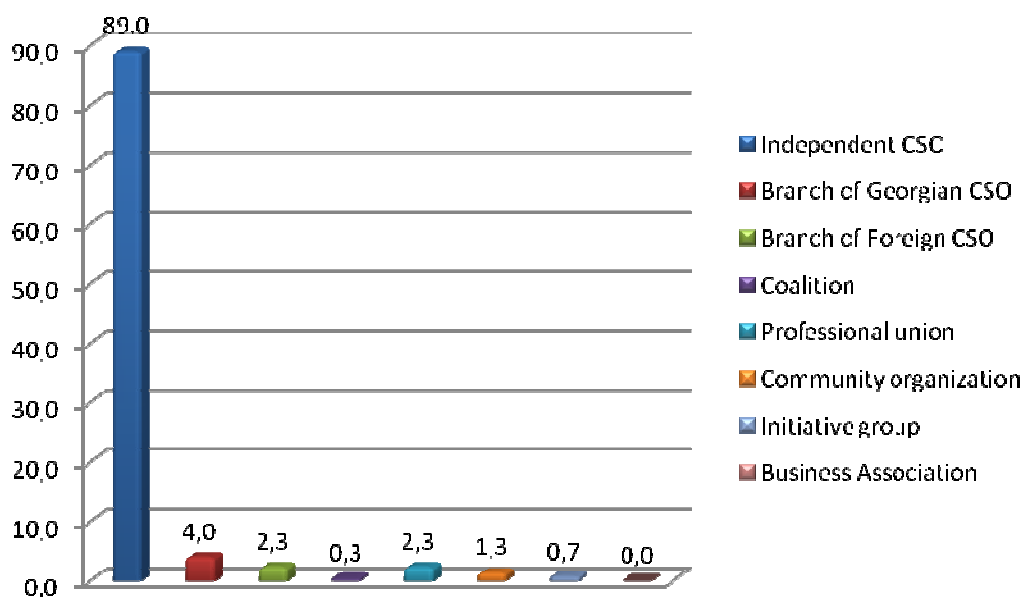
The 37,7% of surveyed organizations are registered in Tbilisi. The regional distribution is average 7,8%. The average age of organizations is 9 years. (Chart 1)

**Chart 1 - Distribution of organizations by regions**



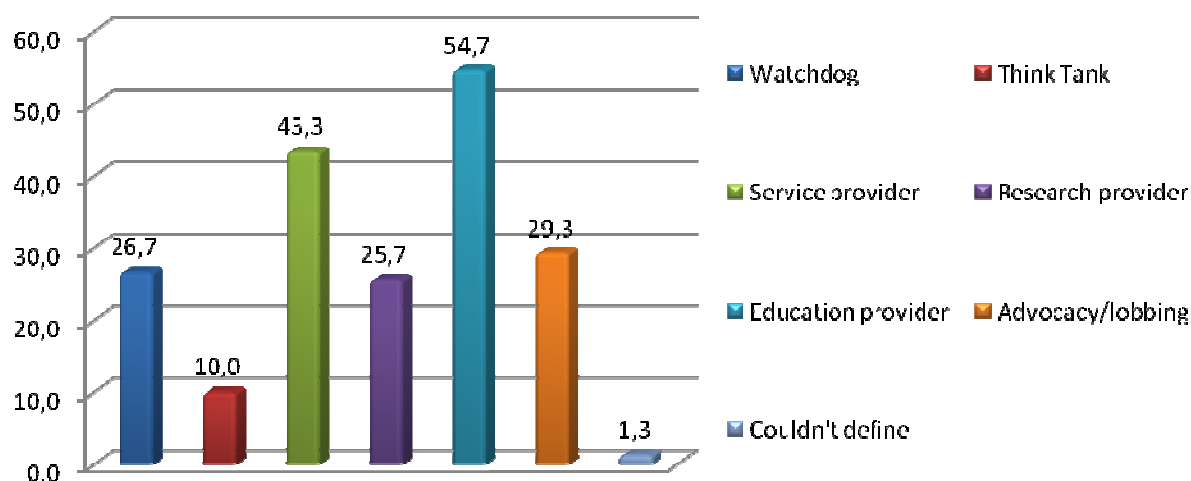
The majority (89,0%) of surveyed organizations are independent Civil Society Organizations. (Chart 2)

