

# Philanthropie Aktuell

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## EDITORIAL

Dear readers,



Just a few weeks ago, it would have been unimaginable that public life in Europe would come to an almost complete standstill and that any form of social contact would be reduced to a

minimum.

Civil society is also affected by the consequences of the current situation – organizationally, financially and in terms of content.

The organizational challenges will inevitably lead to an even greater uptake of digital forms of work, even beyond the current crisis. The financial consequences of the Corona virus for NPOs cannot yet be estimated. Losses due to cancelled events, lack of contact opportunities and cautious donors will have a negative impact on this year's results. In Germany, therefore, there have already been calls for the state to support not only the economy but also civil society. This is justified in so far as NPOs make an important contribution to dealing with the current situation – be it through volunteer work, newly formed initiatives or mediation services. This commitment cannot be valued highly enough!

I hope you will still find time to leaf through this issue of *Philanthropie Aktuell* – and wish you a pleasant read.

Georg von Schnurbein

## Grantee Review Report: Beneficiaries' Perspective

**Beneficiaries are the most important stakeholders of grant-making foundations, but nevertheless often find themselves in the role of supplicants. This results in an imbalance of power in the relationship between grant-making foundations and beneficiaries. By Prof. Dr. Georg von Schnurbein**

For grant-making foundations this power imbalance is expressed, among other things, by the fact that they hardly ever receive any direct and honest feedback from beneficiaries on their own activities. After all, every beneficiary has to keep in mind the next grant application.

### Objectify feedbacks

In order to get a more objective picture of the viewpoint of beneficiaries, the US Center for Effective Philanthropy (CEP) developed a method based on an anonymous questionnaire. Since 2003, more than 300 foundations, mostly from the USA and Canada, have carried out the «Grantee Perception Report». However, there is no overarching report concerning all participating organizations.

In Switzerland, six grant-making foundations and one nonprofit association have therefore joined forces and developed the «Grantee Review Report» together with the CEPS. The grant-making organizations involved had a joint funding budget of CHF 184 million for 2018 and processed 1,920 applications during this period.

In order to capture the perspective of the beneficiaries, grantees (organizations that received funding) in the last five years and applicants (organizations, who did not receive funding)

in the last three years were contacted. In total, the responses of 416 grantees and 252 applicants were evaluated on the following topics: understanding and influence of the foundation on the field of activity of the partner organizations, communication and transparency, preparation of applications and the funding phase.

### Importance of personal contact

The supported organizations are at all stages of development. From foundation to consolidation phase, all stages of the organizational life cycle are represented in relatively equal numbers. This means that there is neither a particular knowledge or network advantage for older organizations nor a novelty bonus for young organizations when applying for funding.

A key finding of the survey is that personal contact significantly increases the chances of acceptance: 76% of grantees vs. 36% of applicants had direct contact with foundation staff during the application phase. Many foundations offer telephone contact or short applications as a first information stage, but there are naturally staffing limits in the case of grant-making foundations. At the same time, only 25% of the grantees and 38% of the applicants stated that they had used the information provided on websites etc.

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**Application effort and costs**

69% of the applications are initial ones. This serves to show that the relationship between grant-making foundations and beneficiaries is usually not based on routine, but that new relationships are constantly emerging. Successful funding partners also spend significantly more time on the application process. On average, they need 63 hours, while rejected applicants only indicated 32 hours to prepare an application.

On the basis of the information provided by the beneficiaries and with the help of additional information from the foundations involved in this study, an estimate of the workload involved in the application process on both sides (foundations and beneficiaries) was calculated. The result is an average effort of 2.2% of the funding budget required to process all (successful and rejected) applications. Since all applications are included, the net costs for a successful application are higher for the beneficiaries (CHF 6,290) than for the grant-making foundations (CHF 1,531).

