



# Building Community Philanthropy in Vietnam

Understanding the  
experiences and  
expectations of  
donors to the  
LIN Center for  
Community  
Development

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## Introduction

The LIN Center for Community Development was established in Vietnam in 2009 to facilitate and support community philanthropy – or local people solving local problems. Since 2009, LIN formed partnerships with over 200 local not-for-profit organizations, connected thousands of skilled professionals to *pro bono* service opportunities, and assisted hundreds of individual and institutional donors to identify or support their investments in local initiatives.

Because the programmes and services LIN planned to offer were different to what people in Vietnam were accustomed to seeing, it was recognized that the team would need to be able to demonstrate the need, demand, and impact of its efforts if it hoped to attract local partners and supporters. As such, when LIN obtained a license to operate in Vietnam as a science and technology organization, the founders determined that research would be one of its core activities. And while LIN incorporated research into much of its work, the bulk of its research focused on assessing the needs and capacities of Vietnamese not-for-profit organizations as well as their feedback on the programmes and services provided to them by LIN.<sup>1</sup> Although LIN conducted and supported research to understand donor and volunteer communities in Vietnam, until 2016, the LIN team never sought out formal donor feedback on LIN's impact nor their reasons for contributing to LIN's work.

By 2016, it became critical for the LIN team to explore opportunities for expanding and enhancing relationships with local donors. Over the previous two years, the value of foreign contributions to LIN increased exponentially compared with the value of local contributions, even though the number of donations from Vietnamese people and companies greatly exceeded the number of donations from foreign sources. This imbalance raised two linked concerns. Firstly, the allocation of resources to meet the requirements of foreign funders, particularly reporting requirements, could have a negative impact on LIN's ability to meet its local priorities. Secondly, increasing challenges associated with the receipt of foreign funds was occupying considerable staff time and energy while presenting a high-risk scenario for management.

In 2016, with financial support and encouragement from the Global Fund for Community Foundations, the LIN team surveyed its donors to better understand their experience and perceptions of LIN, including: the reasons they contributed, their level of satisfaction, as well as any challenges and unmet expectations they encountered or observed as a donor to LIN. The purpose of the research was to assess the potential for increasing local support and any requirements or unique propositions for being able to do just that. The research was also intended to serve as a case study on the relationships between one community philanthropy organization and the donors supporting its work to build local capacity, connect local resources and promote trust in local not-for-profit organizations.

1. Every year, since 2013, LIN conducts an annual survey of its not-for-profit partner organizations. Reports from those surveys are shared with respondents, posted on the LIN website (since 2015), and included in annual reports and proposals.

# Executive summary

From August 2009 to March 2016, LIN received contributions from over 561 unique donors, of whom two-thirds were Vietnamese. More than half of those contributions were valued at VND 500,000 or smaller (less than US\$25). And roughly 85% of all donations made to LIN were designated to a single LIN programme, the Narrow the Gap Community Fund.<sup>2</sup>

In April 2016, all current and past donors for whom LIN retained an email address received a request to complete an online survey. Before the deadline, 102 donors completed the online survey – a response rate of 18%. Over the following three months (May, June and July) two LIN team members conducted one-on-one interviews with 21 donors, or donor representatives, 20 of whom contributed to LIN at least one time. Each interview respondent received a transcript of their respective one-on-one interviews for review and approval prior to finalization and incorporation into the analysis.

The first half of this report presents feedback provided by donors through the online survey while the second half provides an analysis of feedback offered during the in-depth interviews. Summarized below are six of the more noteworthy findings from both reports.

The online survey and in-depth interviews conducted in 2016 represent LIN's first attempt to formally request feedback from its donors about their reasons for giving and their perceptions of LIN's work. LIN collects such feedback from its not-for-profit partner organizations every year, ever since 2013.<sup>3</sup> While LIN donors are regularly asked to provide feedback on events and activities in which they participate, this was the first-time all LIN donors were formally invited to provide input on LIN's strategy and effectiveness.



The LIN team, 2017

2 The Narrow the Gap Community Fund pools contributions from multiple sources to allocate several small grants, three times a year, to local not-for-profit organizations addressing issues deemed important to local people. Grant winners are selected by local people through an evaluation process that is undertaken by volunteers. Once a year, the selection process includes an online and offline vote.

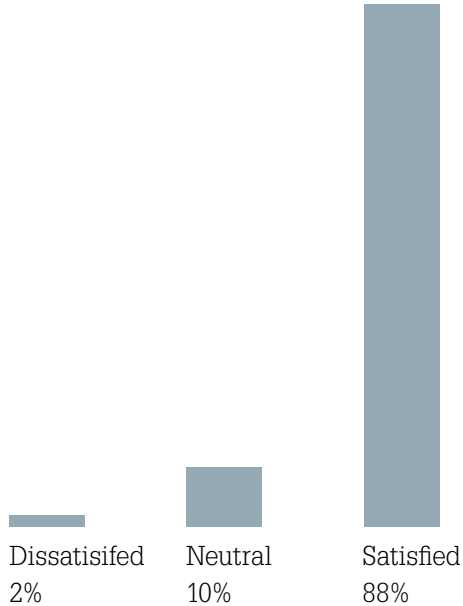
3 LIN's Annual NPO Partner Survey Reports from 2015 and 2016 are available for download from LIN's website at: <http://linvn.org/about-lin/lin-s-impact/reports>.

## Key findings

### 1 Overall donor satisfaction with LIN was high.

The LIN team was pleasantly surprised to learn that donor satisfaction was high – at 88%. Meanwhile, LIN’s net promoter score – a metric used to assess customer loyalty, was 67 (where scores above 50 are considered to be excellent).

#### Satisfaction with LIN



#### Likelihood to recommend LIN

Score	N	Percent
Never (0)	1	1%
1	0	0%
2	0	0%
3	0	0%
4	0	0%
Neutral	2	2%
6	1	1%
7	9	9%
8	17	17%
9	18	18%
Highly Likely (10)	54	53%

### 2 Donors believe that LIN is making an impact with nonprofit capacity building and, to a lesser extent, on building connections with and capacity for local philanthropists; however, the indirect impact – such as the benefits to marginalized communities, is not yet clear.

In the online survey, donors ranked nonprofit capacity building as far and away the most important service LIN is providing. In-depth interviews with donors confirmed that this is also where donors believe LIN is making the biggest impact. Still, donors wanted to see evidence or examples of how nonprofit capacity building helps local people and, more specifically, marginalized communities.

### Importance of LIN's Services N = 102, survey

(0 = Not important, 4 = Extremely important)

	Mean	Standard deviation
Nonprofit capacity building	3.2	0.9
Community fund	2.8	1.0
Volunteer matching	2.7	1.0
Directory of nonprofits	2.6	1.1
Donor advisory services	2.6	1.1
Networking events	2.6	1.1
Donor exchanges	2.4	1.1

### Perception of LIN's impact N = 17, interviews

	Large or very large	Moderate or small	None	Don't know
Build the capacity of local nonprofits	14	3	0	0
Improve relations between nonprofits & philanthropists	12	3	0	2
Build connections between nonprofits & philanthropists	12	4	0	1
Build community assets	10	5	0	2
Build trust in the community	9	7	0	1
Attract resources from local funders	8	4	1	4
Advocacy and participation of local people	7	9	0	1
Raise awareness about community philanthropy	7	10	0	1
Change the policies and practices of philanthropists	7	8	0	3
Support marginalized communities	6	9	0	2

LIN's support services to volunteers and donors were ranked lower in terms of both importance and perceived impact. It is felt that this may be due to the fact that they do not yet see or feel the impact of those services directly, not to mention the indirect impact on the community. Interestingly, one interview respondent who was a skilled volunteer in addition to being a donor to LIN, believes that LIN's impact on volunteers is important:

'I think LIN is making an impact with volunteers. I met many people who started out volunteering with LIN and then moved on to support another nonprofit or do something on their own. After volunteering with LIN, they have a clearer idea about what is effective giving versus short-term giving.'

*Ms. Dang Thi Thanh Van, HCMC businesswoman & MBA candidate*

The feedback from LIN donors align with perceptions, as well as the concerns, of LIN staff members. Since 2009, the vast majority of funding for LIN's work was restricted to nonprofit capacity building and we focused our measurement activities on determining

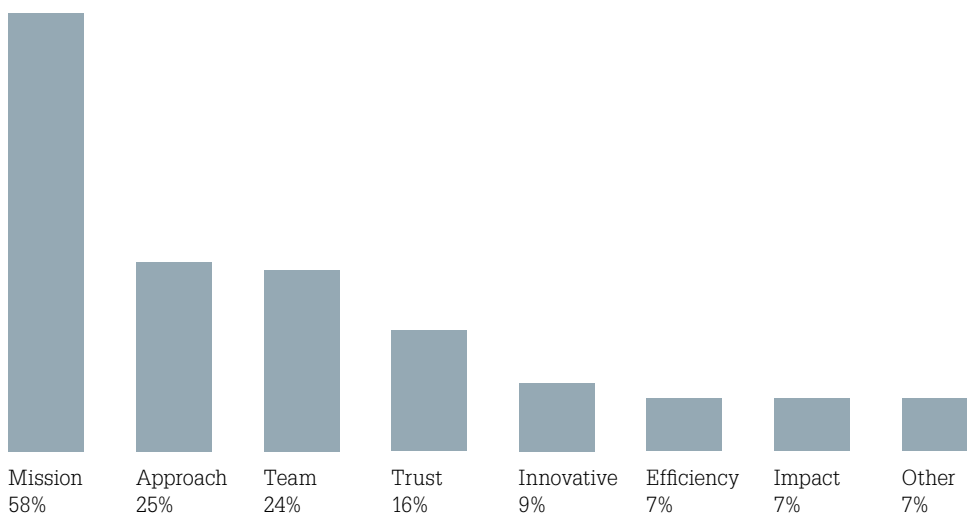
whether and to what extent their capacity was increasing. Although LIN's mission emphasized the importance of building the capacity and engagement of local donors and volunteers, there were insufficient resources and capacity within the team to do this well during the organization's formative years.

The LIN team is currently exploring its capacity and possible approaches to measuring the indirect impact of its work, which is the benefits to the local people who require the support of nonprofits. Measuring indirect impact is always more difficult than measuring the direct impact of one's services. A bigger and more important issue, however, will be how LIN can manage to do this in an environment where nonprofits are limited from engaging in activities that fall outside an approved scope of activities. Very likely, the team will only be able to work with its nonprofit partners to help them to better measure and report on the impact of their own programmes.

### **3 Donors were drawn to LIN's mission or approach to development, while trust in LIN, or the LIN team, proved critical to ensuring a donation.**

In the online survey, donors were asked why they contributed to LIN. The vast majority said they liked LIN's mission or approach. Trust, either in the LIN team or in the organization itself, was an important factor. During in-depth interviews, it was clear that trust is essential to all donors, although methods for demonstrating trust varied widely from simply knowing that an individual in the organization is trustworthy or reviewing the organization's website for transparency, to engaging a third party to conduct an audit or capacity assessment.

