



Snapshot: Covid-19 & grantmaking going forward in Southeast Asia and Hong Kong

Insights slide deck
February 2021

JUSTCAUSE

Objectives and key questions:



MAIN OBJECTIVES

- To support Firetree Philanthropy (who commissioned this,) as they reflected on different Covid-19 philanthropic responses and look forward to 2021. This is part of Firetree's continued learning work. This snapshot was conducted by Just Cause
- As a resource to help inform conversations among Singapore and Hong Kong-based funders looking to reflect on response(s) to Covid-19 and/or adapt their grantmaking practices in 2021 (and beyond)



KEY QUESTIONS

-
- How have private and corporate funders in Singapore and Hong Kong adapted their grantmaking in response to Covid-19 and how have non-profits experienced different funder responses?
 - What are the needs and challenges for effective grant partnerships going forward?

At a glance: one-page summary of key insights across the whole snapshot:



Key Questions:

How did the funders we engaged with adapt their grantmaking in response to Covid-19?

And how did the non-profits we engaged with experience different funder responses?

What did those non-profits and funders say are the needs and challenges for effective grant partnerships going forward?



>80% of funders surveyed reported allowing project timelines and goals to shift and provided additional funds to grantees, far fewer (41%) unrestricted their funding. Smaller non-profits and those with local boards were less likely to experience increased flexibility from their funders



Beyond the type of support, defining features of helpful funder responses were: speed, clarity, authenticity and ongoing responsiveness. So, *how* funders behaved was important, as well as *what* they did



Going forward, non-profits most wish funders would continue to provide additional funds (especially so for larger non-profits) and unrestricted funding (especially so for smaller non-profits)



While non-profits' top challenges for 2021 relate to managing *existing* grant partnerships (managing funder expectations and understanding whether their current funding was secure), funders' top challenges relate to finding *new* partners



The most common advice from non-profits to funders to better support non-profits going into 2021 is:

- 1) engage non-profits in conversations about needs, challenges and opportunities
- 2) continue to be responsive to change; and
- 3) offer unrestricted, longer-term funding

Scope of this project:



In scope

A snapshot focussed principally upon private and corporate funders* based in Hong Kong and Singapore (including: private trusts & foundations, family offices, CSR and corporate foundations) with a portfolio including Southeast Asia and Hong Kong

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Data and insights from non-profit and funder perspectives, drawn from selected interviews and dipstick surveys

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Aggregate insights shared via a small, online discussion with funders, a slide deck and shared publicly via a series of simple blog posts



Out of scope

All grant funders in Asia and individual philanthropists

.....

Academic research with in-depth analysis

.....

Producing a detailed, public-facing written report

*See definitions slide. Where another type of organisation was engaged with as part of the interview process for this snapshot, it was for wider contextual understanding and/or because they had been mentioned repeatedly by other interviews as having relevant insights for this

Methodology and limitations:

Methodology: A mix of non-profit and funder perspectives drawn from short surveys and selected interviews:

Funders and intermediaries



32

Funders surveyed* (anonymous)

- 47% SG based / 41% HK
- 56% private / 32% corporate



10

1 hour interviews (anonymised):

- 8 funders based in HK & SG with a track record of flexibility with their non-profit partners
- 2 intermediaries with a strong understanding of the philanthropic landscape in Asia

Non-profits

45

Non-profits surveyed* (anonymous)

- 18% SG / 18% HK + other countries in Southeast Asia
- 56% smaller / 44% medium-large

9

1 hour interviews (anonymised)

- Covering a range of non-profits by type & size across 5+ countries*
- A focus on organisations with strong capabilities and a track record of partnerships with funders

Limitations: This snapshot focuses on specific profiles of funders and non-profits, which may not be representative of the sector more broadly. It was conducted in a short timeframe in December 2020 with small sample sizes and respondents 'opted-in.' **This deck is designed to simply share anonymised data / insights from the rapid snapshot in the hope that this might be useful for others in prompting reflection, rather than to be robust academic research with in-depth analysis -so please keep these limitations in mind when reading it.**

**Funder surveys were produced in English & Chinese. Non-profit surveys were produced in English, Chinese, Thai & Khmer. Smaller non-profits interviewees that are not funded by Firetree received a small payment for their time. For more detailed survey profiles, please see the appendix.*

Key insights (part 1 of 2)

How did the private and corporate donors in Hong Kong and Singapore we engaged with adapt their grant-making in response to Covid-19?

How have the non-profits we engaged with experienced different funder responses?

Key insights at a glance: summary of key insights from this section:



How did the funders we engaged with adapt their grantmaking in response to Covid-19?

And how did the non-profits we engaged with experience different funder responses?



100% of funders surveyed reported allowing grantee project timelines and goals to shift; >80% reported providing additional funds to grantees; far fewer (41%) reported unrestricting their funding



Smaller non-profits and those with fully local boards reported being much less likely to experience additional or unrestricted funding

How

Defining features of helpful funder Covid-19 responses were: speed, clarity, authenticity and ongoing responsiveness

In 2020, many private and corporate funders we spoke to mobilised additional funds, invested in capability building and adapted their practices to respond rapidly:

Snapshot of funder responses to Covid-19

Common themes from funder interviews



Emergency relief & matching funds

"We did PPE and food in HK - a real, urgent problem because of the economic consequences of the pandemic"

"In HK, social enterprises had cash flow problems- we set up a revolving loan fund to support 6 SEs together with other donors"

"We walked around the rental flats at the start of circuit breaker to find out who are the volunteer groups that are active on the ground that need support"



Investments in capability building

"...training on fundraising, impact management, marketing to help get through the rest of the year"

"Fellowship Program ...leveraging on communication & networking amongst NGOs to help them address issues in a more timely manner"