	UNDERSTANDING & INFLUENCE	COMMUNICATION	TRANSPARENCY	APPLICATION PROCESS	FEEDBACK AFTER REJECTION OF APPLICATION	FUNDING PHASE
GRANTEES	4.1	4.4	4.2	3.9	–	4.4
APPLICANTS	–	3.7	3.0	3.6	2.8	–

The «Grantee Review» benchmark shows that beneficiaries generally have a positive attitude towards the work of foundations. The evaluations are based on a sample size of N=25 funding partners and N=23 applicants (maximum value 5, minimum value 1). Source: Grantee Review Report 2019

The results also show that in almost half of the cases, the financial support provided by the foundations made a decisive contribution to the stability and further development of the organization. The biggest challenge for the beneficiaries is the growing competition for funds (18%), the limited supply of suitable funding organizations (17%) and the correspondingly complex search process (14%).

The success of this form of feed-

back is already becoming apparent: individual participating foundations have revised their funding processes or obtained additional information. On the other hand, a workshop was held between representatives of grant-making foundations and beneficiaries to discuss the results (see article below). In this way, the power gap may be reduced somewhat in the future.

Grantee Review Report 2019:

[ceps.unibas.ch/en/transferringpractice/granteereview/](https://ceps.unibas.ch/en/transferringpractice/granteereview/)

**The first Swiss Grantee Review Report: communication ist essential**

**At the beginning of the year, representatives of SwissFoundations and Swissfundraising met to discuss the results of the first Swiss Grantee Review Report. One important recommendation of the report, the importance of personal communication, was thus directly followed.**

The Grantee Review Report clearly shows that good communication between grant-makers and beneficiaries is essential for successful funding.

**Contact without detours**

Direct exchange to informally and quickly clarify mutual expectations and answer questions is perceived as very helpful in the eyes of both fundraisers and foundations (98 and 99% respectively). In addition, almost half of all respondents stated that they became aware of a foundation through personal contacts, as the process of finding suitable funding institutions is still difficult.

Timing is central to contact: before the funding begins, contact is important for clarifying open points. During the funding phase, close contact promotes understanding of the project. However, only 46% of the beneficiaries rated existing contact during this phase as helpful. In terms of non-financial support, there is

therefore certainly potential for improvement for grant-making organizations.

**Both sides are called upon**

Upward potential can also be identified with respect to grant rejection: If an application for funding is rejected, only 23% of the applicants ask why, despite the fact that feedback after rejection generates important learning effects and should be offered and used accordingly.

In general, a large part of communication still takes place via the classic channels – the relevance of social media has been negligible so far. However, the information tools already available need to be communicated better by foundations, and beneficiaries are called upon to make better use of such tools. If sufficient information is available – FAQs and killer criteria for funding applications would be particularly helpful – then beneficiaries have to more actively take advantage of them, as the fundraising representati-

ves also emphasized. Of course, the reason why such tools are sometimes given too little consideration, is the time pressure beneficiaries are under to meet the quantitative output requirements of funding applications. This is confirmed by the report’s statement that the greatest challenge for beneficiaries is the growing competition for funds (18%).

**Further strengthening dialogue**

Looking to the future, dialogue between foundations and beneficiaries should become more institutionalized and the collaborative relationship further strengthened. The Grantee Review Report has proven to be an ideal basis for discussion and will therefore be presented at the Swiss Foundation Symposium. We would like to take this opportunity to thank the seven grant-making organizations that participated in the report for their valuable contribution.

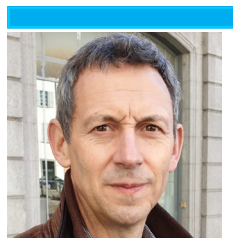
Katharina Guggi, SwissFoundations

## «Good applicants know how to read, how to listen and also how to fail.»

The filing of applications is part of everyday life for many organizations. Andreas Cueni – specialist in the areas of fundraising and public relations for nonprofit organizations – explains what is needed for a successful application, how to deal with rejections and how grant-making foundations can support applicants.