#### **Why did you donate to LIN?**



Several institutional donors said they contributed to LIN because it was an opportunity to channel their support to smaller nonprofits or to lend their support to nonprofits addressing causes that matter to them. Among the institutional donors, there was a mix between those that prefer traditional direct service providers and those that prefer to invest in innovative programmes and programmes that have the potential to address the root causes of community problems.

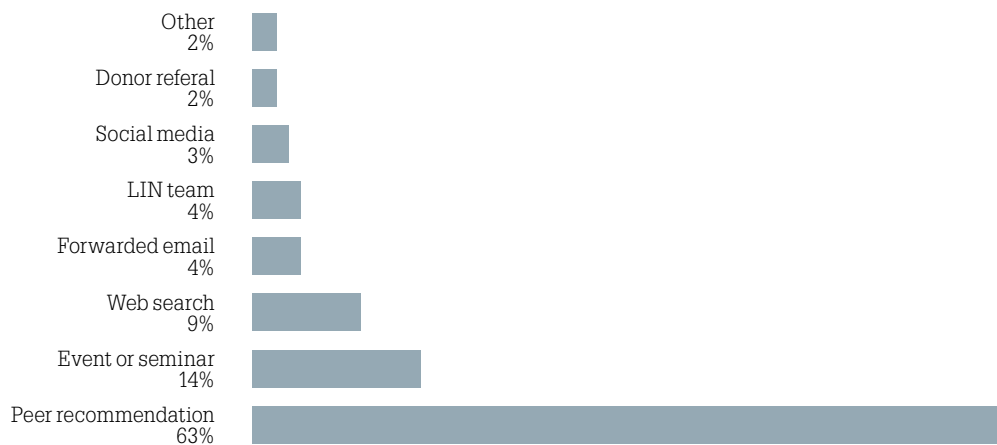


When asked about how they like to give, individual donors tended to focus on personal experiences, peer recommendations, or a gut instinct. Few individual donors could define their giving strategy beyond generalities. Future plans for giving sometimes entailed a preferred cause, such as education, the environment, or children’s issues; or it was more focused on a specific approach to development, such as community philanthropy or social entrepreneurship. A majority of individual donors expressed a willingness (and even a preference) to be responsive to urgent needs (i.e., a flood or severely ill patient).

#### 4 Donor satisfaction and referrals were critical to growing LIN’s network of support.

More than 65% of donors responding to the online survey said they were introduced to LIN by a peer (63%) or by another donor (2%). These same donors said they are highly likely to recommend LIN to others.<sup>4</sup> This information is important for the LIN team to understand the value and potential benefits in providing a positive donor experience.

##### How did you first hear about LIN?



Nevertheless, the fact that LIN’s support network has grown in size and diversity presents very real donor stewardship challenges for the LIN team, which has relied heavily on volunteers to build and maintain communications with local donors due to the lack of core funding.

In 2016, after learning about LIN’s donor stewardship dilemma, one foreign, institutional donor agreed to cover the first year salary of a fundraising staff member who is to be recruited in early 2017. While the LIN team is grateful for this opportunity, the management team will need to establish reasonable expectations given the limited number of individuals with any fundraising experience in Vietnam and the high likelihood that time for training will be required.

<sup>4</sup> Please refer to the table on page 2. (The mean score was ‘9.0’ on a scale from ‘0’ – Not at all likely to ‘10’ – Highly likely).

## 5 While project funds remain the most popular resource to contribute, donors are willing and able to provide different types of support to local nonprofits.

As evident from LIN's experience and the table below, which summarizes the resources donors said they contribute to local nonprofits in Vietnam, project funds are the most common source of support provided. Interestingly, professional skills, personal time and contacts are also offered by more than half of the donors interviewed.

### What resources do you contribute N = 21

Project funds	95%
Professional skills	76%
Staff time	52%
Professional services	38%
Staff costs	29%
Products	19%
Matching funds	14%
Core funding	10%
Equipment	10%

### Would you help an NPO to build its social capital? N = 22

Yes, I do (or I would do) this	64%
If I am asked to do this, I would do it	50%
No (or don't know)	23%

### Would you support an NPO's operating costs? N = 16

Yes, I do (or I would do) this	84%
I already do this	25%
I would do this if I knew it was needed	38%
If the NPO meets certain criteria	44%
No I would not	14%

A majority of donors said they already helped at least one local nonprofit to build its social capital. That said, many of these donors did not understand the value of such introductions. Only a few said they make introductions without being asked to do so by a nonprofit. A small number of donors, primarily institutional donors, believe it is the responsibility of the nonprofit to build its own social capital and did not feel that introductions to peers in their network was necessary. Finally, a significant number of donors were not yet sure why or how they could help local nonprofits to build their social capital.

Although only 10% of donors interviewed said they contributed unrestricted funds to at least one local nonprofit, most said they would be willing to contribute to a nonprofit's operating costs. Half of the donors interviewed said they were not aware that support

for operating costs was needed. These donors said that if they knew this was needed, they would be willing to contribute to operating costs. The other half said they would contribute to operating costs only if the nonprofit could demonstrate transparency, accountability, effectiveness or a combination of these criteria.

'LIN did not ask for operating support, but I had conversations about this with a staff member and learned that LIN was having trouble paying staff what they deserved, that they were unable to move their office due to rental costs, etc. That is when I realized that this is a real need and I tried to think of some way to help.'

*Ms. Quynh Anh, attorney*

## **6 Improved external communications, can help LIN to better inform donors about the importance of community philanthropy.**

Despite the rather high level of satisfaction and willingness to recommend LIN. Donors did suggest ways in which LIN can improve. The most commonly cited piece of advice was for the LIN team to improve its external communications. Half of the donors interviewed suggested that LIN share more stories, provide deeper analysis of its work, or contribute more articles directed to the general public. A couple of donors shared their belief that LIN should find a way to build its brand through its regular communications. These donors implied that LIN's inability to do this during the first six years could explain why LIN's support network did not grow faster.

Most of the donors interviewed expressed interest in reading more stories and case studies about LIN's work with a particular interest in stories that speak to the impacts nonprofits are having on the marginalized groups they serve. Other donors preferred highlights of LIN's work as well as lessons learned, recent trends, and best practices taking place in Ho Chi Minh City and in Vietnam.



Reception for LIN donors, 2015

# Results from the online donor survey 2016

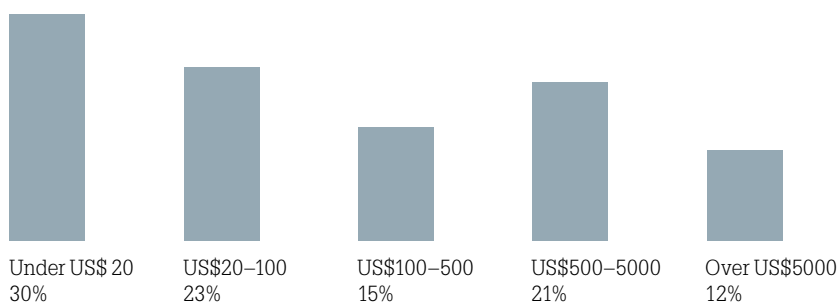
In April 2016, an online survey was disseminated to 561 past donors to the LIN Center for Community Development. The online survey was one part of a larger study to understand the experience of institutions and individuals that contributed to LIN's work over the past six years. The survey focused on the factors that led to a donor's decision to support LIN as well as the donor's perceptions of LIN's working style and results. In total, 102 donors (18% response rate) responded to the survey before the 22 April deadline and what follows is an analysis of the survey results.

LIN would like to thank the 102 individuals that took the time to complete our online survey! Special thanks also go to Mr. Barry Knight, a well-respected, UK-based social scientist who volunteered his time and professional skills to support the LIN team with data analysis.

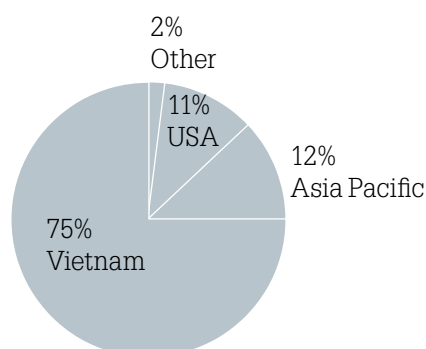
## Demographics of responding donors N = 102

The following five charts provide a snapshot of the donors to LIN that took the time to respond to the online survey. Donors were able to answer the survey anonymously. Only a handful provided their email addresses in order to receive an early copy of the survey results.

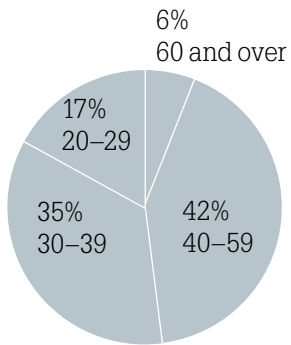
### Respondents by size of contribution



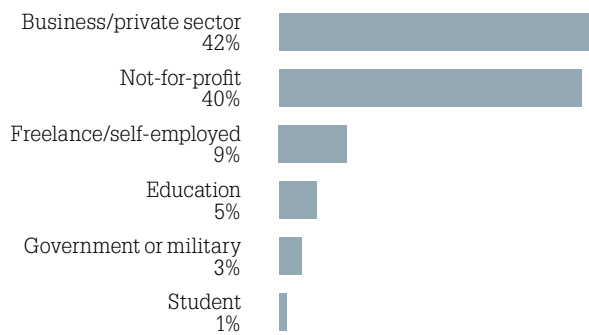
### Respondents by location



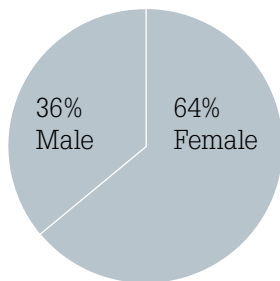
### Respondents by age range



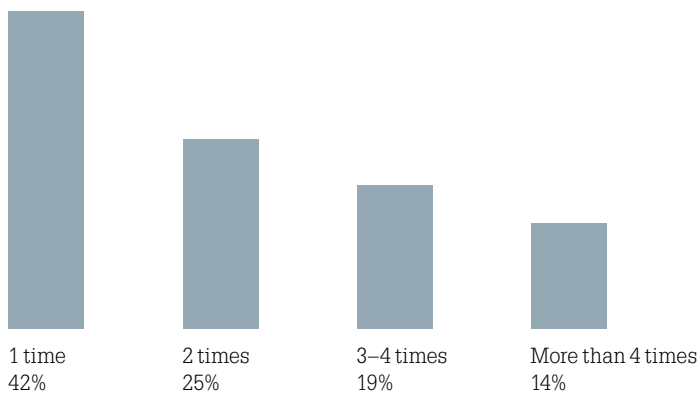
### Respondents by industry



### Respondents by gender



### Times donating to LIN



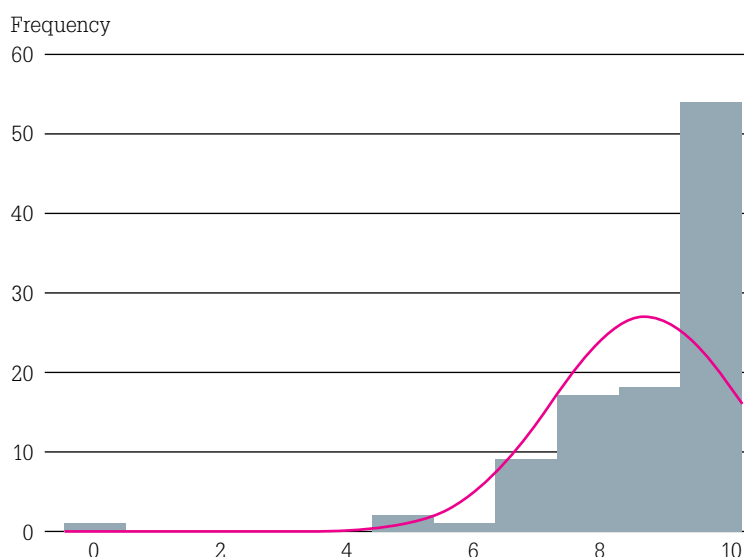
Respondents were asked how many times they contributed to LIN (or to one of LIN's programmes).<sup>5</sup> More than half (58%) reported that they contributed to LIN more than once while 42% reported being first-time donors to LIN.