Adapting grantmaking processes for rapid response

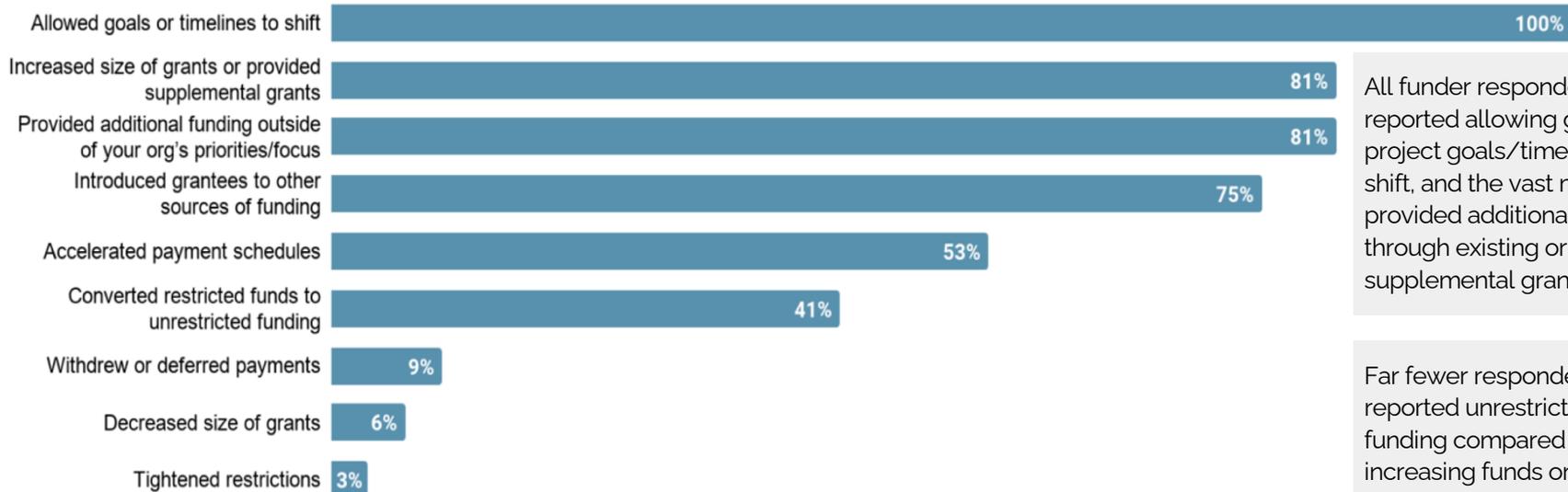
"We had for the first time an open application for emergency finances. There was a speedy response by trustees & a quick vetting process to provide NGOS with timely support"

"...3-5 day turnaround with the board giving approvals via WhatsApp"

Our funder survey suggests that, while all funders reported allowing project timelines and goals to shift and many provided additional funds, far fewer unrestricted funding:

What actions did your organisation take with your portfolio of grantees in response to Covid-19?

(%, All funder survey respondents (n=32) that took this action with **some, most or all** of grantees)



All funder respondents reported allowing grantee project goals/timelines to shift, and the vast majority provided additional funds through existing or supplemental grants

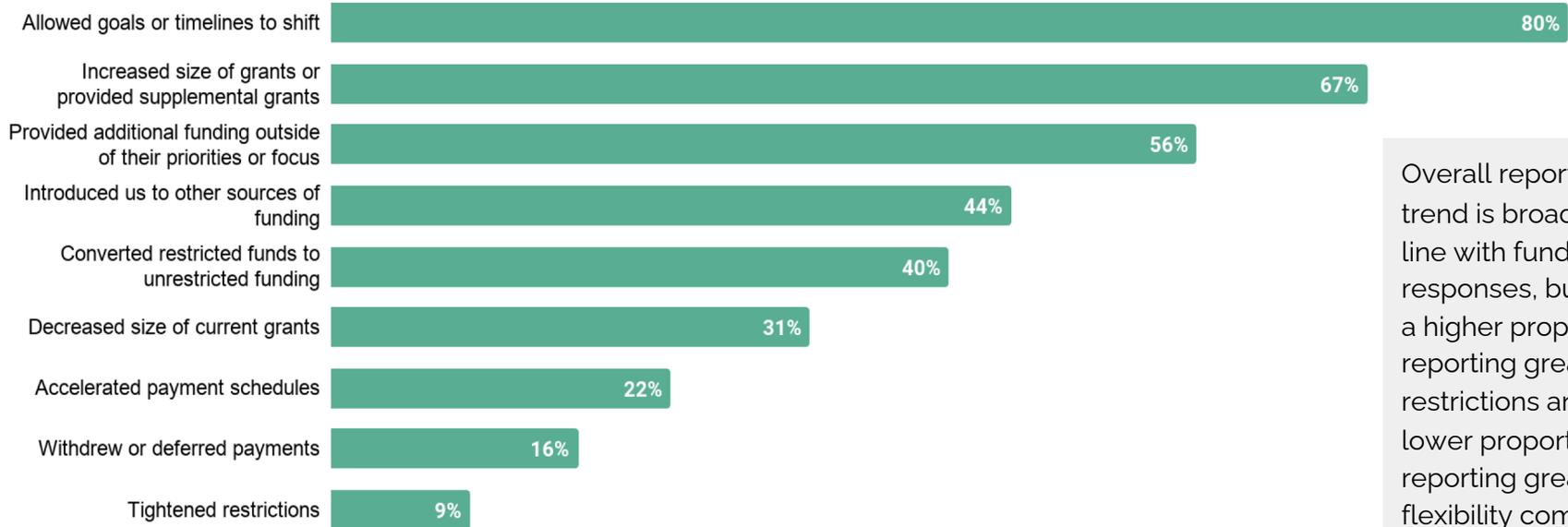
Far fewer respondents reported unrestricting funding compared to increasing funds or allowing goals / timelines to shift. Only a minority of funders reported tightening restrictions or reduced funding

Note: Self-reported actions from funders and respondents selected from a list of potential actions. For a definition of unrestricted funding and tightened restrictions, please see the appendix.