**Chart 2 - Type of organizations**



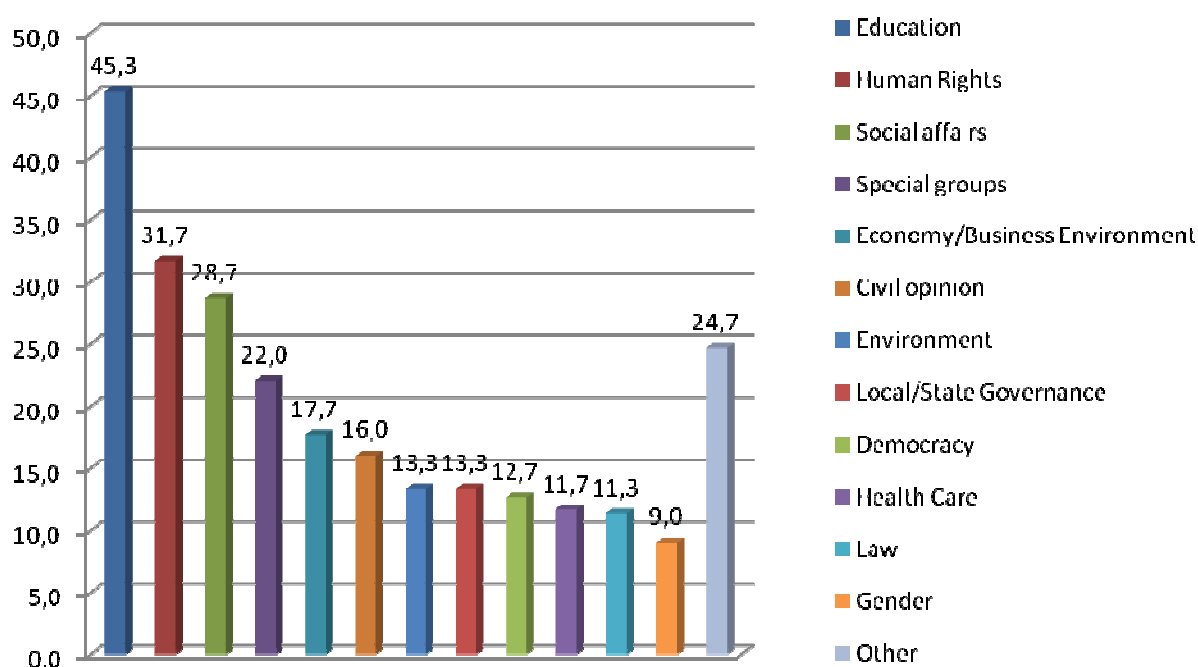
Most of the organizations perform various types of activity. More than half (54,7%) of them – Education providing. 43,3% delivers variety of services and 29,3% is working for advocacy and interest lobbying. (Chart 3).

**Chart 3 - The types of activity**



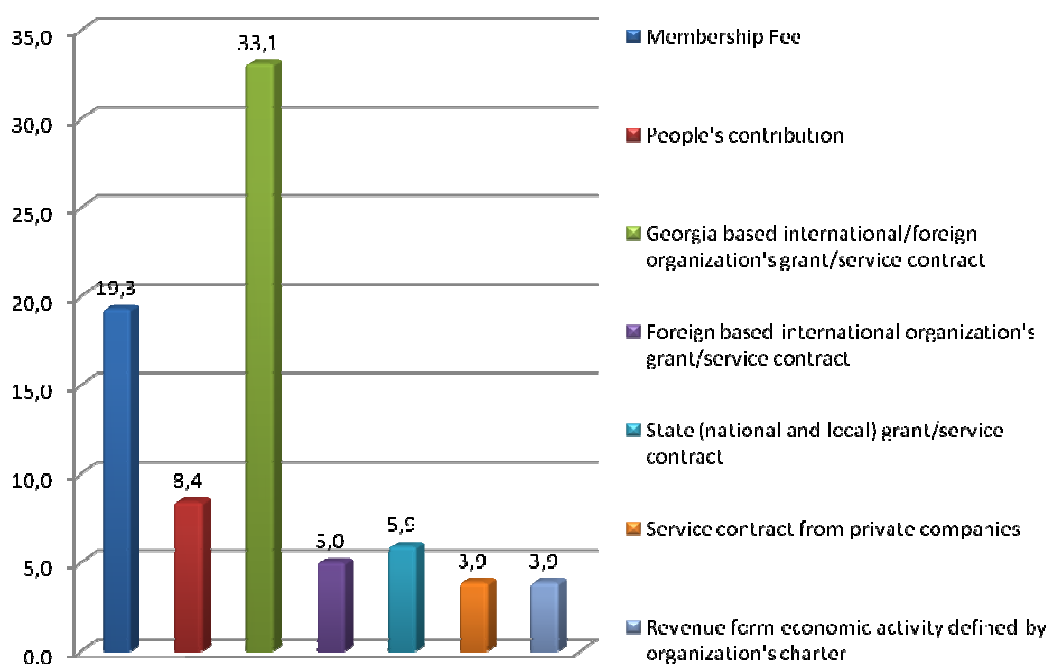
More than half of organizations work in field of education, 31,7% in human rights defense and 28,7% in social problems solving. (Chart 4)