## Overall donor satisfaction

The first question in our survey asked donors, 'based on your experience as a donor to LIN, how likely are you to recommend LIN to a friend or peer?' With possible responses ranging from '0' or not at all likely, to '10' or definitely recommend.<sup>6</sup> The mean score was 8.99, which indicates that our past donors are highly likely to recommend LIN to their friends and peers.

### How likely are you to recommend LIN to a friend or peer?

Mean = 8.99, standard deviation = 1.506, N = 102



The responses to this question were further analyzed by gender of respondent, location of respondent, and the preferred language used to respond to LIN's survey. As evident in the tables below: male donors, overseas donors and English speaking donors are slightly (although not significantly) more likely to recommend LIN. Donors that contributed more often to LIN were also more likely to recommend LIN (correlation coefficient of 0.225).

### Male donors are slightly more likely to recommend LIN

Gender	Mean	N	Standard deviation
Female	8.86	65	1.7
Male	9.22	37	1.1
Total	8.99	102	1.5

5 Translation: *Bạn đã tài trợ cho LIN hoặc cho một trong các chương trình của LIN bao nhiêu lần?*

6 Translation: *Dựa trên trải nghiệm của bạn khi làm việc với LIN với tư cách nhà tài trợ, bạn có muốn giới thiệu về LIN với bạn bè hoặc đồng nghiệp không? \* (0 = Không muốn 10 = Rất muốn)*

## Overseas donors are slightly more likely to recommend LIN

Survey Language	Mean	N	Standard deviation
Inside Vietnam	8.95	75	1.6
Outside Vietnam	9.38	24	1.2
Total	9.05	99	1.5

## English speaking donors are slightly more likely to recommend LIN

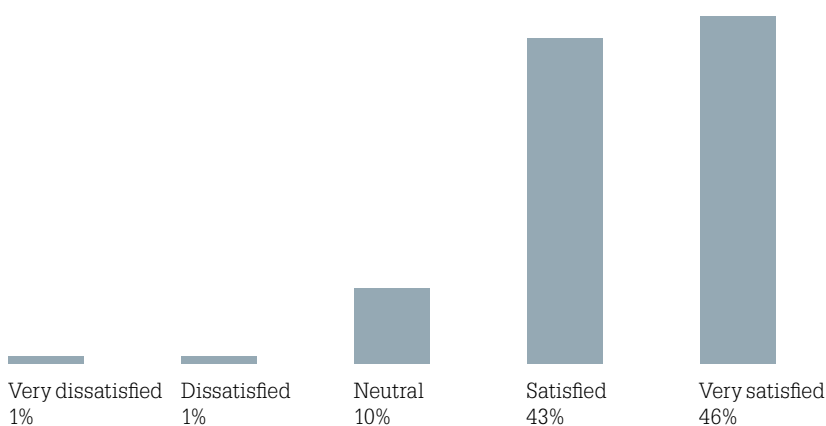
Survey Language	Mean	N	Standard deviation
English	9.17	60	1.2
Vietnamese	8.74	42	1.8
Total	8.99	102	1.5

Among the four individuals that gave a rating of six or lower, in terms of their likelihood to recommend LIN to others, below are the suggestions they offered for LIN to improve their experience as a donor<sup>7</sup>:

Score	Comment
0	Những nội dung LIN chia sẻ còn sơ sài quá <i>Translation: The content that LIN shares is still shallow</i>
5	Nothing, I appreciate the updates and transparency.
5	Offer a service that utilizes the donor's experience.
6	Xã hội có thể nhận biết hiệu quả đối với cộng đồng của LIN <i>Translation: The society could recognize LIN's impact to the community.</i>

## Satisfaction with the LIN team

Donors were asked to indicate their level of satisfaction with the LIN team.<sup>8</sup>



<sup>7</sup> Translation: *Xin vui lòng nêu ra một điều LIN cần cải thiện cho những lần làm việc với bạn trong tương lai?*

<sup>8</sup> Translation: *Xin cho biết mức độ hài lòng của bạn với đội ngũ LIN (N = 101)*



Through a deeper analysis, we discovered some differences in the level of satisfaction expressed by donors based on their gender and age:

### Male donors are slightly more satisfied with LIN team

Gender	Mean	N	Standard deviation
Female	3.19	64	0.8
Male	3.51	37	0.3
Total	3.31	101	0.8

### Older donors indicate higher satisfaction with LIN team

Spearman's rho	Level of satisfaction with LIN team	
Age	Correlation Coefficient	.423**
	Sig. (2-tailed)	0.000
	N	93

\*\*Correlation is significant at the 0.01 Level (2-tailed).

Donors were subsequently asked to rate the LIN team on how they work, with regards to fundraising, donor stewardship, transparency, ethics and effectiveness. Donors could give a rating of one to five stars with five stars being the top score.<sup>9</sup>

### Feedback on LIN's service to donors

Donors could give up to a maximum of 5 stars

	N	Min	Max	Mean	Standard deviation
Polite in all donor communications	99	3	5	4.68	0.60
Conduct operations ethically	101	3	5	4.67	0.57
Do not exploit or bully donors	100	2	5	4.65	0.66
Appreciate donors for their contributions	99	3	5	4.59	0.64
Act in the best interest of the community	102	1	5	4.50	0.73
Use donated funds appropriately	97	2	5	4.47	0.68
Inform donors how their money is spent	99	1	5	4.39	0.82
Use donated funds effectively	97	2	5	4.37	0.71
Use appropriate fundraising techniques	98	2	5	4.32	0.75

The average score ranged between 4.3 and 4.7, which indicates a positive perception of how the LIN team is working. Nevertheless, LIN received a handful of low scores from six donors each of whom gave LIN a score of 1 or 2 stars on one, two or three aspects of LIN's work. These same six donors were still likely to recommend LIN to a friend (two gave a score of 7, one gave LIN a score of 8, and three gave LIN a score of 10).

<sup>9</sup> Translation: Vui lòng đánh giá đội ngũ LIN qua các tiêu chí sau: (Nhấn chọn số của các ngôi sao để đánh giá từng tiêu chí, 1 sao: tệ nhất, 5 sao: tốt nhất!)

## Importance of LIN's services

Donors were asked how important they viewed each of LIN's core services, from 0 to 4 ('0' indicating 'not at all important' and '4' indicating 'extremely important').<sup>10</sup> The results are detailed in the following table starting with services ranked highest in importance.

### Rating of LIN's core services

0 = Not important, 4 = Extremely important

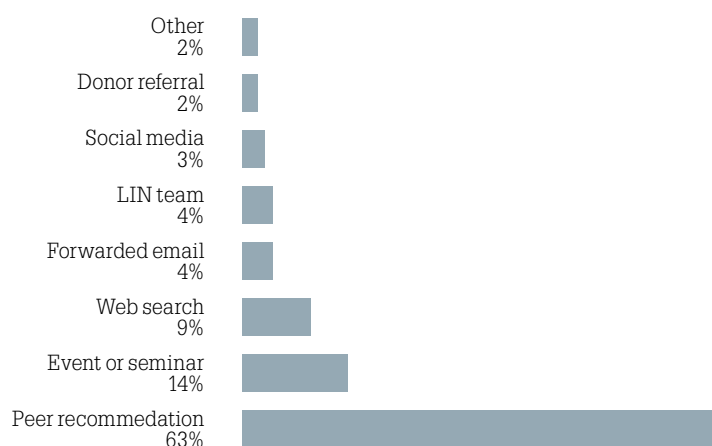
	N	Min	Max	Mean	Standard deviation
Nonprofit capacity building	97	0	4	3.24	0.88
Small grants (Narrow the Gap)	94	0	4	2.82	1.05
Volunteer matching	95	0	4	2.68	0.99
Directory of nonprofits (VietnamCauses.com)	95	0	4	2.64	1.13
Donor advisory services	90	0	4	2.59	1.10
Networking events	93	0	4	2.58	1.13
Donor exchanges	89	0	4	2.45	1.10

There was quite a range of responses and some interesting correlations. The LIN service that was considered most important by donors was nonprofit capacity building. The three services considered least important were services designed specifically to support the philanthropic community (donors and volunteers). However, respondents that viewed any volunteer or donor service as important, were more likely to view other volunteer and donor services as important.

## Contact with LIN

Donors were asked how they first heard about LIN and the results make clear that peer introductions are an effective method for LIN to connect with donors.<sup>11</sup>

### How did you first hear about LIN?



<sup>10</sup> Translation: *Bạn đánh giá những dịch vụ/ chương trình dưới đây của LIN quan trọng ra sao?*

<sup>11</sup> Translation: *Làm thế nào bạn biết về LIN?*

Donors were also asked whether they and/or someone else made the decision to support LIN.<sup>12</sup> Two-thirds of the survey respondents were the sole decision maker while a quarter involved at least one other person. For 10% of respondents, someone else made the decision to give to LIN.

### Who made the decision to support LIN?



Donors were also asked how often they engage with LIN or participate in LIN's programmes with '0' indicating 'never' and '3' indicating 'often'.<sup>13</sup> As evident from the results table below, the most popular form of engagement is reading LIN emails. Other forms of donor engagement are much less frequent.

### Donor engagement with LIN 0 = Never, 3 = often

	N	Min.	Max.	Mean	Standard deviation
Read LIN emails	101	0	3	2.21	0.71
Talk with LIN team	101	0	3	1.95	0.79
Attend LIN events	102	0	3	1.70	0.84
Visit LIN's website	100	0	3	1.60	0.77
Visit LIN's facebook	99	0	3	1.51	0.93
Volunteer with LIN	101	0	3	1.26	1.05

Younger donors volunteered more with LIN and visited LIN's page on facebook more often than donors that were older; however, older donors reported that they read emails from LIN more frequently compared with younger donors. Meanwhile, individuals that volunteered with LIN, tended to attend more LIN events, were more frequent visitors to LIN's page on facebook, and talked or met more often with members of the LIN team.