**CEPS:** Writing proposals – art or industrious effort?

**A.C.:** Organizations looking for funding often have a whole range of ongoing projects and services, almost all of which are important and urgent. Before embarking on an application process, a fundraiser has to familiarize him- or herself in-depth with the application content, select the best offers available, gather all relevant facts and bring the application into an attractive form. This is work that should not be abbreviated, and it generally involves a whole series of meetings and many days of editing. Contrary to certain existing myths, there is not a grant-making foundation for every topic and there are no longer any foundations that don't really know how to use their resources. It is certainly an art to realistically assess the opportunities within the foundation sector, to identify the appropriate funding institutions and to offer them partnerships in such a way that they meet their objective criteria and subjective wishes.



Andreas Cueni, lic. phil. I, Basel, born 1966, has been working for 25 years as a full-time specialist in fundraising and public relations for charitable organizations, often in cooperation with grant-making foundations and in fundraising campaigns.

**CEPS:** It is part of the process that grant applications are rejected. What can foundations do to make this more acceptable to applicants?

**A.C.:** In the ideal case, of course, a foundation manager would write a justification in a few sentences that would have the capacity to make the applicant think twice about the reasons for rejection. Good applicants know how to read and listen, how to fail regularly, and how to learn from grant refusals. It would be helpful to make a clear distinction between refusals on principle and those of an acute nature: is the purpose or geographical focus not met at all or does the foundation want to

encourage people to knock again next year with a slightly adapted or improved application when new funds are available?

**CEPS:** Many applicants wish for a more personal communication with grant-making foundations. What does this mean and to what extent is it realistic?

**A.C.:** First off, the conditions for this are improving. The number of funding institutions with their own offices is growing, existing organizations, i.e. foundations as well as their partners, are expanding their teams. More and more conferences, longer training courses and the increasing amount of public talks impart know-how and facilitate the exchange within and between these two worlds. Even simple websites can clearly convey what foundations concentrate on, how they set annual priorities and what type of applications they do not want to receive in the first place. As a matter of fact, clearly formulated negative criteria contain especially important information. Of course, consultants contribute their many years of experience and convey background information and understanding.

**CEPS:** In what areas can/must grant-making foundations improve?

**A.C.:** Today, unlike at the end of the last century, the great majority of nonprofit organizations publishes activity reports, almost always containing impact and financial figures. Public reports on grant-making foundations' funding activities would also be informative; the reasonably well-trained public could take away a lot of important information from grant-making foundations' lists of partners and projects considered, even if funding amounts are not fully available. Communicating concerns and facts directly, be it in person, by telephone or in an e-mail, is important and does not have to be overly complex or elaborate. The beneficiaries will accept and store this information for their own benefit.

**CEPS:** Finally, in your opinion, how has the foundation sector changed in recent years?

Thanks to science, associations and the public sector, there is much more knowledge available on the subject; this is gratifying. Organizations and service providers are trying to process, use and share this knowledge; they are interested in long-term partnerships. But visibility also attracts all kinds of beginners who feel they need attention and do not pay attention to the rules. Then the increasing presence of public institutions, schools and hospitals as applicants cannot be ignored. And some things remain; there is still a world of foundations that is not influenced by trends, wants to appear discreet and communicate minimally.

**CEPS:** Many thanks!

### CEPS INSIGHT

#### CEPS now present on LinkedIn

The CEPS is expanding its presence in the social media. Since February 2020, we have our own company page on LinkedIn, where we discuss the latest research and practice in the nonprofit sector and in the area of philanthropy and provide information about our executive education content. The LinkedIn page complements our Twitter account, which we have had since the beginning of 2017. [linkedin.com/company/cepsbasel](https://www.linkedin.com/company/cepsbasel)  
[twitter.com/CEPS\\_Basel](https://twitter.com/CEPS_Basel)

#### CEPS Annual Report 2019 published

At the beginning of March 2020, the CEPS published its Annual Report 2019, in a new look. 2019 was marked in particular by a stronger international focus, both in terms of research and executive education. We would like to thank all sponsors, partner organizations and lecturers for their constructive and successful cooperation. We are already looking forward to many more joint projects!