This is broadly in line with what non-profit survey respondents said they experienced from their funders, with some differences:

Thinking about your funders that are trusts and foundations, what actions did they take in response to Covid-19?

(%, All non-profit survey respondents n=45 that experienced this action from **some, most or all** of funders)



Note:

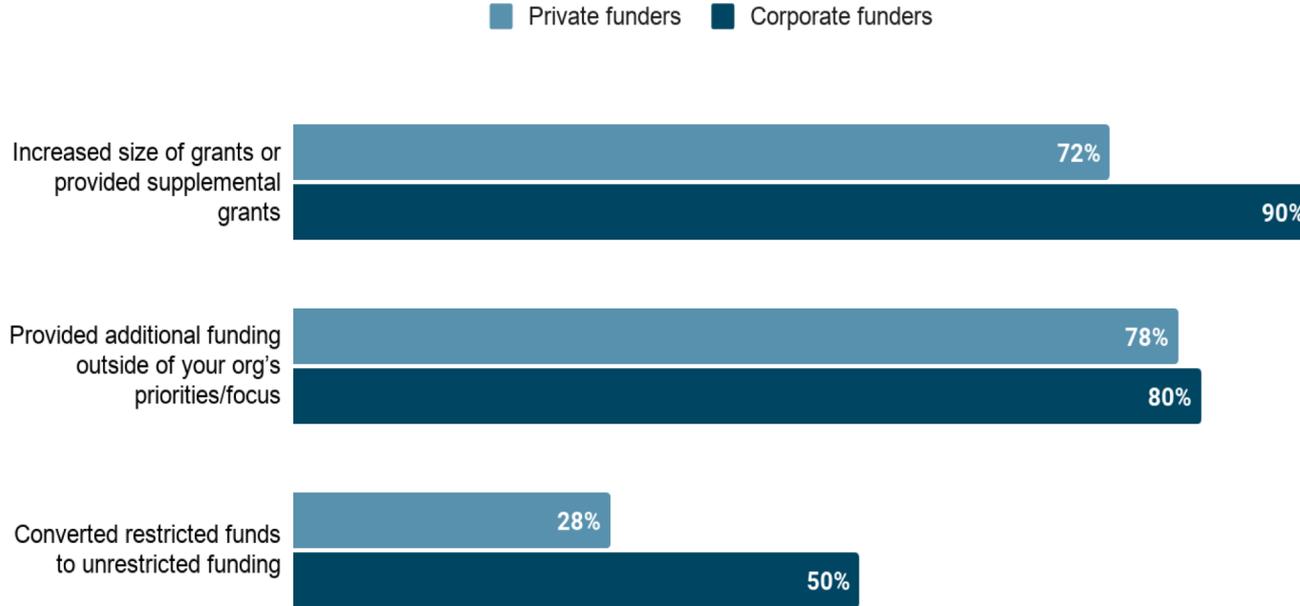
Please note this is not a direct crossover with funder survey respondents from the previous slide i.e. while some non-profits surveyed are funded by some of the funders surveyed, this is not a direct match and there are non-profit respondents not funded by any of the funders surveyed. It therefore just reflects the broad experience of the non-profits surveyed. Respondents selected from a list of potential actions

Overall reported trend is broadly in line with funder responses, but with a higher proportion reporting greater restrictions and lower proportion reporting greater flexibility compared to the funder survey – please see the note box though.

Our survey found corporate foundations and CSR appeared more likely to increase and unrestrict funding compared to private foundations, trusts and family offices:

What actions did your organisation take with your portfolio of grantees in response to Covid-19?

(%, corporate vs private funder survey respondents that took this action with **some, most or all** of grantees)



Corporate foundations and CSR appeared more likely to provide additional / supplemental funding and unrestrict funding, compared to private foundations, trusts and family offices

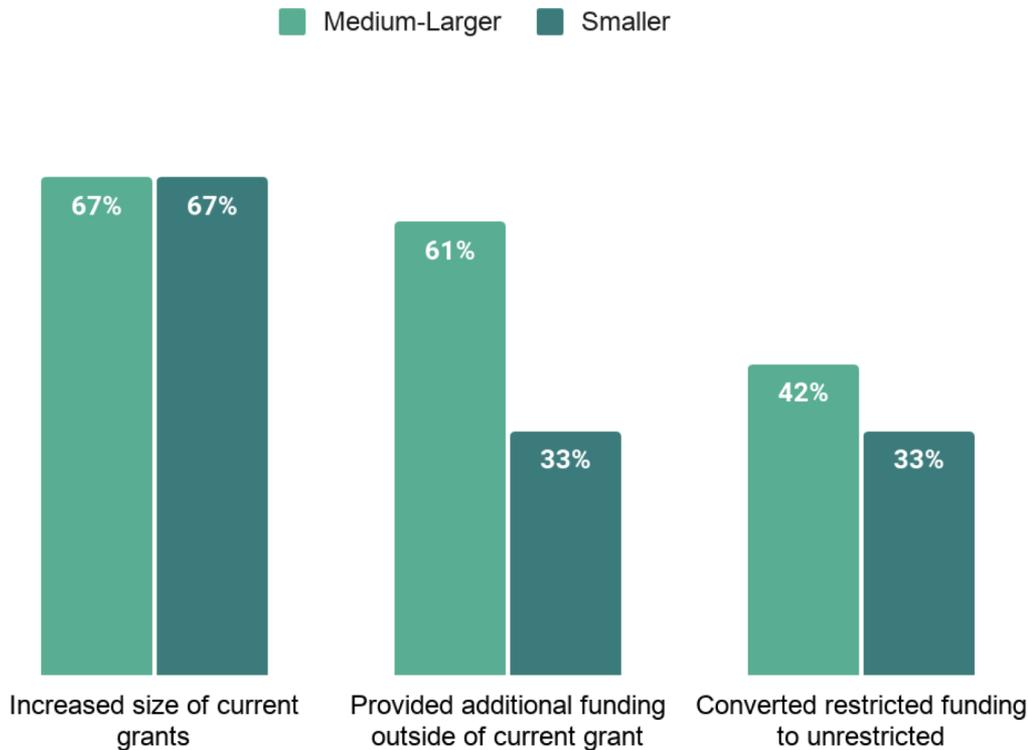
There was little geographic variation between funders - segmenting by Singapore vs Hong Kong-based funders revealed very similar response levels between the two