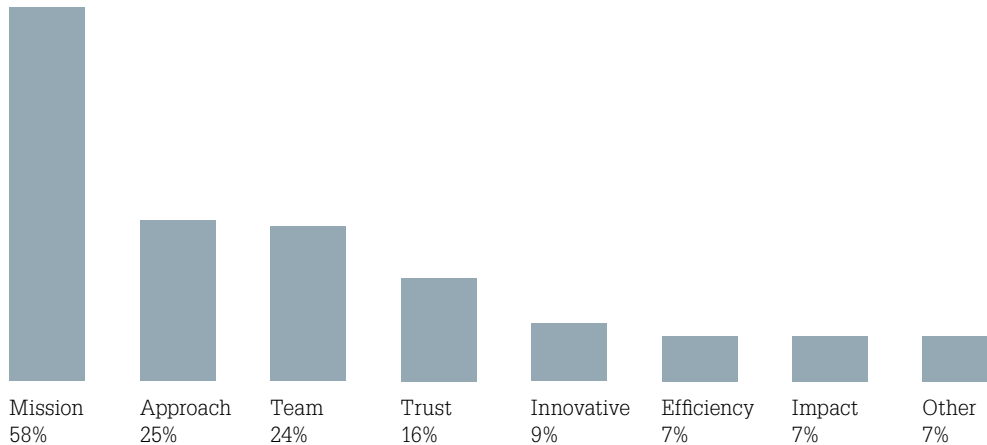
12 Translate: *Ai là người quyết định tài trợ cho LIN?*

13 Translate: *Bạn có thường xuyên tham gia vào các sự kiện/ chương trình của LIN được liệt kê dưới đây không?*

## Reason for supporting LIN

The last question of the survey, an open-ended question, asked donors to summarize why they decided to donate to LIN.<sup>14</sup> Two-thirds (66%) of the respondents provided an answer to this question. Those answers were categorized to identify similarities. The most common reason for supporting LIN, shared among 58% of donors responding to this question, was to show support for LIN's mission (and/or vision). Other common reasons related to support for LIN's approach (25%), the capacity of the LIN team (24%) and/or trust in the organization (16%).

### Why did you donate to LIN?



Their open-ended responses are detailed below, grouped by category:

#### *Mission*

- I believe in and am inspired by the mission of LIN.
- I believe LIN is one of the only organizations in Vietnam doing this kind of work and it is vital that this kind of work continue!
- I believe in the cause and power of community.
- I thought the work LIN does in the context of Vietnam is very valuable and would help strengthen the social and economic fabric of a developing country.
- LIN is the bridge connecting people who want to help others with those who need it, in an effective and practical way.
- LIN organizes very good initiatives to support other non-governmental organizations and marginalized groups in the south.
- LIN's programmes are meaningful for the community.
- To support local entrepreneurs and help to positively influence our community.

<sup>14</sup> Translation: *Tóm lại, lý do bạn tài trợ cho LIN là gì?*

- We believe it is important to support the initiatives that help local, Vietnamese NGOs to develop. LIN is taking on one of the most important tasks in the CSO development arena in Vietnam at the moment.
- We saw it as an excellent opportunity to help LIN via some pro bono work and, at the same time, raise our own profile by working with a respected partner.
- Since LIN has many great initiatives and supports the community through the NPOs. Also, in Ho Chi Minh City, many NPOs do not have legal status, and this is one of the main reasons that NPOs have difficulty accessing funding sources.
- LIN is keen on supporting the implementation of meaningful and potential community projects.
- I am inspired by and I understand LIN's mission and vision. That's why I donate to LIN.
- LIN supports sustainable development for Vietnam.
- Because I believe in what [LIN] is doing. It is uplifting the lives of the poor through empowering them.
- Because LIN empowers locals instead of focusing too much on expats.
- Because LIN is doing very important work to support the development of Vietnam's non-profit sector and [building a] culture of philanthropy.
- Because the work it does is crucial to Vietnamese society. I hope someday I can find a way to channel more money LIN's way. Tax deduction in the U.S. is important.
- Because we believe in community development.
- Contribution to the development of the community, in general, and because LIN supports poor/vulnerable communities (I have funded all the other programmes – of course the amount is relatively small).
- I appreciate the work LIN is doing and I see that LIN shares the same values as me and my organization that is directed to the use of internal resources to create a more humane society.
- I believe the LIN team is heading in the right direction to help build a better future.
- I sponsored LIN because this organization is committed to the development of communities through new approaches. It is indeed not an organization for medical charity, disaster relief, etc. . . . This is a community-building organization, with clear vision, which helps to prevent negative things such as the wealth gap, created by development. That said, LIN team needs to be professional, working with high community spirit, actively concerned about social issues, having good organizational skills, innovative and provident. For example, LIN should consider changing the selection criteria for granted programmes to avoid any repeated funding for a group (e.g. easy to put that group of social emotions higher up) while avoiding the selected programme changes too fast, which might prevent LIN's effort to fund groups that are encountering a certain challenge on the way of their development. Do I expect too much of the LIN team?

#### *(Innovative) approach*

- LIN's approach is innovative.
- LIN is one of the rare organizations in Vietnam to build capacity for local NPOs.

- Strong organization doing important and innovative work.
- LIN is doing the work nobody else is doing in Ho Chi Minh City.
- I like the creativity and sincerity of LIN.
- I think that LIN is becoming a more professional local organization and unique, I don't see other local VNGOs working with the same mission as LIN, which is helping other local VNGOs and targeted groups. I want to see LIN become a stronger organization.
- It is a voluntary organization with new approach and efficiency.
- Through working with LIN, I am very impressed with the way volunteers are mobilized to lend their expertise and active participation in a committed way.
- Networking and LINKing donors and volunteers to NPOs is very important!
- I contributed to help attract other donors [to contribute].
- [LIN is] one of the leading, effective and professional organizations that supports NPOs in the southern region.
- I support LIN for their works providing training and online/offline platform to support NPOs of Vietnam. Their providing an online platform to connect people and NPO organizations is an advancement.
- I support the community activities of LIN.
- I want to help Vietnamese NGOs build their image to be more professional which in turn can contribute to changing the perception/public discourse about the non-profit organization.
- [LIN is the] route to grassroots charities.
- LIN provides resources to do things beneficial to the community, NGOs and society in general.
- Professional, meaningful.

### *LIN team*

- I like LIN's activities and I like the people who work there.
- I trust LIN's team; LIN works professionally; LIN aims towards institutional sustainability.
- [LIN has] a nice team who found their own way of doing things.
- I believe in the team who runs LIN and admire them greatly.
- I love the LIN team.
- I met [a member of the LIN team] and felt the team overall was genuinely trying to assist other not for profit organizations.
- LIN team is professional and dedicated.
- [I gave to LIN because of] personal relationship and the importance of the projects.

### *Impact/track record*

- I believe that LIN's work is making a strong change in the community in which I live, when I support [LIN] besides others, this change will take place more quickly and strongly.
- I believe that LIN's work will bring greater impact to vulnerable communities through its activities to build NPO's capacity and to build networks for supporting NPOs. Maybe LIN's impact is not direct and more difficult to uncover, but I am sure that it is a wide and sustainable impact.
- I donated to LIN because with LIN activities, I deeply experienced how little acts can make an impact on our community.
- Because LIN has done good work in Vietnam.
- [LIN] brings practical benefits to the community.

### *Efficiency*

- I get the feeling the causes supported are all worthy and that there is very little overhead costs, allowing for most of the donated funds to be used for actual help on the ground. The only thing that I would have to say is that the 'thematic' fundraising can be something donors need to get their heads around as opposed to longer lasting efforts to support designated charities or efforts which the donors might have an easier time identifying with.
- I was impressed with the work they are able to do with such little funding and I really like the team of people.

### *Ethical/trustworthy*

- LIN is an ethical organization with a focused mission to make a positive change.
- I believe that LIN uses my donation properly.
- I feel they are ethical and are trying hard to do the best interest for LIN and those they serve.
- I believe that my money will be used directly for community development.
- LIN operates transparently, efficiently and [in a] civilized [manner?].
- [LIN's] integrity, passion, focus . . .
- Because of the transparency LIN can prove.
- It is a good organization, transparent.

### *Other*

- Because LIN supported me so I am supporting LIN.
- Because [LIN] facilitated our search for projects for our foundation to support and also helped us to explore options for charitable activities for our clients.

# In-depth interviews with LIN donors 2016



For the second phase of the donor study, LIN conducted in-depth interviews with 21 unique donors in Vietnam. (As three entities involved multiple contacts in the interviews, LIN managed to speak with 25 individuals representing 21 unique donors). In-depth interviews set out to answer the following three questions:

- 1 What factors led donors to invest in LIN or other local not-for-profit organizations (NPOs)?
- 2 What were the benefits, challenges, and limitations to partnering with LIN or other local NPOs?
- 3 How will donors continue to support LIN or other local non-profit organizations?

All interviews were conducted by one of two LIN representatives, Mrs. Dana R. H. Doan (Advisor) or Ms. Nguyen Thi Thanh Truc (Programme Director), dependent upon whether the respondent preferred to be interviewed in Vietnamese or English.

The LIN team is grateful to the 21 donors that took the time to share their experience contributing to a local community philanthropy organization. (Note. For interviews with some institutional donors, more than one representative was present. LIN Team interviewed 25 individuals representing 21 donors.)

Anonymous	Ms. Nguyen Khanh Dung
Intel Vietnam	Ms. Nguyễn Thị Ngọc Lan
Irish Aid, Embassy of Ireland in Vietnam	Mrs. Nguyễn Thu Thủy
Justice Initiative Facilitation Fund	Mdm. Ton Nu Thi Ninh
Mm Software Business & IT Consulting	Mr. Truong, Khoi
Mrs. Đặng Thị Ngọc Dung	Ms. Vu Thi Quynh Giao
Ms. Dang Thi Thanh Van	Research Center for Management and Sustainable Development
Mr. Do Quang Vu	Sit World Learning Vietnam
Ms. Do Thi Bich Thuy	The Asia Foundation
Ms. Hà Thị Thu Ngân	USAID Vietnam
Ms. Lam Quynh Anh	

The feedback provided by these individuals and organizations is invaluable and will help the LIN team to better understand our donors' needs and expectations, which we look forward to sharing with other nonprofits.