**Chart 4 - Fields of Work**



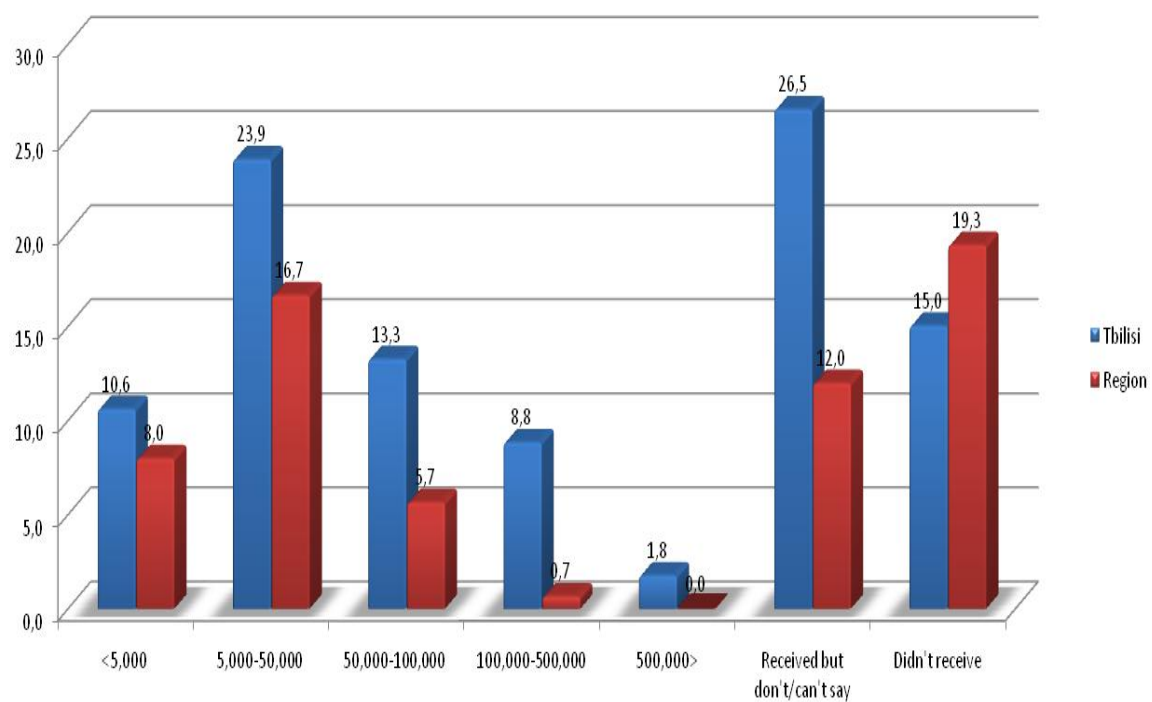
The main source of income in 2008 year was Georgia based international organization's grants/service contracts and membership fees. Only 3,9% of respondents have received funds from private companies. (Chart 5)

**Chart 5- Sources of income in 2008**



In 2008 year, the Tbilisi based organizations had more funds allocated compared to regional ones'. 50.000-100.000 USD income had 13,3% of Tbilisi CSO's and 5,7% of regional's. Besides, 19,3% of regional organizations didn't received any funds and in Tbilisi – 15.0%. (Chart 6)