Note: Respondents selected from a list of potential actions. Please see appendix for how private and corporate funders were defined

From the non-profit perspective, we found smaller organisations were much less likely to experience additional funding outside of current grants or unrestricted funding:

Thinking about your funders that are foundations and trusts, what actions did they take in response to Covid-19?

(%, by size of organisation)



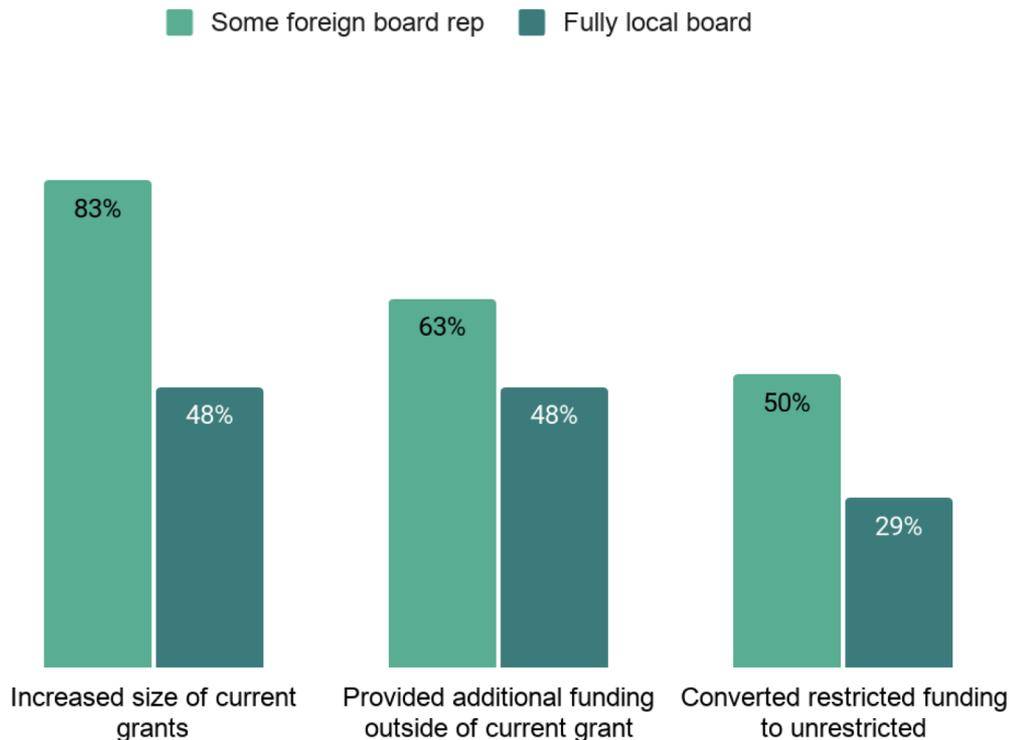
'Smaller:' defined for the purposes of this as non-profit organisations with less than or equal to 20 FTE

'Medium-larger:' defined for the purposes of this as non-profit organisations with more than 20 FTE

Non-profit organisations with a fully local board also reported being much less likely to experience increased size of current grants, additional or unrestricted funding:

Thinking about your funders that are foundations and trusts, what actions did they take in response to Covid-19?

(%, by level of local/foreign representation on boards)



'Fully local board': for the purposes of this, defined as non-profit organisations where 100% of the board is from the countries/communities where they work

'Some foreign board rep:' for the purposes of this, defined as non-profit organisations where not all the board is from the countries/communities where they work

Please note; non-profits defined this for themselves, so different non-profits may have defined local / foreign slightly differently (see definition slide for more details.)

This matched what we heard in our interviews about locally-led, grassroots organisations struggling to access funds:

Selected quotes from non-profit, funder and intermediary interviews

"Very local grassroots organisations are suffering."

"Some local non-profits deliberately hire 1 or 2 foreign staff to do the grant paperwork and make connections to donors."

"What is the final goal- is it to empower the local community & people who have limited opportunities? If they switch the focus [to funding local grassroots organisations], it could make a huge impact for locals to do things themselves. There's a double impact in supporting local grassroots organisations - supporting beneficiaries in the community and supporting NGO staff to be stronger"

"[For local funders] it's based on their connection to local communities &.... Chairman, in difficult times you help your friends."

"Cambodians are not good at selling themselves, there's a culture difference. How can donors know about our work if we always listen?"

"[Funders] don't know who are the local grassroots organisations most in need...they're not listed in HKCSS..."

"Local organisations, including my own, our background is usually in social work so there may be no willingness or capacity to do networking for fundraising. Our strength is in advocacy & direct services."