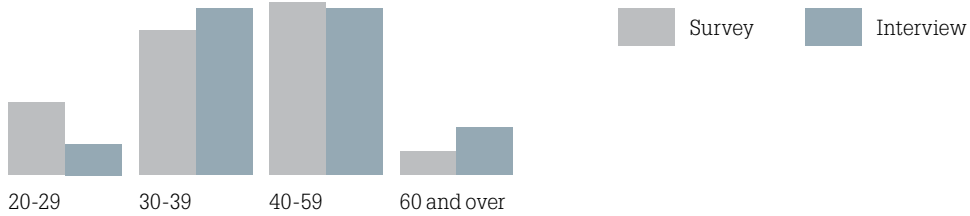
## Demographics of interview respondents

N = 25 individuals, 21 unique donors

A conscious effort was made to interview a range of donors to LIN who are all based in Vietnam. We looked at the category of donor, their experience with LIN, gender, age and

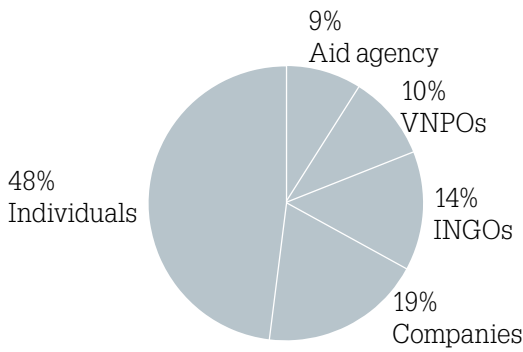
professional background. In addition, one interview was conducted with an institutional donor that never once contributed to LIN although there is regular contact and the organization funds similar work.

### Age breakdown

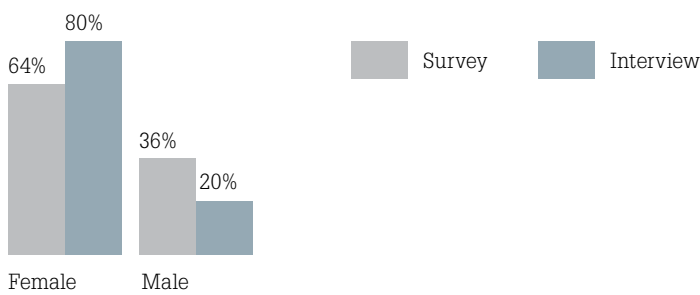


### Donor type breakdown

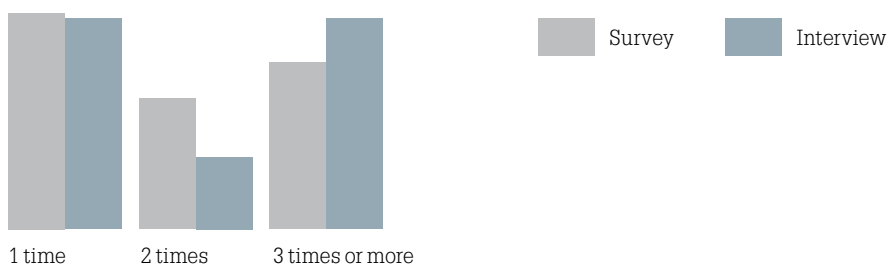
In-depth interviews, N = 21



### Gender breakdown



### Number of contributions



We also interviewed nine donors that completed the online survey and ten donors that volunteered their skills with LIN or with a LIN partner at least once.

## Why did you donate to LIN?

Donors were asked why they first decided to support the LIN Center for Community Development. They each described the factors that led to their contributions, which revealed some similarities. The two most important factors appeared to be a shared belief in LIN's mission or approach and trust in LIN or the LIN team.

### Mission or approach

More than half of the interview respondents (13 out of 21) said they contributed to LIN because they liked LIN's vision, mission or approach. When asked to elaborate on what they liked most about LIN's approach, respondents provided a variety of answers:

'By giving to LIN, I am supporting many NPOs.'

Note: this response was further explained in one of two ways:

- It is not easy for a donor, or donor institution, to connect directly to local NPOs, and/or;
- By giving to LIN, a donor is able to support many local NPOs at the same time – 'a multiplier effect'.

'If I help LIN, I am helping hundreds of NPOs.'

*Respondent #4*

'[We] cannot always support the kind of organizations we want to – small groups that are working at the community level – because of our size, our capacity and our limitations. Maybe they are not registered, formal or able to put a proposal together as we require but they are giving back and giving voice and it would be great if we had a way to support them. In those cases, [we] look for more networked organizations that can provide the kind of support necessary to those organizations and/or forward their support. LIN has that ability, as a networked organization, to reach out and provide support to smaller, younger, local, growing organizations.'

*Respondent #2*

'I like that LIN helps to build the capacity of local NPOs.'

'I like the concept of the Narrow the Gap Community Fund.'

'In 2014, I made my first donation to LIN's Narrow the Gap programme. I received an email from LIN about the programme. I read through the information on the website and found it to be an interesting idea. Not just the idea of the project, but also the idea of gathering funds from different people and connecting [those funds] to the projects that need support. This is something that I feel interested in and I really support it.'

*Respondent #7*

'Giving to LIN offers a more sustainable approach to development.'

‘LIN works in a creative or innovative way, which is worth testing.’

‘What I like is that LIN is willing to take risks and experiment. And, sometimes the risk doesn’t work out or it was more difficult than expected but I like that LIN tries . . . You need to experiment.’

*Respondent #2*

### **Trust in LIN**

For half of the respondents that were interviewed, trust was a key reason for contributing to LIN. That trust, they explained, was earned through the referral of a respected friend or colleague, a relationship with a member of the LIN team, or through at least one direct experience working with LIN – as a volunteer, advisor or event participant.

‘When I donated to LIN, I was already volunteering for the organization so I knew very clearly about the Narrow the Gap project and the donation was part of what we did for the project. The advantage, at that time, I did not need to know about the organization because I had first-hand experience . . . I preferred to give at the event, rather than online. Because, at the event, I would have more information about the potential grantees, their proposed projects and be able to feel more connected to their work.’

*Respondent #12*

‘I physically spent time in the programmes you provide and I found that: number one, you run very well in terms of focus on the topic and professional in terms of the way you run the event. So, I see a lot of value in the programme LIN introduced to the community.’

*Respondent #4*

‘I think LIN is making an impact with volunteers – even more than the impact LIN is making with NPOs. I met many people who started out volunteering with LIN. Whether they move on to support another organization or do something on their own . . . They have a clearer idea about what is good and what is effective giving versus short-term giving. I think that is an important impact [of LIN’s work].’

*Respondent #12*

### **Due diligence**

Four respondents said that a key factor in their decision to support LIN was their belief that LIN could demonstrate that it had capacity to do a good job. Capacity was defined by these individuals as having one or more of the following assets: a skilled or experienced team, financial capacity, professional networks, or professionalism.

‘LIN has a clear philosophy and principle of building local capacity . . . You seem to have established effective, positive working relationships with local counterparts of different kinds . . . This idea of empowering, trying to build capacity is what is needed.’

*Respondent #18*

‘I’m very satisfied with how LIN is organized and how it goes about its activities. To me, it is one of the best managed/professional NPOs.’

*Respondent #16*

Donors were asked what information, resources or referrals they sought out, if any, before deciding to contribute to LIN. A referral from a trusted friend or sector expert (such as an INGO, NPO, or development professional) was the assurance sought by over 44% of our respondents. Over a third of donors interviewed (38%), primarily representing institutions, said they engaged in a more elaborate due diligence process, such as an organizational capacity assessment. At least five donors; however, said their decision to contribute was based solely on their satisfaction with materials provided by LIN (e.g., content on LIN's website, LIN emails, LIN newsletters) or their communications with one or more LIN staff.

'I talked to my former colleagues as well as friends working in NGOs or in development. I recall meeting a woman in a training course who mentioned LIN so I went on the internet to learn more.'

*Respondent #2*

'I heard about LIN for a few years but I got the opportunity to really learn about LIN when I worked on a project to strengthen CSOs in Vietnam . . . At that time, I started to study about CSOs in Vietnam that were involved in supporting CBOs in fundraising and CSOs involved in community fundraising. Also, I talked with other CSOs and they referred to LIN as an organization I could trust.'

*Respondent #7*

'We look at the capacity of the organization, from systems to leadership, and we look for a vision that matches with [our] priorities. If an organization is brand new, we would do reference checks (for key staff and board members) and we might talk to community members and/or partners. Our OCAs [organizational capacity assessments] are not just one-off assessments. We may do an OCA every two years or whenever it is needed. The purpose of the OCA, in the beginning, is to help with decision making because we have to consider fiduciary risks and we have to make sure that we are satisfied that we share the same purpose/vision and have the capacity/potential to see that through

*Respondent #2*



Individuals from Ho Chi Minh City evaluate Narrow the Gap grant applications

## Resources

The founders of LIN were concerned about the lack of reliable sources of information and training for donors in Vietnam, and almost no resources available in the Vietnamese language. LIN's mission included support services to donors in Vietnam; however, in LIN's first few years the support services to donors were limited to involvement in the Narrow the Gap Community Fund, one donor exchange each year, and access to *ad hoc* consultations. Only recently, was LIN able to offer more targeted resources for the donor community, such as an online directory of local nonprofits and a donor advisory service targeted at companies.

Despite recent efforts to increase LIN's service offerings for the donor community, demand for these services is lower than anticipated. Moreover, feedback from 102 donors completing LIN's online survey in April 2016 revealed that donor support services were viewed as less important compared with nonprofit support services. Thus, the question remained, what type of resources do donors use when they engage in philanthropy or when they want to learn how to be a more effective philanthropist?

### What resources do you use to do good well?

	Number of donors <i>N</i> = 21
Pro bono advice from friends who are experts	7
I do my own research (i.e., Organizational Capacity Assessment, review of NPO website, books or articles on philanthropy)	7
First-hand experience	6
I ask my friends, colleagues, or family members	5
None, because I have no access to such resources	3
None, because this is not necessary/there is no time	3

The resources cited were limited to the donor's own experience, their personal and professional contacts, research conducted directly by the donor, or information that is available online or in books. Not one donor mentioned having participated in any form of training, workshop, webinar, or meeting for donors.

'And [because we have worked in NGOs before] we have expertise ourselves. So we are quite different from other donors. This can be an advantage. Whereas other people doing similar work in other embassy's in Vietnam may not have this type of background.'

*Respondent #2*

'From time to time I talk with some friends about our respective experiences with philanthropy. I am not so successful in talking with my family but I do talk with friends as we are on the same wavelength. My friends and I have a similar mindset, when it comes to giving. My husband is supportive of the way that I like to give back but my family in Vietnam tends to only think about giving as the need to give money to relatives in the countryside.'

*Respondent #6*

Interestingly, a few donors stated frankly that there is no need for such resources or no time to take advantage of them even if they were to be made available.

‘Donors usually don’t have the time to look for projects to donate to, the way we look for a job. This would only happen if I were a billionaire with a lot of free time. But in my case, I have to work and spend time with my family so I don’t have that luxury. I expect information to come to me, not the other way around. I get information mainly from newspapers and sources around me.’