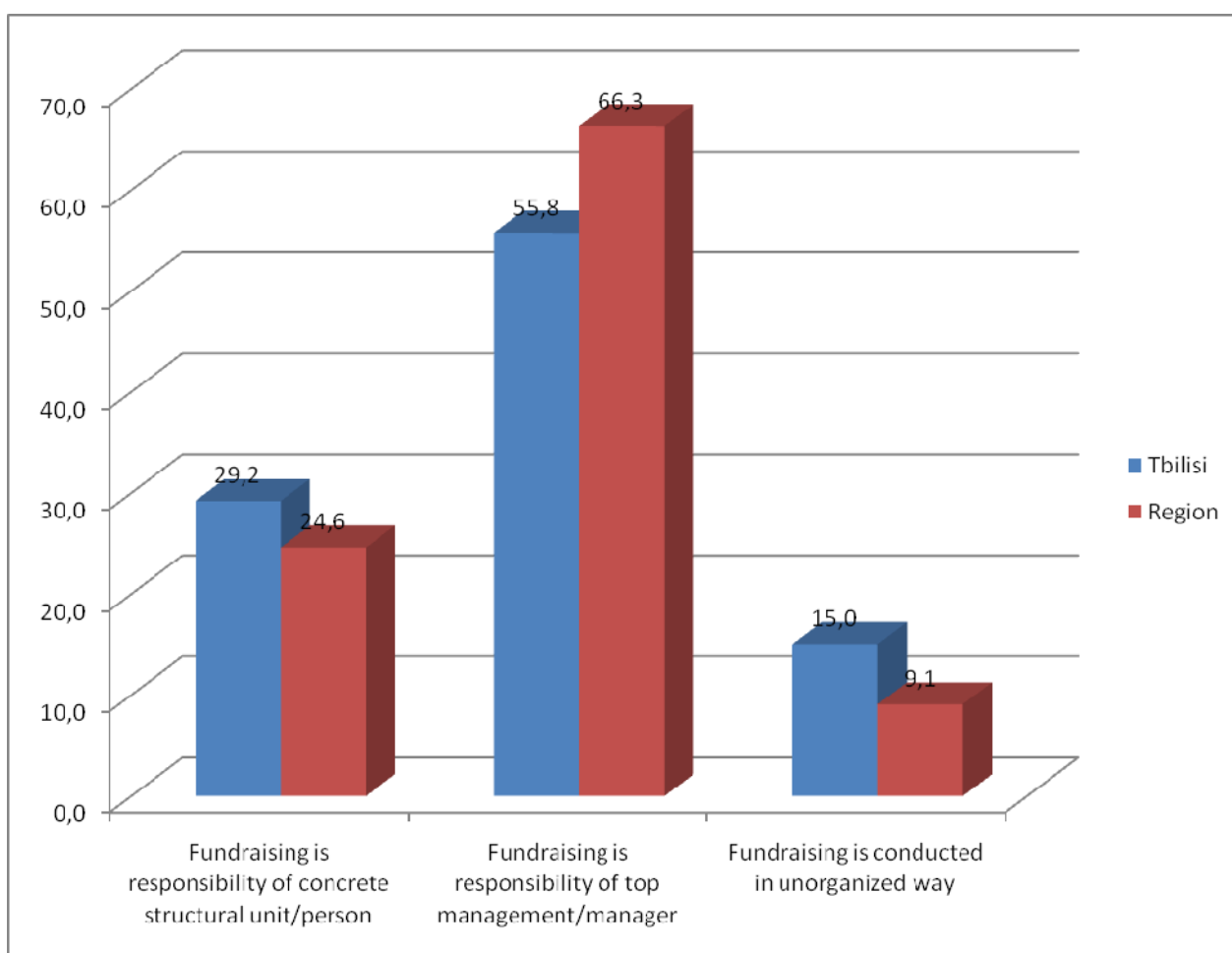


**Chart 6 - Total amount of income in 2008 (USD)**

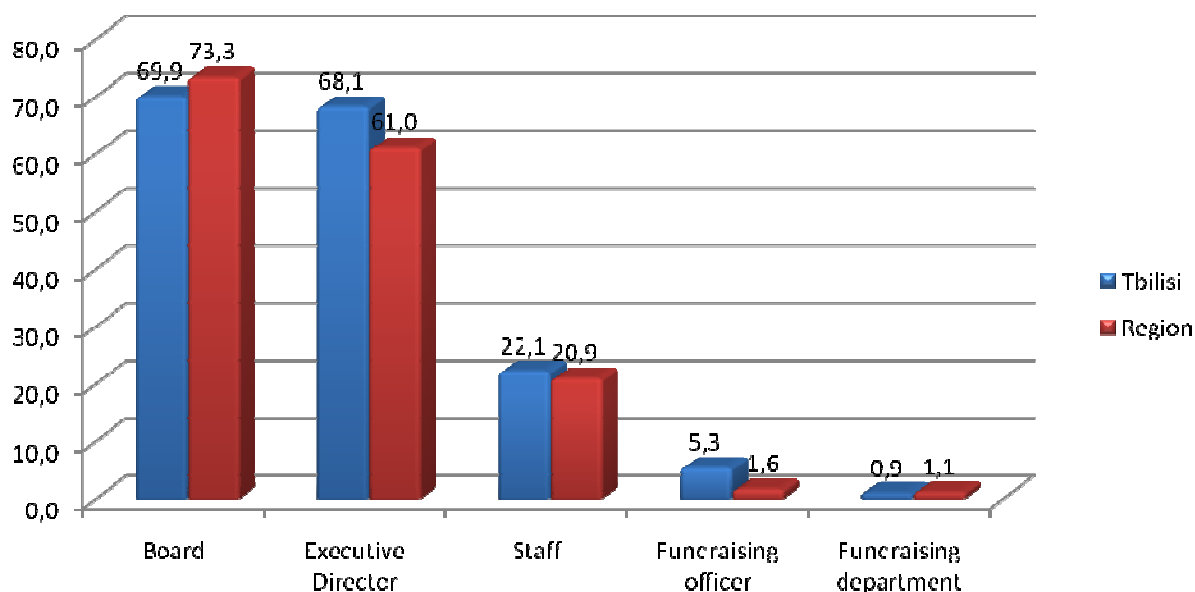
## Fundraising

Mostly the top-management/manager is responsible for fundraising (55.8% in Tbilisi CSO's and 66.3% in regionals). By the way, Compared to 15.0% of Tbilisi based organizations, only 9.1% of the regional CSO's conduct fundraising process in unorganized way. (Chart 7)

