

International humanitarian assistance from private donors – including individuals, companies, trusts and foundations, increased for a third consecutive year in 2015, rising by 13% to reach an estimated US\$ 6.2 billion.

However, this figure is only indicative, and in reality, may be significantly more – as not all humanitarian assistance from private donors is tracked, nor does this figure track giving from private donors **within affected countries**.

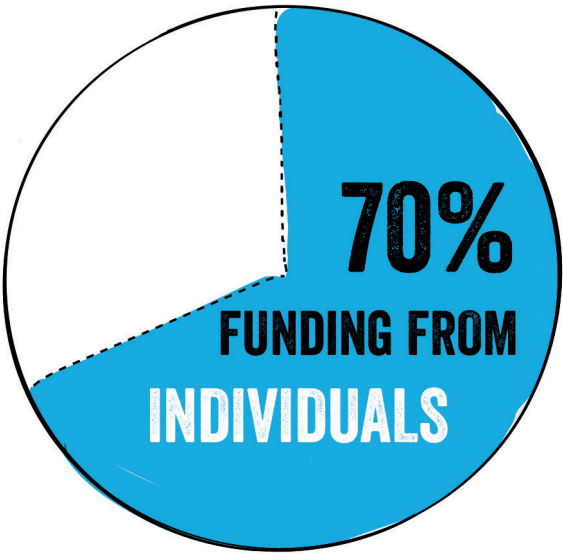
HOW IMPORTANT IS PRIVATE FUNDING FOR NGOS?

In 2014, private donors donated approximately US\$ 4.7 billion directly to NGOs for humanitarian response. Of all private donors, the majority of funding comes from individuals, who provided approximately 70% of all private funding between 2010 and 2014.

NGOs rely heavily on funding from individuals - with approximately 64% of funding received directly by NGOs in 2014 coming from individuals.

Private donors traditionally respond much more generously to disasters caused by natural hazards – compared to protracted and conflict-driven emergencies. However, private donors have contributed significantly to the Syria response in recent years.

TOTAL PRIVATE FUNDING



HOW IS PRIVATE FUNDING CHANGING?

The role and nature of private contributions are changing. New forms of giving from private donors, such as online giving, crowd funding, impact bonds, solidarity levies (for example, through a micro-levy on airline tickets to support disease control) and faith based giving such as Islamic Social Financing, are providing evermore opportunities for private support.

Islamic social finance, an emerging form of finance, represents a significant additional funding source. However, it is difficult to track the full impact of this source, with estimates ranging from tens to hundreds of billions of dollars.

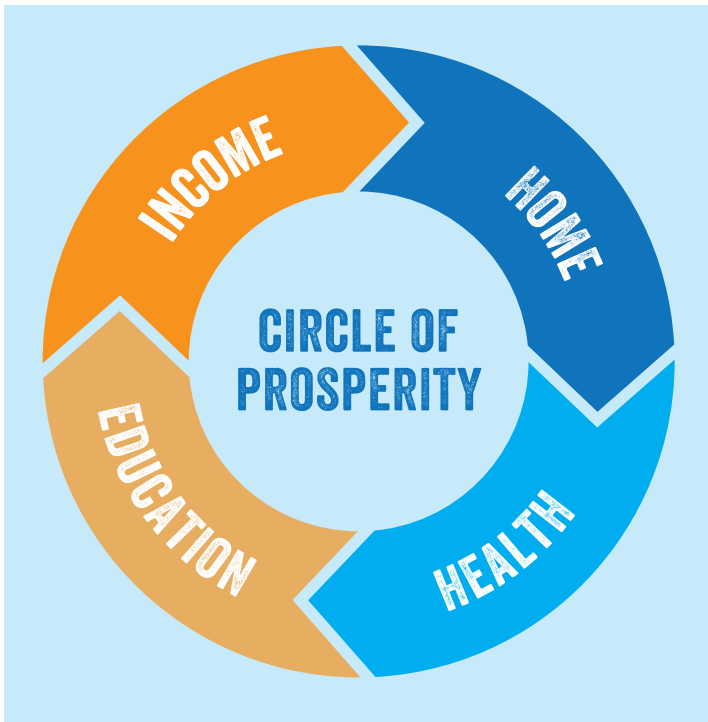
The role of the private sector is also shifting from a primary role as donor, to also becoming a key partner in humanitarian action, offering in-kind contributions through logistics, information technology and cash transfer programming expertise. For example, through MasterCard’s investment in supporting cash based programming through developing new payment technologies.

Tracking private funding is becoming increasingly difficult as additional and innovate funding sources become more popular. For example, OCHA’s Financial Tracking Service estimates that just one crowd funding platform (Global giving), generated US3 million from individual donors in response to the Nepal earthquake.

PRIVATE DONOR SNAPSHOT

The IKEA Foundation

The IKEA foundation is focused on supporting substantial and lasting change through funding holistic, long-term programmes in some of the world's poorest communities that address children's fundamental needs. This is based around IKEA foundation's circles of prosperity, which includes the *home, health, education and a sustainable family income*.