When we asked “what Covid-19 response from funders was helpful and what was not?”, what we heard was not just what was done by funders, but how it was done

We asked non-profit interviewees, “What Covid-19 response from funders was helpful and what was not?” (common themes and selected quotes from non-profit interviews)

	Helpful	Not helpful
Speed	“Speed meant we launched an unconditional cash transfer programme in weeks, it took the EU programme over 6 months to launch something similar.”	“It’s a bit late in the day, 2 months after COVID, to say it’s OK to move budget lines.”
Authenticity	“[Our donors] offered emotional support, encouragement & genuine care....when donors stand by you, it’s very motivating.”	“With some donors it felt like their outreach and flexibility was a check the box exercise...they did it cause they had to.”
Clarity	“The donor came forward and we agreed a set time extension in order to achieve the project objectives.”	“When a donor says, “we can flex the KPIs, but please try to meet them” - what does that mean?”
Ongoing adaptability	“We’re now making deep investments in building crowdfunding and digital capabilities...we need our donors to support us with these longer term changes too.”	“We’re still in the eye of the storm [when it comes to Covid]...we need our donors to continue to be flexible as we respond.”

Key insights (part 2 of 2)

What are the needs and challenges for grant partnerships going forward?

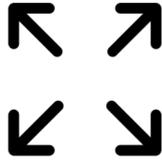
Key insights at a glance: summary of key insights for this section:



What did the non-profits and funders we engaged with say are the needs, and challenges for effective grant partnerships going forward?



In aggregate, non-profits we surveyed most wish funders would continue to provide additional funds and unrestricted funding, but less than half of funders we surveyed intend to do that in 2021



Smaller non-profits appear to value unrestricted funding over additional funding, whereas larger non-profits appear to value additional funding over unrestricted funding



While non-profits' top challenges for 2021 relate to managing existing grant partnerships (i.e. managing funder expectations and understanding whether their current funding was secure), funders' top challenges relate to finding new ones



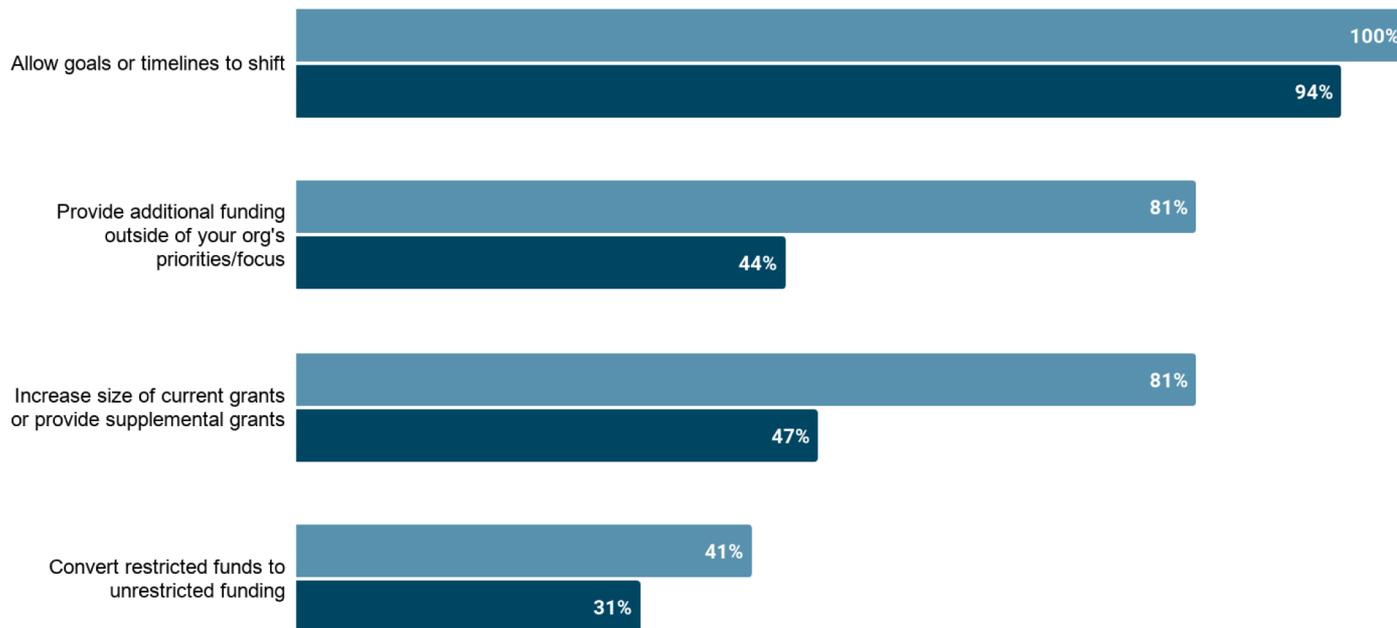
The most common advice from non-profits to funders about how to better support non-profits going forward:

- 1) engage non-profits in conversations about needs, challenges and opportunities
- 2) continue to be responsive to change; and
- 3) offer unrestricted, longer-term funding

Looking forward, most funder respondents report that they intend to continue allowing goals to shift, far fewer intend to continue to provide additional funds:

What actions did you take in response to Covid-19 vs. what do you intend to maintain with your portfolio of grantees in 2021?