**Chart 7 - Responsible structural units for fundraising**

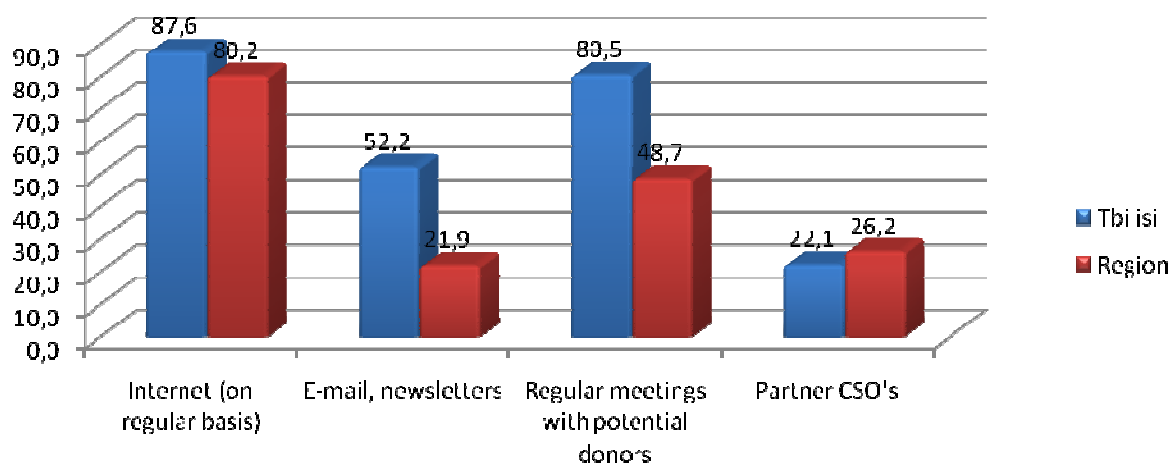


There is quite similar situation for Tbilisi and regional based organizations in terms of structural units actually involved in fundraising process. This process is implemented by board and executive director mainly. Besides, only 1.9% of respondents have fundraising officers involved in fundraising. (Chart 8)