Within this overall framework, the IKEA foundation also responds to both natural and manmade disasters within four sub-portfolios:

- emergency relief
- assisting refugees
- sector strengthening
- resilience to climate change

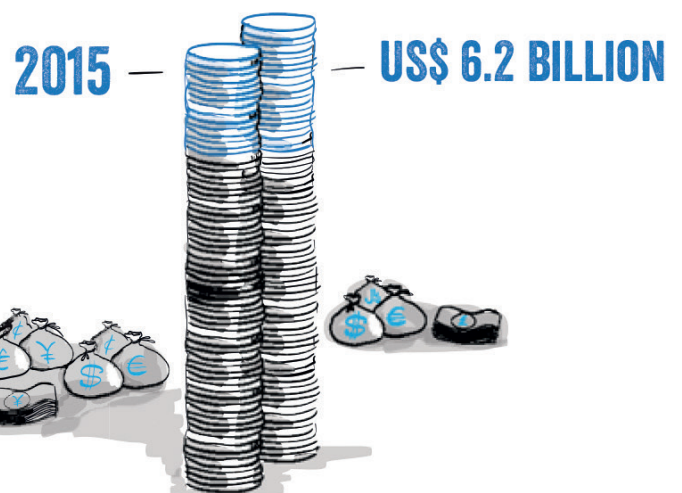
The IKEA Foundation aspires for a healthy balance between partners, including: think-tanks and research groups to influence policy and provide academic depth; NGOs directly implementing action; and with UN agencies to highlight best practice, implement at scale and build relationships with governments wherever possible.

Tips for NGOs when raising funds from private sources

RECOMMENDATIONS BY THE IKEA FOUNDATION:

- 1. Focus on measurement and impact:** This can be a significant investment for NGOs, but it is extremely important and can occur at different scales.
- 2. Show the worth and reach of your network:** Highlight how you align with others in a coherent way which strengthens your impact. Show how are you using your collective voice to speak towards the UN or governments.
- 3. Small is beautiful:** Smaller and local partnerships can be extremely relevant and meaningful. Don't only look for large, international private donors – look around you.
- 4. Set yourself up for success:** Aim to present numbers, information, thoughts and your theory of change in a clear and simple way to highlight the work you do.
- 5. Like-mindedness:** Look specifically for like-minded groups or foundations, who are more likely to have similar values and aligns to your organization. This is often a key factor in securing a private donor.
- 6. Be real and stay true:** Businesses are interested in what is realistically achievable in the time and resources available. Be as realistic as possible when communicating what you can do with the available support.

13% INCREASE



RECOMMENDATIONS FROM NGO FUNDRAISING EXPERTS:

- **Know your identity:** What is your organisational story? Where have you come from? Why do you do what you do? Be clear and impactful with this story and ensure your staff know it clearly.
- **Know your operational principles and values:** Is there overall alignment with the potential donor? As an organization, you need to know who aligns with your values, and how far you will stray from these values when looking for potential donors. When is it okay to say 'yes'? When is it okay to say 'no' to a potential donor? What is your policy on unrestricted versus earmarked giving? All of this needs to be discussed and debated ahead of time and written down in policies and guidelines.
- **Organizational ambition and strategy:** Is your fundraising strategy ambitious and clear enough? Is fostering relationships the role of program staff? The Director? The Board Members? Think about how you can maximize your impact here.
- **Be prepared:** Have a plan. Have this documented clearly – and turn this into checklists. Do simulations on your plan. Wherever possible, pre-position budgets for emergencies and always debrief the lessons learned.
- **Be digitally ready:** Make sure that your IT infrastructure can manage an increased load on-line and over the phone when a disaster strikes. Have your search terms developed ahead of time. Develop generic images to pre-populate before you can get an image from the field. Update your webpage, your donation page, and prepare to push out fundraising messages through social media.
- **Test everything:** In an emergency, do not be perfect. Do not expect perfection, but remember to always test all the mechanisms you will use – especially digital. Telemarketing scripts are a good tool to use too.
- **Engage your major donors:** Maintain contact with your major donors – ask them to give, to act, to host an event, open doors. Engage them on social media.
- **Donor trust, loyalty and satisfaction:** Thank your donors! Be creative and be thoughtful with stewarding your donors.

Specific recommendations for small, or local, organizations, for fundraising before, and during an emergency:

- **Use the power of volunteers:** No matter the size of your organization, foster a group of committed volunteers to tell your story and to fundraise for you. Volunteers are one of the most powerful mouthpieces.
- **Chose digital:** Digital fundraising is comparatively very cost effective, and can go to scale quickly.
- **Values and principles:** Know your values and principles – and have policies and guidelines to support them.
- **Join a local fundraising association:** Joining a professional fundraising association will allow you to meet other fundraisers, benchmark, learn lessons, attend conferences and access important resources.

PRIVATE DONORS

INDIVIDUALS



COMPANIES



TRUSTS & FOUNDATIONS



LEARN MORE: Visit www.icvanetwork.org for the webinar, video, further information and references.

JOIN ICVA: Contribute to Working Groups, Task Teams and Humanitarian Financing Policy Development.