*Respondent #13*

‘There’s little need to learn about these topics, one does not simply think about finding something on which to spend money and time. For example, people only offered help after reading about quán cơm nụ cười (the smile canteen) or the case of a person in a difficult situation as reported in a newspaper. There are few cases of people that go out looking for causes to support. Therefore, organizations must proactively create events to call for contributions.’

*Respondent #14*

## Resources contributed

Interview respondents were asked to talk about the resources they contributed to LIN, ranging from different types of unrestricted and restricted funding, services, and products. The table below details their responses:

### Donor support provided to LIN

Project funds	Funding for staff	Core funding <sup>15</sup>	Matching funds	Professional skills	Professional services	Personal time	Products	Equipment furniture
19	3	2	1	11	7	8	2	1

Project funds were the most common resource contributed to LIN by the donors interviewed. More than half contributed professional skills (e.g., advice or training for LIN or LIN’s NPO partners) to help build organizational or staff capacity. And just over a third contributed time (or staff time) and/or professional services, such as legal services, graphic design, and web management.

‘To date, I contributed my time and my professional expertise as well as financial resources to LIN. My law firm has a fantastic policy that we all must contribute 25 hours of pro bono service to the community each year. The firms that I worked for previously did not have that requirement . . . Hogan Lovell’s applies this policy to its entire staff. For lawyers it is more serious because we have to complete the time sheet accordingly.’

*Respondent #6*

<sup>15</sup> Core funding is ‘the working capital nonprofits need to sustain their day-to-day operations. Businesses generate working capital from investors and company profits; in the nonprofit sector it often comes from donors in the form of general operating support. The nonprofit organization can spend it on an array of expenses, including programme costs, salaries, administration, office expenses, technology, personnel training, fund raising, and marketing.’ (Action guide to general operating support, grantmakers for effective opportunities, 2007, page 6.)

'I support LIN's programmes by coaching other local nonprofits. However, I prefer to offer non-work related support to nonprofits as my professional work is stressful.'

*Respondent #11*

Institutional donors often mentioned that they supported capacity building of their grantees by engaging experts, conducting site visits, organizing peer-sharing events, or by conducting or funding an in-depth review of existing or draft laws and policies affecting nonprofit organizations.

'Our past grantees said they found our site visits to be strategic. It also helps all parties to build understanding about the context of the work.'

*Respondent #1*

'... [Our institution] provides a lot more support on monitoring and evaluation and performance management, results against targets – helping the grantee to articulate their project results. Over the past two years, we've done quite a bit of this ... I guess we did this for a selfish purpose – to see what [our institution is] achieving, but our net goal is to build the capacity of the organizations we fund.'

*Respondent #9*

'We also provide technical assistance to strengthen the CSO environment in Vietnam. For example, we might do an in-depth review of the laws and policies relating to CSOs and put forth recommendations.'

*Respondent #9*

## Core funding

### What is core funding?

'Flexibility. Predictability. Stability. The same words come up again and again in conversations among grantmakers and nonprofits about the benefits of general operating support. Two questions are at the heart of these discussions: How can grantmakers expect nonprofits to deliver on their missions when many of them are struggling just to stay afloat? How can grantmakers expect nonprofits to perform effectively when they don't have the funds they need to invest in decent salaries technology and other infrastructure?'<sup>16</sup>

The LIN team was interested to know how donors feel about contributing to LIN's operating costs, such as staff salaries, office rent, utilities, equipment, and other day-to-day costs to operate a nonprofit. Each interviewee was asked whether they have in the past and/or whether they would contribute to operational costs. The table on the following page summarizes feedback from the 21 philanthropists that were interviewed:

16 Source: action guide to general operating support, grantmakers for effective opportunities, 2007, page 11.



	No. of Donors <i>N</i> = 21
YES, I would fund operational costs	16
Yes, if the NPO proves that it is needed (i.e., demonstrates transparency, accountability and/or effectiveness)	7
Yes, if I was asked (I didn't know this was needed)	6
Yes, I already do this and I know this is important	4
Yes, if I had more funds to offer, I would support this	1

While only two of the donors interviewed contributed core funding to LIN, two others said they contributed core funding to other local nonprofits. Despite this low number, the majority understood the need and expressed a willingness to contribute to operational costs. Nevertheless, among the donors that were open to providing funds for operations, there were notable differences in how they approached the matter and what they viewed as acceptable.

More than a handful of donors said that LIN should let them know whenever they need support with operational costs:

'LIN did not advertise this need, nor did LIN ask for this, but I had conversations about this issue with a LIN staff member. I heard that LIN was having trouble paying staff what they deserved, that they were unable to move their office due to rental costs, etc. That is when I realized that this is a real need and I decided that I could help.'

*Respondent #6*

'... Our society still prioritizes donating directly to the disadvantaged, few have thought about contributing to a philanthropic organization to keep it running. We need a natural way of communicating to raise awareness and create consensus for this legitimate need. It will be difficult to persuade the average person. It may be easier to get knowledgeable people to understand... Vietnamese people often think that we are the disadvantaged group and that foreign aid will help Vietnamese NPOs and charitable organizations. This way of thinking is a hindrance to the progress of building a self-sufficient social system.'

*Respondent #14*

A third of donors interviewed said the organization would need to prove it is transparent, accountable and effective in order to be willing to contribute to operational costs. The required evidence ranged from the demonstration of programme impact to a budget breakdown and comparison of operational costs and programme costs.

'To differentiate yourself, I would put emphasis on why you do this work, how it is effective and how you can prove your accountability. Show you are more effective and more accountable, and then you can draw more consistent contributions because people will trust you. It is the whole issue of trust. Trust about accountability and effectiveness. Because, frankly, you may be driven by a world of good intentions but if you are ineffective, if you are wasteful, people will say that you are a nice person but you are not making the most of their money.'

*Respondent #18*

'I believe that a charity has to have operating costs but I want the costs to be clear . . . LIN should ask donors to contribute a percentage to overhead costs for contributions to any project. I don't mind that approach . . . It is just important that the NPO mentions – very clearly – on the programme what amount is going towards operating costs and how much is going towards programme costs. Or, another way to do this . . . LIN can say, 'we need US\$50,000 to operate LIN, who wants to donate?' I am happy to do that.'

*Respondent #4*

For other donors, there was uncertainty, discomfort or a perceived limitation to being able to contribute to a nonprofit's operating costs.

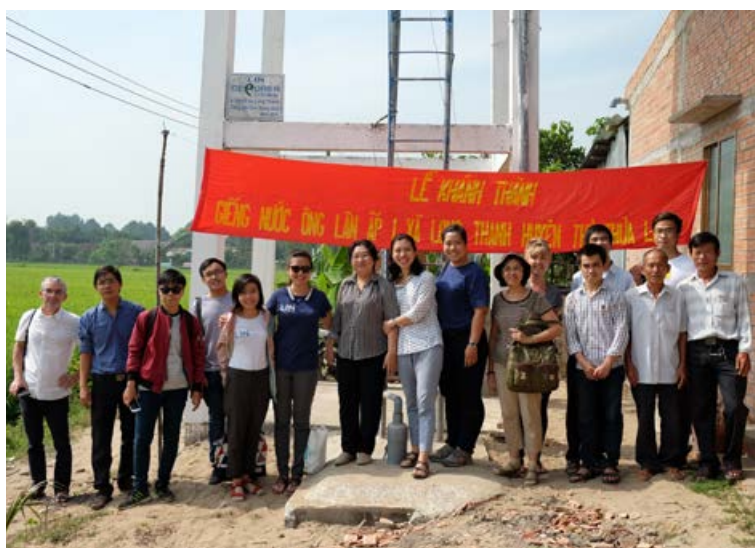
'We focus on building the capacity of the local people, we do not contribute to building the capacity of the NGO staff or the capacity of the NGO itself. I think we do not have a budget for capacity building for the NGO, except perhaps for the one project we supported via LIN.'

*Respondent #20*

One donor shared its struggle to make funds available to local nonprofits in Vietnam and their approach, which requires the local partner to accept more risk than usual:

'[Our organization] is exploring different types of grant mechanisms . . . Some of the requirements for a new organization to receive funds from [our organization] may cause a market entry barrier . . . We have one partner that receives a fixed amount award, where they provide a specific deliverable and we pay them for that. We don't ask them to go into their financial system and look at cost reimbursement on a very specific basis. So, the audit requirements are much less, both to make the awards quicker but also their need to comply with [our internal] requirements is much less for them. It's a different approach to manage risks. They take more risks for the deliverables so we won't reimburse them for their costs if they don't provide the product or the deliverable. I think most organizations, if they are competent in their business process, are willing to accept that risk if it means fewer financial regulations.'

*Respondent #9*



Local project leaders and Narrow the Gap donors in front of completed water tower, Long An Province, 2017

## Social capital

### What is social capital?

‘The central premise of social capital is that social networks have value. Social capital refers to the collective value of all ‘social networks’ (who people know) and the inclinations that arise from these networks to do things for each other (norms of reciprocity).’<sup>17</sup>

Clearly, referrals can be a key source of new supporters for LIN. In the online survey of LIN donors (April 2016), 63% said they came to know about LIN by way of a peer introduction. And, in follow-up interviews, the vast majority said that one of the key reasons they decided to contribute to LIN was because they received a positive recommendation from a friend or peer. Donors were then asked whether or not they are consciously trying to build social capital or if they would be willing to do so for LIN or for any of the local nonprofits they support. The table below summarizes their reaction:

### Do you help nonprofits build social capital?

	No. of Donors <i>N</i> = 21
Yes, I do	14
Yes, I would do this if the NPO asked me to	7
No, but I think NPOs should do this for themselves	3
I don't know	2

More than half of the donors interviewed said they helped LIN or other nonprofit partners to build their social capital. Some donors said they did this intentionally – to attract other potential donors or volunteers. Some said they did it reactively, only when their nonprofit partner asked them to make an introduction. And others said they did it without knowing they were doing it.

‘Normally, when I bring up NPOs, it is in the context of networking, talking with friends. I would introduce the topic, as it is a hobby of mine, something that I like to do in my free time. It is not a conscious decision on my part to spread the word [on behalf of that NPO]. Networking, meeting new people and sharing my hobbies is something I enjoy doing. Connecting people together and sharing what I do in my spare time, such as volunteering and philanthropy, is part of that.’

*Respondent #12*

While three of the donors interviewed said they had contributed matching funds to local NPOs in the past, only one contributed matching funds to LIN. The matching funds, in that particular case, were designed to help LIN attract funding from local sources.

17 Source: [www.Hks.Harvard.Edu/programs/saguaro/about-social-capital](http://www.Hks.Harvard.Edu/programs/saguaro/about-social-capital) (retrieved 2016-10-25).