**Chart 8 - Structural units involved in Fundraising Process**

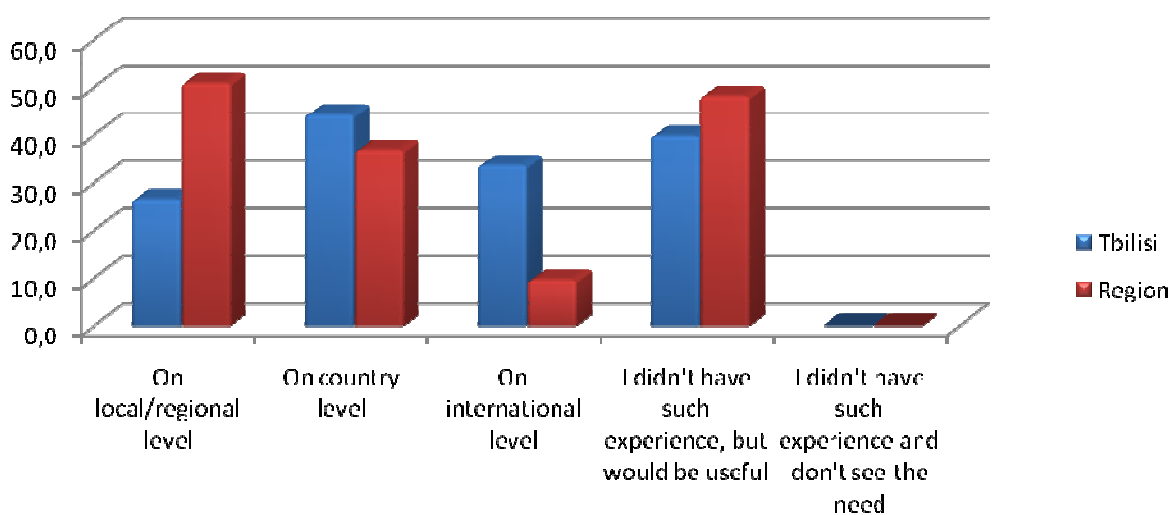
The majority of Tbilisi and regional organizations (87.6% and 80.2%) receive the information for fundraising opportunities regularly, by internet. Only 21.9% of regional CSO's receive information from e-mail/newsletters, but in Tbilisi – 52.2%. There is difference also in receiving information from personal meetings: in Tbilisi 80.5% receives information from that source and in regions – 48.7%. (Chart 9)

Also, it should be mentioned that regional organizations mostly complain, that donors are not considering the real regional priorities and in most cases define them by themselves. The lack of communications is declared as main reason.

**Chart 9 - Information sources for fundraising opportunities**

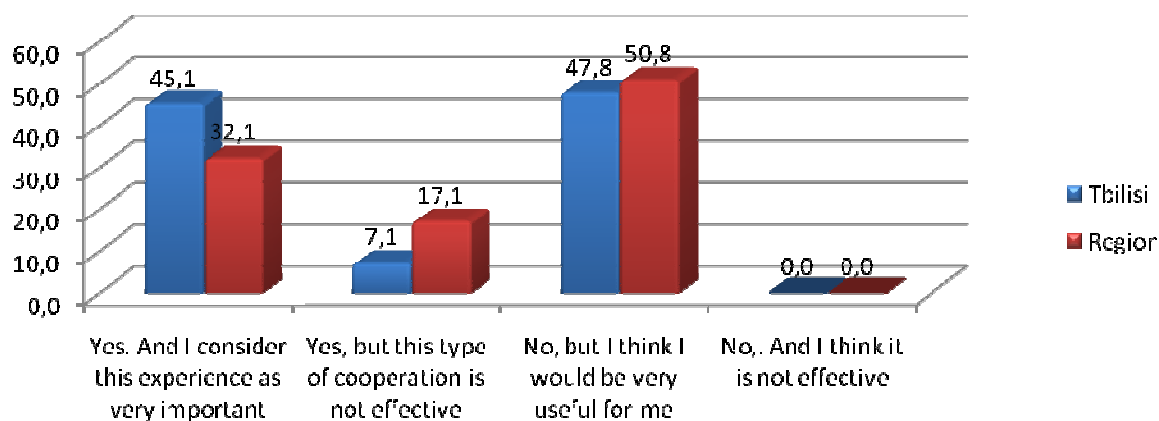
48.1% of regional and 39.8% of Tbilisi organizations do not have cooperation experience with other CSO's. Besides, more than half (50.8%) of regional CSO's have the cooperation experience only on regional/local levels. (Chart 10)

Numerous grass-root organizations considered the cooperation activities as one of the best way's for their development.