[ceps.unibas.ch/en/about-us/annual-reports/](https://ceps.unibas.ch/en/about-us/annual-reports/)



## Jointly developing projects from around the world

In September 2020, the «GSE» will be back. In this course, initiators of social projects and participants from nonprofit and for-profit organizations will meet to further develop these projects. Five exciting ideas are part of this year's certificate course.

This year, the newly designed certificate course «Global Social Entrepreneurship» (GSE) will take place for the second time. The course follows the concept of project-based practical learning. The GSE is aimed at participants who work in the nonprofit or for-profit sector, are interested in intercultural project work and want to contribute their professional expertise to the development of social projects in countries of the Global South.

Five exciting projects from three continents and with different focus topics are represented in this year's course, each of which will be developed further in small groups. The social project from Lima, Peru, uses digital media to facilitate educational programs in less developed areas. The project idea from Mwanza, Tanzania, aims to create opportunities for young women to increase their mobility and tries to protect them from assault. The initiative in South India has in mind the care of older people in rural areas and wants to create new facilities for this target group. The project in Casablanca, Morocco, is aimed at underprivileged employees and aims to manufacture products from waste materials for an international market. And in Nairobi, Kenya, a new center is to be established to support young entrepreneurs.

The GSE is made up of five modules and combines theoretical units with practical development of the projects directly on site. By combining theory and practice, the GSE provides deep insights into modern approaches to entrepreneurial project management and significant development models for social innovation.

Nicholas Arnold

Visit our website for more information on the «GSE»: [ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/](https://ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/)

## DID YOU KNOW? 10 Billion USD

This is the amount that Amazon CEO Jeff Bezos wants to commit to fighting climate change. The reactions to his Instagram announcement were mixed. CEPS director Georg von Schnurbein also appeared in the media as an expert on this issue. Find all media reports with and about the CEPS on our website.

[ceps.unibas.ch/en/about-us/media-report/](https://ceps.unibas.ch/en/about-us/media-report/)

## Foundation Report 2020

While the Swiss foundation sector continues to grow, clear regional differences appear.

In 2019, 349 charitable foundations were established in Switzerland and 216 were liquidated. As a result, the Swiss foundation sector currently comprises 13,293 charitable foundations.

The Canton of Basel still has the highest density of charitable foundations (45 per 10'000 inhabitants). The strongest growth, however, is happening in French-speaking Switzerland. For example, in Geneva alone 65 new foundations were established in 2019. By contrast, the Canton of Zurich has experienced a decrease in the number of foundations.

The highest number of liquidations ever recorded in a single year suggests that many foundations, especially older ones, are struggling with low interest rates and changes in the area of funding. Nevertheless, the establishment of a charitable foundation still seems attractive. In particular, the proportion of grant-making foundations is increasing once again. In addition, a strong focus on environmental topics can be detected among the newly established foundations.

The Swiss Foundations Report 2020 is published by CEPS together with Swiss-Foundations and the «Zentrum für Stiftungsrecht» of the University of Zurich and will appear on 28 April 2020.

Nicholas Arnold

## CALENDAR

### Executive Education

#### MOOC Entrepreneurship in Nonprofits

Start: 16 March 2020 (entry possible until end of March 2020): [Access](#)

#### Master Class

06 - 08 April 2020, Geneva

#### CAS Nonprofit Governance & Leadership

3 Module – Sigriswil & Basel  
Start: 20 April 2020

#### CAS Global Social Entrepreneurship

5 Modules – online, Basel, on-site  
Latest completion of module 1 (online): 21 September 2020  
[ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/](https://ceps.unibas.ch/en/certificate-course-global-social-entrepreneurship/)

[Register Now -> CEPS Executive Education](#)

### FURTHER DATES

#### PPCmetrics Stiftungstagung

**PPCmetrics**  
05 Mai 2020, Zurich

#### Schweizer Stiftungssymposium

**SwissFoundations**  
14 - 15 May 2020, Basel

#### Tagung Freiwilligen-Management

**Schweizerische Gemeinnützige Gesellschaft**  
04 June 2020, Berne

Due to the current situation it is possible that the events listed above might be cancelled, postponed or carried out in a different form.

## LEGAL NOTICE

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