## How matching funds helped LIN build social capital

Since LIN was established in 2009, a handful of foreign donors supported LIN's goal to build local support for our work by offering matching grants, including:

- **Respondent #2** A Hong Kong based donor that was interested to learn about NPOs working on education in Vietnam offered to triple all funds raised by LIN towards the Narrow the Gap Community Fund for Education in 2014. The donor's participation in LIN's Narrow the Gap Campaign for Education exposed them to over 30 NPOs working to improve access to education; meanwhile helping LIN to raise more funds than ever before by tripling every donation contributed to the fund.
- **Global Fund for Community Foundations (GFCF)** GFCF was the first organization to offer a matching grant towards LIN's Community Fund (before it was called *Narrow the Gap*). That matching grant, in 2012, gave the LIN team confidence and a clear goal to attract cash and in-kind support from individual and corporate donors in Vietnam. Although our cash contributions in 2012 did not add up to our goal, the value of in-kind contributions was much higher than anticipated, which helped to reduce our overall programme costs. GFCF later informed LIN that it valued in-kind contributions just as much as cash contributions, which meant that we exceeded our original funding target.
- **Irish Aid, Embassy of Ireland in Vietnam** Instead of seeking the full amount of funds sought for the Narrow the Gap Community Fund, LIN asked Irish Aid to contribute a matching grant. It was mutually agreed that it would be better to give LIN up to a certain amount for small grants to make sure that LIN continues to work to build local support for the Community Fund. It was also a conscious effort by LIN to avoid becoming too dependent on one donor, which Irish Aid understood.

Each year, LIN organizes public events, awareness raising campaigns on social media, and engages people online and offline to help select grantees for the Narrow the Gap Community Fund. These activities were designed to strengthen and build social capital for LIN and for LIN's nonprofit partners. Many of the donors interviewed said they understood this and would either buy tickets for friends, encourage friends to buy tickets, participate in one or more of LIN's online campaigns (e.g., raise your hand for education, 100greendays, Doing Good Together), and encourage friends to vote for the best grant proposal.

A few donors highlighted the importance of social capital but suggested that nonprofits should build social capital for themselves. A couple of donors mentioned that they had contributed funds towards projects or activities that were designed to build social capital. Quite a few institutional donors hosted one or more convenings of stakeholders, which gave nonprofits an opportunity to build social capital. There were also a couple of donors that were unsure how to help nonprofits build social capital.

'The Asia Foundation uses social capital as a measurement of the success of its funded projects . . . For example, when [an association's] members are willing to pay for services that is an indicator of progress. Another related indicator would be their success with fundraising.'

*Respondent #5*

'This was encouraged through the project itself. We also provided various opportunities for grantees to network with each other and also with

government agencies. We encouraged every project to connect with the professional sector (lawyers, justices, bar associations).'

*Respondent #3*

'The NPO should recognize the social capital created by its own operation, for example the growth and success of its volunteers. If they can make it known to the community, the organization will attract more contributions from the community in the form of participation in the organization's activities.'

*Respondent #14*

'This is a new area for us . . . We are looking at how to measure this. I don't know if we have come up with a clear definition of social capital to have everyone on the same page . . . Is it the availability of local resources? Is it public participation in different issues and causes? . . . We've started, notionally, toying with the idea of how to measure outcomes through some sort of public opinion survey.'

*Respondent #9*

## Satisfaction with LIN's impact

LIN's goal is summarized by its tagline: *helping local people meet local needs*. LIN works towards this goal by connecting people in the same community, fostering public trust, and promoting a culture of philanthropy.

Do donors understand the objectives LIN is working to achieve? To what extent do donors think LIN is making an impact on one or more of these objectives? Each donor was given a table containing ten objectives that LIN is working to impact. Donors were then asked to indicate whether, and to what extent, LIN was making an impact on one or more of these objectives. A summary of their responses is provided on the following pages:



Ho Chi Minh City residents evaluate Narrow the Gap project proposals, 2016

## Donor perceptions of LIN's impact N = 17<sup>18</sup>

	Large or very large	Moderate or small	None	Don't know
Build the capacity of local nonprofits	14	3	0	0
Improve relations between nonprofits & philanthropists	12	3	0	2
Build connections between nonprofits & philanthropists	12	4	0	1
Build community assets	10	5	0	2
Build trust in the community	9	7	0	1
Attract resources from local funders	8	4	1	4
Advocacy and participation of local people	7	9	0	1
Raise awareness about community philanthropy	7	10	0	1
Change the policies and practices of philanthropists	7	8	0	3
Support marginalized communities	6	9	0	2

In the online survey of 102 donors, nonprofit capacity building was perceived by donors to be the most important service LIN provides. And the donors interviewed also recognized the impact made by LIN to build the capacity of local nonprofit organizations. Donors giving the highest scores said they were in contact with nonprofit beneficiaries of LIN. Donors that gave lower marks commented that LIN is already doing a good job but could still do more (e.g., offer more coaching and mentoring rather than training).

'All the nonprofits that I've spoken with know and respect LIN.'

*Respondent #4*

'I see improvements in the knowledge and awareness, attitudes and organizational development skills of many nonprofits in LIN's network.'

*Respondent #7*

LIN was also perceived to be improving relations and building connections between nonprofits and philanthropists in Vietnam citing first-hand experience or feedback from other nonprofit organizations. One institutional donor said LIN has played a key role in improving the culture and practices of giving and volunteering in Vietnam. One respondent clarified that although she could see the relationship improving, she does doubt whether philanthropists and nonprofits are ready to work together without LIN's support.

'I think you did a good job in improving the relations but what I really expect to see is, after what LIN did in connecting, that they were able to work directly together without having LIN to push or to facilitate. I am not sure whether LIN can do that. I met some nonprofits there that the donors are still involved more because they trust LIN and not because they believe that the nonprofits are fully competent to work with them.'

*Respondent #7*

18 Note: Only 17 of the 21 philanthropists interviewed completed this table.

Donors recognize that LIN is building community assets, trust and resources, although the impact is not viewed as strongly compared with LIN's efforts to build the capacity of nonprofits. Donors felt that LIN's reach is limited, either to the south, to Ho Chi Minh City, or to the people in LIN's direct network. As such, a few donors felt such impacts may be short-lived. Interestingly, a couple of donors (one in Hanoi and one in Ho Chi Minh City) said that it appears to them that LIN receives very little local support. And most of them suggested that LIN increase and improve its marketing and communication efforts in order to increase local resources.

When it came to advocacy, raising awareness about community philanthropy, and improving policies, donors acknowledged past efforts while many voiced the belief that LIN could do more. There were donors that felt LIN's network is still limited in terms of numbers and geographic reach and others who suggested that LIN could produce more or improved reports, case studies or articles.

'Relating to attracting resources from local funders . . . If LIN can not only raise funds but also try to communicate for this and take efforts to build a culture of giving among the community, among local people. The impact would be larger . . . You match many donors to NPOs but I hope to see the case or documentation of successful stories and more sharing about the case so that we can learn from that.'

*Respondent #17*

By supporting nonprofits, donors, and volunteers, LIN believes it can make a positive impact on the marginalized communities they support. Donors; however, found it much more difficult to observe the effect of LIN's intermediary role in supporting marginalized communities. Some offered suggestions for how LIN could better support marginalized communities, such as conducting outreach activities to vulnerable communities.

'LIN should have many small organizations or programmes. [When] there are many programmes we can figure out the social needs. Many communities are in deadlock, but they do not know that they need to gather and call for help. LIN should find these communities and vulnerable groups [and bring them] to the public's attention.'

*Respondent #14*



LIN donors exploring the neighbourhood and water system during site visit to Long An Province, 2017

## Unmet expectations

LIN asked its donors about unmet expectations and suggestions for improvement. The most common response was linked to increasing or improving communications. Donors advised LIN to share more information about LIN's work, the work of our nonprofit partners, and the impacts of this work on marginalized communities. They suggested LIN could help others understand the role and importance of community philanthropy and volunteerism by publishing more stories, case studies, and lessons learned that make people think and better process the information. And a few donors asked for better financial reporting.

### More external communications (events, marketing, story-telling)

'LIN could be more publicly visible in its work, such as the model of the United Way. LIN could be pulling together NGOs and companies via galas and other events, like AmCham [the American Chamber of Commerce in Vietnam] does, and raise even bigger amounts of funds.'

*Respondent #5*

'LIN has a very grassroots focus. LIN goes out and asks for support from friends, people in our personal networks and volunteers. It is all through our network. It is very focused on LIN's network and limited in its scope. If LIN can invest money, or resources, to focus more on how to promote LIN and LIN's brand, the organization can do so much more.'

*Respondent #16*

'LIN should speak for itself more frequently, in a natural way. LIN should also speak about the achievements of LIN's people, current or former, to make donors recognize the ongoing growth. The donors should also recognize that with every one dollar contributed, there is a value of three dollars created: one for the beneficiary, one for the NPO and one for the participants. A profitable investment makes donors feel more comfortable.'

*Respondent #14*

'LIN should let people know more about LIN . . . LIN should have a story telling how LIN's work benefits the community. Outside of LIN's circle, few people know about LIN, so we need a story to let individuals and corporates know more about LIN . . . LIN has to show people how their donations help the communities. There were reports but they didn't catch the donors' attention. These reports need to be improved and/or more frequent so that people can see that the contribution of an intermediary, like LIN, can make a positive indirect impact on the community.'

*Respondent #10*

### Talk more about LIN's impact

'LIN should make me feel that the activities of the NPOs are ongoing. For example, there should be a weekly update about NPO's new ideas and current projects. At the moment I only see this activity from LIN once a year, it should be more regular.'

*Respondent #8*



‘Show me the clear, specific impact and results in your work to motivate me more.’

*Respondent #15*

‘I have not seen much tangible products or case studies to communicate about LIN’s achievements. I know, personally, that LIN did many things well but I would like to see the evidence and also the publication about that so [we and other CSOs in Vietnam] can learn and also benefit from it. Some organizations, can use this as evidence to advocate for an enabling environment for CSOs in Vietnam.’

*Respondent #17*

‘What difference is [LIN’s work] making down the line? You cannot always see the difference. So, maybe trying to think more about how the impact can be measured and reported upon to help people understand the progress that is being made at an impact level – talk about the real changes that have been made.’

*Respondent #2*

### ***Enhanced analysis in narrative reports and stronger financial reporting***

‘LIN could do more with its donor communications. For me, there is a trust relationship going on so I don’t need that much information. I trust that my contribution will be used well. However, I think that if LIN is receiving funds from a range of people, including people that don’t know LIN well, many of them would appreciate better communications. Some donors may want a report that details how you used the money they donated.’

*Respondent #6*

‘From what I remember, your reports were clear enough . . . But, a report can do more . . . The report should be able to tell the reader whether the organization is serious about accountability or doing just lip service. Second, whether the organization sees reporting as a good opportunity to evaluate the action, the outcome, and to self-evaluate.’

*Respondent #18*

‘Sometimes the newsletter covers too many things so it would be good to detail the “highlights.” Perhaps you can include a section that provides a high-level summary of the contents.’

*Respondent #19*

### ***Stronger financial reporting***

‘LIN’s auditors and staff participated in our workshop on this topic and were quite confident about the requirements. But, in the end, the report does not meet [our] requirements so we have to do this again. I hope we can improve our communications in this regards. I hope we can avoid unnecessary double work for LIN and [our] team.’