(%, All funder survey respondents n=32)



- Action taken in response to Covid in 2020
- Action intend to maintain in 2021

Most funders intend to continue to allow project goals and timelines to shift

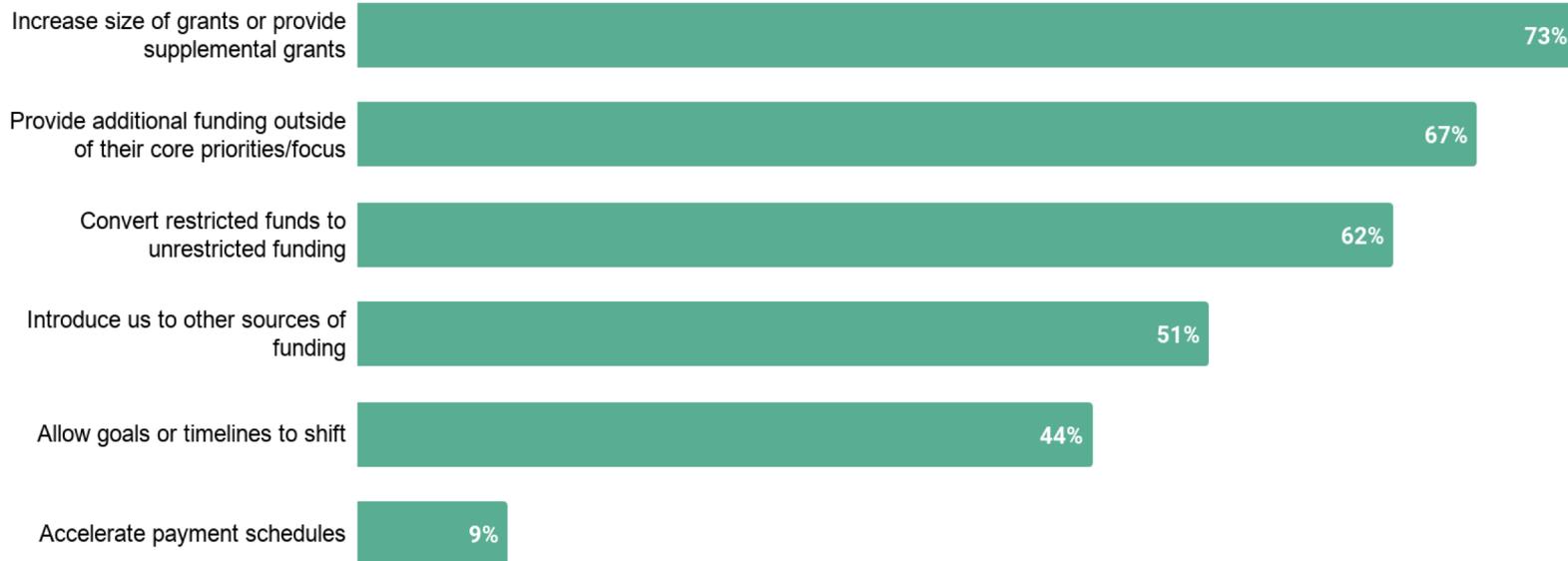
There is a sharp drop in the proportion of funders offering additional or supplemental funding in 2021, compared to 2020

Even though far fewer unrestricted funding, most funders who did unrestrict funding plan to continue

Looking forward from the non-profit perspective, most non-profits wish funders would continue to provide additional types of funding and unrestricted funding, perhaps unsurprisingly:

Thinking about your funders that are trusts and foundations, what actions taken in response to Covid-19 do you most wish that they maintain in 2021? (select top 3)

(% of all non-profit survey respondents n=45)

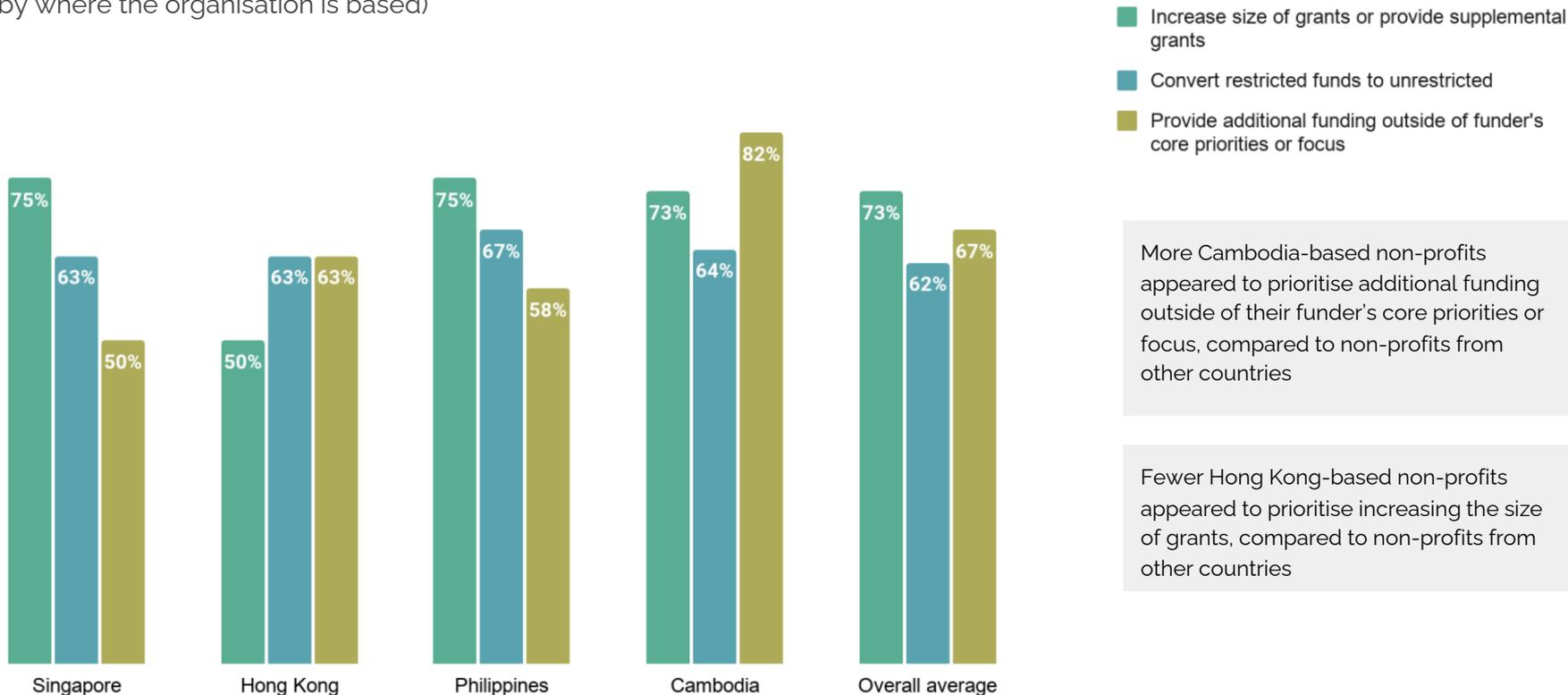


Note: Respondents selected from a list of potential actions.