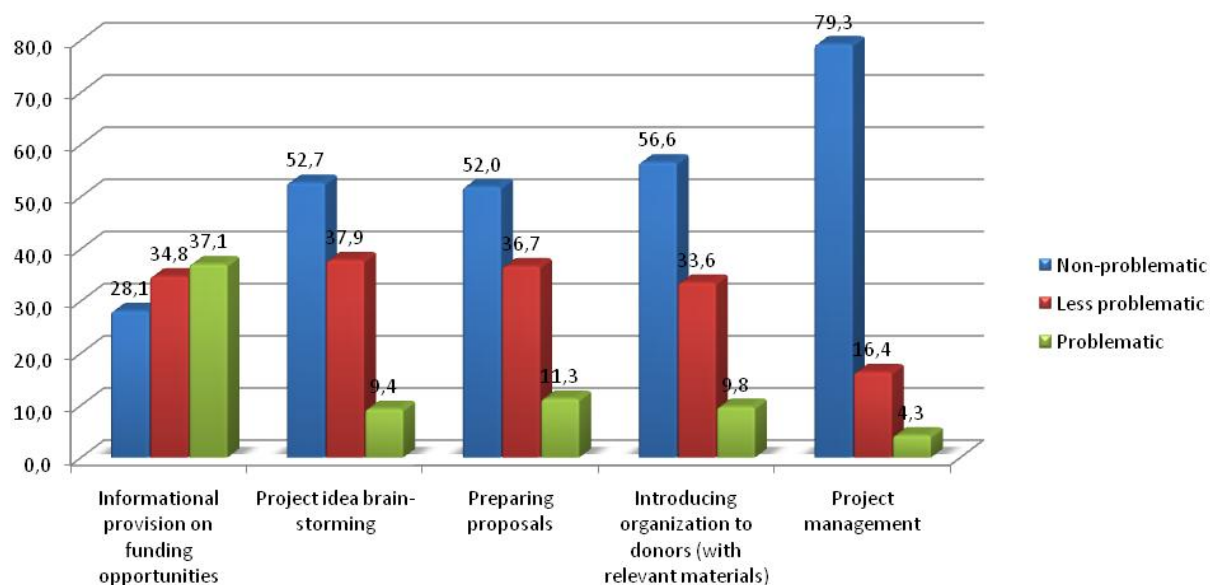
**Chart 10 - Experience in cooperation with other CSO's**

Nearly half of Tbilisi and regional organizations (47,8% and 50,8%) haven't implemented coalition based projects, but consider them as very effective. (Chart 11)

**Chart 11 - Experience in coalition based projects**



The most problematic issue for fundraising is considered the informational provision (37.1%). Also, less problematic are the project idea brainstorming and proposal writing. (Chart 12)

**Chart 12 - The problems in fundraising related issues**

67.9% of regional organizations need the skills raised for informational provision and analysis. Besides, 43.3% of them require developments in proposal writing. The Tbilisi CSO's have high demand (63.7%) on defining alternative sources of income. (Table 1)

**Table 1 - Needs of skills for fundraising (%)**

#	Need	Tbilisi	Region
1	Skills of informational provision and analysis	48,673	67,914
2	Proposal writing and design	22,124	43,316
3	Preparing organization's branding materials	9,7345	13,369
4	Skills for defining alternative (non-grant) sources of income	63,717	47,594
5	Skills of preparing collation proposals/coalition building	11,504	17,112
6	Negotiation skills with donors	20,354	31,016
7	Internal management skills (job descriptions, structure, instructions, etc)	30,088	32,086

77.0% of organizations didn't prepare/publish the annual report for at least 3 years. Also, in 26.0% cases the webpage is under construction. 67.3% don't have the donor's database. At least half of respondents do not have the managerial instruction and forms elaborated and another half have in process of preparation. Besides, 50.7% of CSO's don't have the organizations banner. (Table 2)

**Table 2 - Issues related to organization's image (%)**

#	Description	YES	NO	In process
1	Mission statement (in written form)	97,7	2,0	0,3
2	Vision and values (in written form)	92,3	6,3	1,3
3	Webpage	29,0	45,0	26,0
4	Business cards (for key staff)	51,7	45,0	3,3
5	Annual report (at least of past 3 years)	17,0	77,0	6,0
6	Donors' Database	22,7	67,3	10,0
7	Instructions for internal management	14,7	44,0	41,3
8	Job descriptions	26,3	43,3	30,3
9	Accounting software	39,0	56,3	4,7
10	Organizations banner	46,3	50,7	3,0
11	Organizations brochure and similar materials	70,7	26,0	3,3
12	Organizations logo	87,0	11,7	1,3