*Respondent #2*

In addition, our contacts suggested a number of other areas for improvement, including:

- Offer more ways for donors to get involved in LIN's work (two responses).
- Host a larger, more public event for the community, like a festival, that is fun and can help raise more awareness among the general public (two responses).
- Collaborate with nonprofits in the north (two responses).
- Focus on LIN's institutional development and share that experience (two responses).
- Make it easier to give to LIN (one response).

'I wish that LIN can make it easier for people like me to give. Is there an easier way? For example, some donations can be paid on a monthly basis. I can just order my bank to do this automatically.'

*Respondent #7*

- Be more inclusive of all types of civil society (one response).
- Engage more in policy advocacy (one response).
- 14 Services is probably too many, try to focus (one response).
- Engage with the youth and social responsibility (one response).
- Gain the trust of government, this will help attract corporate support (one response).
- Meet more frequently with corporations to identify synergies and build long-term partnerships (one response).
- Conduct more research about community needs (one response).
- Process of grantee selection still allows for people to choose based on emotions rather than potential impact (one response).

### **Improving communications with donors**

In-depth interviews with nearly two dozen donors presented the LIN team with an invaluable opportunity to better understand the needs of donors and also to identify and, in some cases, to address misunderstandings from the past. Two examples are presented below:

#### **Example 1: Managing expectations**

'[W]ho is the person who connects with the companies to raise funds for LIN? I am not sure if this person is really good. When you shared different opportunities for collaboration, it was neither relevant nor close to Intel's priorities. What I think the fundraising manager should do is to meet offline, and share one another's plans. That way, the nonprofit and the company can stay in close touch to identify future opportunities for "win-win" collaboration.'

*Respondent #20*

This feedback offered the interviewer a chance to clarify that LIN never had a fundraising manager, let alone a fundraising officer, due to insufficient general operating support. It also offered LIN a reality check and recognition that its reliance on pro bono

volunteers was affecting its ability to build productive relationships with its donors and donor prospects.

### Example 2: Miscommunication

‘Normally, when a donor organizes a capacity building programme or sharing session it is both the right and responsibility of grantees to participate because we pay for staff [salaries]. So, I remember when a LIN staff was asked to attend a training, we negotiated a reimbursement for that staff to attend the training. No [other grantee] ever asked us to pay for his or her staff’s time and expenses to attend one of our trainings.’

*Respondent #3*

During the interview, the donor posed this comment as a question to LIN to which she responded that LIN was not sure how to complete the donor’s budget template, which was presented in an unfamiliar format. LIN calculated the number of staff hours that would be required for the project and calculated the hourly rate for each staff, basing that rate of each staff member’s respective salary. During and after project implementation, the donor ‘invited’ a member of LIN’s management team to attend or present at various meetings with other grantees. Most of those events took place in Hanoi or another location outside of Ho Chi Minh City. LIN’s participation in these events was not anticipated and therefore unaccounted for in the approved project budget. For this reason, LIN asked the donor to cover the costs for LIN staff members to participate. Needless to say, the LIN team was worried when the donor expressed disappointment with LIN for making this request. But, how else would LIN be able to cover these expenses?



Narrow the Gap community event linking environment-focussed nonprofits with potential donors, 2015

## The future

The last set of questions to each interview respondent focused on the donors' future giving priorities. Responses varied from a detailed strategy for sustainable community development to simply stating one or more causes or nonprofits the donor intends to support. A summary of responses is detailed in the following table.

### Future Giving Priorities N=21

	# Donors
Community philanthropy (build capacity or ecosystem for stronger nonprofits, philanthropists, and communities)	12
(Access to) Education	6
CSR/Shared value initiatives	5
Environment (protection)	4
Volunteer opportunities	2
Demonstrate impact	2
Children's issues	2
Disadvantaged populations	1
Disaster relief	1
Engage in charity with friends	1
Health (issues)	1
Newborns	1
Projects that serve large communities (e.g., bridges, schools)	1
Social enterprise	1
Urgent issues	1

Encouragingly, more than half of the donor's interviewed mentioned priorities that resonate closely with one or more characteristic of community philanthropy, such as investing in local capacity to solve local problems and supporting an ecosystem for local philanthropists to do good well. These respondents mentioned the need to move beyond traditional philanthropy; the desire to improve networking and communications by nonprofits with philanthropists and/or government; or the need to form strategic partnerships in order to make a bigger impact. Many of these donors specifically stated their intention to continue supporting LIN, or one of LIN's programmes.

There were big differences among donors in terms of how much thought they put into their giving strategies. While some shared a defined strategy, others offer only a general idea of what they might like to do.

'We hope [our giving] will be more about identifying key drivers of change who can make a difference in the poorest communities. And, because of our limitations in terms of capacity to reach out to new and small groups, we would need to partner with networked organizations to help us do that.'

*Respondent #2*

'In general, the way we are working with our partners now will not change . . . We want to strengthen participation so that we are more integrated in the planning and monitoring process. We want to hear more from the target beneficiaries . . . We want to find partners that are really able to make change and not just doing something they think is making a change.'

*Respondent #2*

'I will prioritize projects that can bring about real change, not just awareness, and those that allow me to participate in the experience . . . People will value experiences that give them a chance to learn something.'

*Respondent #8*

'When helping people, I will prioritize urgent cases. When contributing to projects, I prioritize ones that serve large communities (for example, by building a bridge or helping children) . . . I don't go out looking for information about such projects or cases. If I receive a request for support, I help as much as I can if I am persuaded and informed [about the need].'

*Respondent #13*

All of the donors interviewed were asked if they would continue to support local nonprofit organizations and if there was to be any difference in their support to local versus international nonprofits. Only the nonprofit donors we spoke with appeared to have a clear intention to focus more, if not entirely, on supporting grassroots initiatives. For the other donors, the decision to support local versus foreign nonprofits would depend on their impression of the need, cause alignment, and/or the quality of the proposed solution.

'We have no guidelines [as to whether we need to support local versus international NGOs]. It depends on the proposals. If we receive good proposals, and they link well with our priorities, there is no reason to reduce/increase the number of grants to local nonprofits.'

*Respondent #20*

'It takes more for me to trust a local NPO compared to an INGO. I need to know the organization well. If I have a connection, I am willing to donate to a local organization . . . Since I give to many different local NPOs, it turns out that I actually give more to local NPOs than the total amount that I give to INGOs; however, I am only willing to give small amounts to each local NPO that I support.'

*Respondent #16*

'I support both international and Vietnamese organizations. I like organizations that offer a good, transparent management system, including clear financials and a good reporting system about their projects and beneficiaries. I tend to like to see the reports that have specific beneficiary stories.'

*Respondent #7*

Two donors spoke about the lack of infrastructure for amplifying giving in Vietnam. One spoke about the difficulties in the process of making a donation while the other spoke about the barriers to attracting monthly contributions.

'It seems that people tend, already, to give more but they still don't know much about NGO work. That's why they tend to get lost in terms of getting an intermediary, like an NGO, to do it. They want to do it directly by themselves on a very small scale. We don't yet have, or we have very few mechanisms, that are known to people and trusted by people to invest in, especially a mechanism to make a monthly (or regular) donation. I used to think about this, a monthly mechanism (contributing VND 2 million to VND 4 million every month). But we need a trusted mechanism and an organization that will do what it says it will do with the funds.'

*Respondent #3*

Limited civil society space and strategies around that was mentioned by a handful of donors when asked about their future giving priorities. One donor spoke about the need for donors, particularly foreign donors, to support nonprofits in building their own space. Another donor spoke more specifically about the government's reluctance to partner with, or allow donors to partner with, local nonprofits.

'All norms and paradigms and theories [about civil society in Vietnam] have changed. In particular, for LIN, which works with both registered and non-registered NPOs. There is a need to support an ecosystem . . . It is not the role of foreign donors to open space. It is about how those donors work with civil society to [help them] create their own space. Look at the youth; the youth are creating their own space online and offline that is just for them . . . For NPOs, they need to come together and talk about what kind of space they want to create. It is not a space that goes beyond the control of the government but it is a space where people feel comfortable and complementary . . . Where they come to meet and work together.'

*Respondent #1*

'One challenge we face is the requirement to have a counterpart, which is usually a government agency, and sometimes the counterpart is not keen on partnering with local organizations. That has sometimes been a barrier. Even finding the right structure to work with MOLISA [Ministry of Labor, Invalids and Social Affairs], which is very invested in disability programmes, but not so interested to partner on a programme with a DPO [a disabled people's organization] that is working in a specific province . . . In most countries, Official Development Assistance (ODA) goes to a country but in Vietnam it goes to the government only, and they do not formally recognize the value of the private sector or local nonprofit organizations in the development process . . .'

*Respondent #9*

Several donors were already thinking about their approach to giving and the interview questions provoked them to share their ideas and concerns. Concerns varied from: how to move from traditional to modern philanthropy; whether or not to focus only on programmes that are scalable; how to demonstrate and translate impact at the grassroots level for global leaders; and, what is and how to measure social capital.

'[Our organization] is challenged by whether or not there is a need for our partners to scale up their programmes. Should they strive to be able to offer their programmes nationally or should they focus on creating a solution that

is truly local, which cannot be replicated elsewhere? We, like our partners, are also challenged by the requirement to demonstrate impact. We are supposed to aggregate results from different partners working in different ways, which can be very difficult. But we all recognize the need and we all want to be accountable for the money that we spend in Vietnam.'

*Respondent #1*

'This is a new area for us . . . We are looking at how to measure this. I don't know if we have come up with a clear definition of social capital to have everyone on the same page . . . Is it the availability of local resources? Is it public participation in different issues and causes? . . . We've started, notionally, toying with the idea of how to measure outcomes through some sort of public opinion survey.'

*Respondent #9*

'I think Vietnamese philanthropy is both old and new . . . Buddhist, Catholic, Christian charity should all be encouraged to move to philanthropy and not just remain circumscribed in charity. This is part of the broader work that I do to try to move Vietnam into the modern world and build up a sustainable civil society by empowering as many people as possible.'

*Respondent #18*



The face of Vietnamese philanthropy? A 'LIN oi, Where Am I Going?' event, 2016



The GFCF works with individual community foundations and other local grantmakers and their networks, particularly in the global south and the emerging economies of Central and Eastern Europe. Through small grants, technical support, and networking, GFCF helps local institutions to strengthen and grow so that they can fulfill their potential as vehicles for local development and as part of the infrastructure for sustainable development, poverty alleviation, and citizen participation.



The LIN Center for Community Development (LIN) is a Vietnamese, not-for-profit, science and technology organization, legally established in 2009 as a support center for local not-for-profit organizations, skilled volunteers and donors who seek to promote equal access to opportunities and an improved quality of life for all people in Vietnam. LIN's services include management of a community fund, nonprofit capacity building, NPO & pro bono volunteer matching, philanthropy advisory services, networking, as well as resource and information sharing. For more information, please visit LIN's website at: [www.LINvn.org](http://www.LINvn.org).

#### **About the author**

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