There was some variation in survey responses across geographies in terms of which practices non-profits most wish funders would maintain in 2021:

Thinking about your funders that are foundations and trusts, what actions taken in response to Covid-19 do you most wish that they maintain in 2021? (select top 3)

(by where the organisation is based)



More Cambodia-based non-profits appeared to prioritise additional funding outside of their funder's core priorities or focus, compared to non-profits from other countries

Fewer Hong Kong-based non-profits appeared to prioritise increasing the size of grants, compared to non-profits from other countries

Our survey found smaller non-profits appear to value unrestricted funding more vs. larger organisations, which appear to value larger amounts:

Thinking about your funders that are foundations and trusts, what actions taken in response to Covid-19 do you most wish that they maintain in 2021? (select top 3)

Smaller non-profits defined as ≤ 20 FTE
(ranked as a % of small non-profit respondents, n= 25)

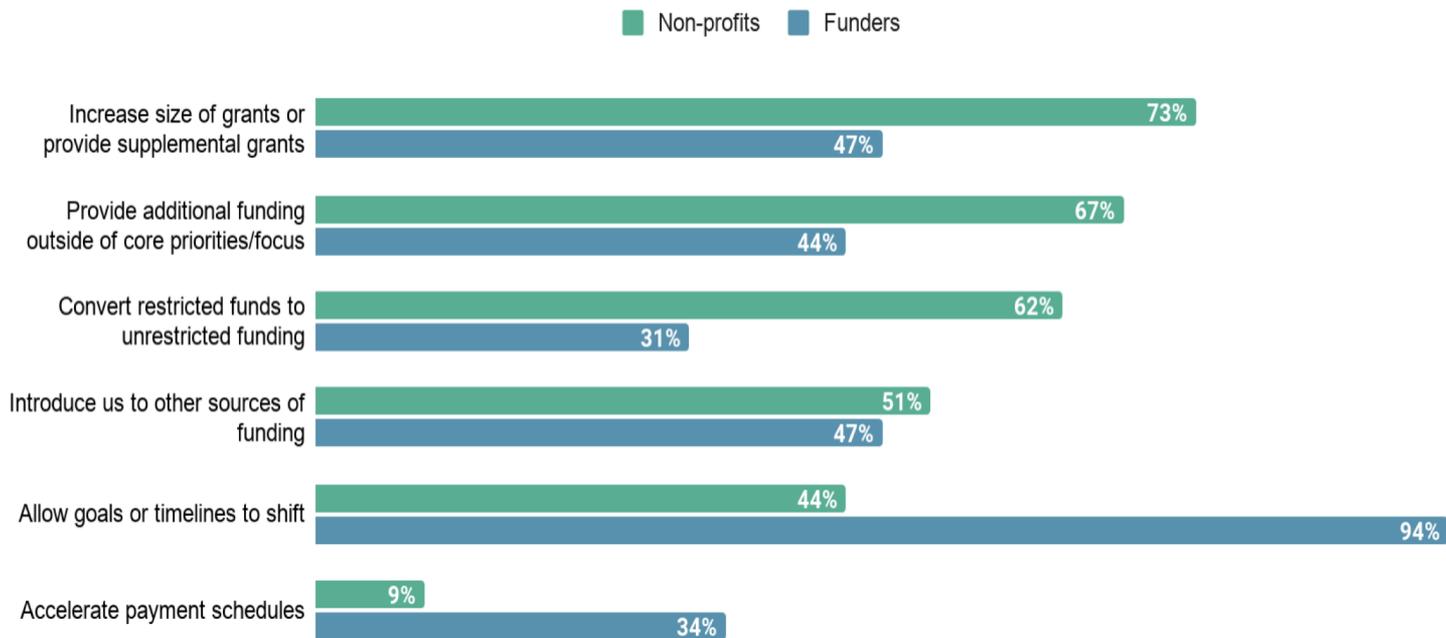
- 01 **Convert restricted grant funds to unrestricted funding (76%)**
- 02 **Provide additional funding outside of their core priorities or focus (68%)**
- 03 **Increase size of current grants or provide supplemental grants (64%)**

Medium/larger non-profits defined as > 20 FTE
(ranked as a % of medium/large non-profit respondents, n= 20)

- 01 **Increase size of current grants or provide supplemental grants (85%)**
- 02 **Provide additional funding outside of their core priorities or focus (65%)**
- 03 **Convert restricted grant funds to unrestricted funding (45%)**

Comparing which practices funders intend to maintain and which practices non-profits most wished they did, reveals some clear differences:

What actions did you take in response to Covid-19 vs do you intend to maintain with your portfolio of grantees in 2021? (% of all funder respondents n=32) vs Thinking about your funders that are foundations and trusts, what actions taken in response to Covid-19 do you most wish that they maintain in 2021? (select top 3, % of all non-profit respondents, n=45)



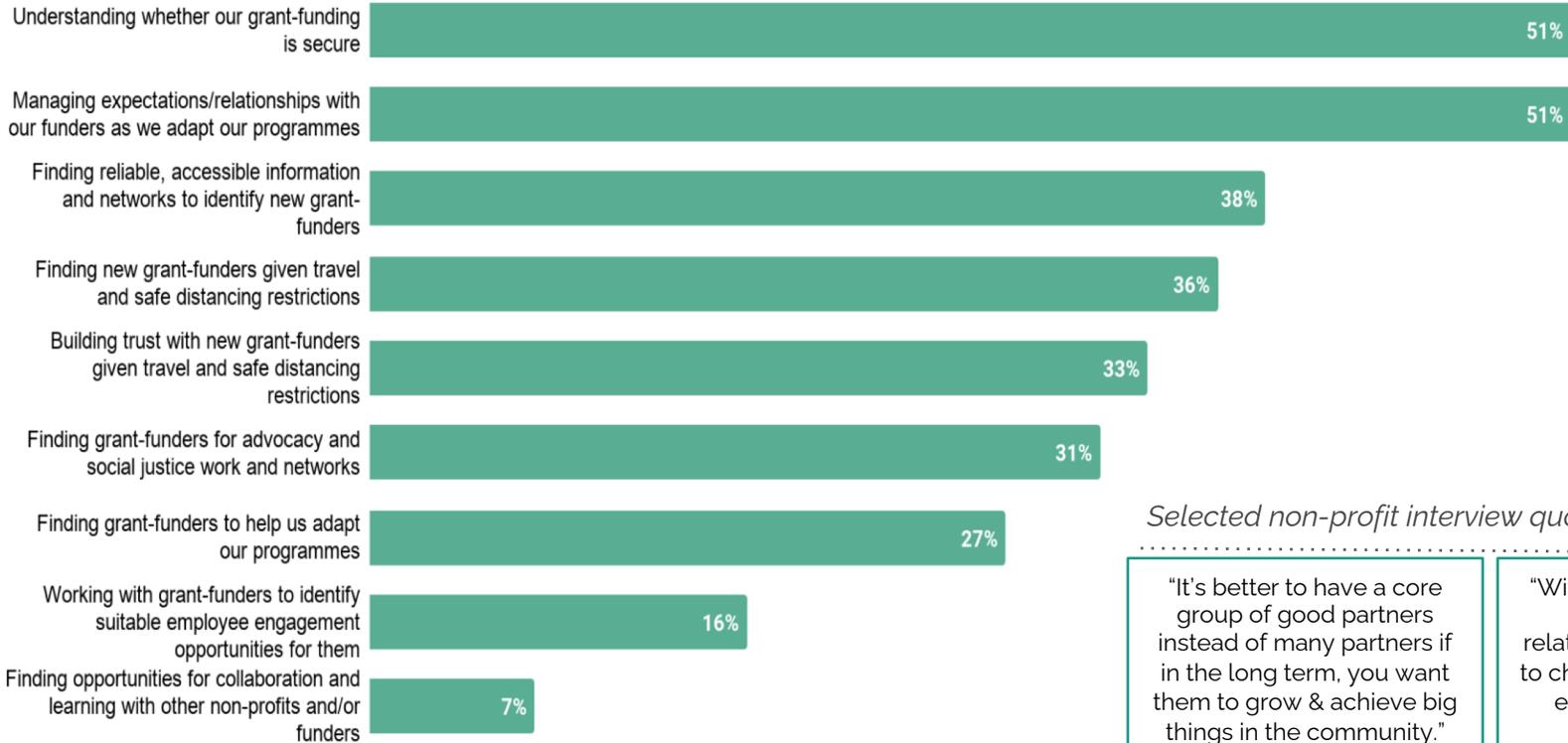
Increasing size of existing funding, providing additional funding outside of a funders core priorities and unrestricting funding were the changes most non-profits wished were maintained in 2021, but less than half of funder respondents report intending to maintain these

Almost all funders report intending to continue to allow project goals and timelines to shift, but less than half of non-profits selected this as a top wish

Note: Non-profit respondents selected top 3 wishes from a list of potential actions, funder respondents selected all applicable actions from a parallel list. As before, there is not a direct crossover between funder respondents and non-profit respondents – i.e. non-profit respondents are not necessarily funded by funder respondents. The graph shows top 6 results.

Going in to 2021, top challenges reported by non-profits we surveyed relate to managing relationships with existing funders:

When it comes to managing partnerships with foundations and trusts, what do you foresee as your top three challenges for 2021? (select top 3) (% of all non-profit respondents n=45)



Managing expectations and relationships with funders and understanding whether their funding is secure were the two most commonly cited challenges for non-profits going into 2021

These challenges related to managing existing relationships with funders featured more highly than finding new funding sources, although this clearly does feature.

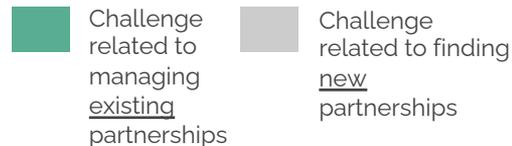
Selected non-profit interview quotes

"It's better to have a core group of good partners instead of many partners if in the long term, you want them to grow & achieve big things in the community."

"With the time it takes to establish relationships, it's better to channel resources to existing ones and double down."

Note: Non-profit respondents selected top 3 challenges from a list

Comparing top responses from non-profits and funders, shows that while non-profits' top challenges relate to managing existing partnerships, funders' relate to finding new ones:



Non-profits

When it comes to managing partnerships with foundations and trusts, what do you foresee as your top three challenges for 2021? (select top 3) (% of all non-profit respondents n=45, showing top 3 cited responses only)

01 Managing expectations as we adapt our progs (51%)

02 Understanding whether our funding is secure (51%)

03 Finding info and networks to identify new funders (38%)

Funders

When it comes to managing partnerships with grantees, what do you foresee as your top three challenges for 2021? (select top 3) (% of all funder respondents n=32, showing top 3 cited responses only)

01 Building trust with new grantees (47%)

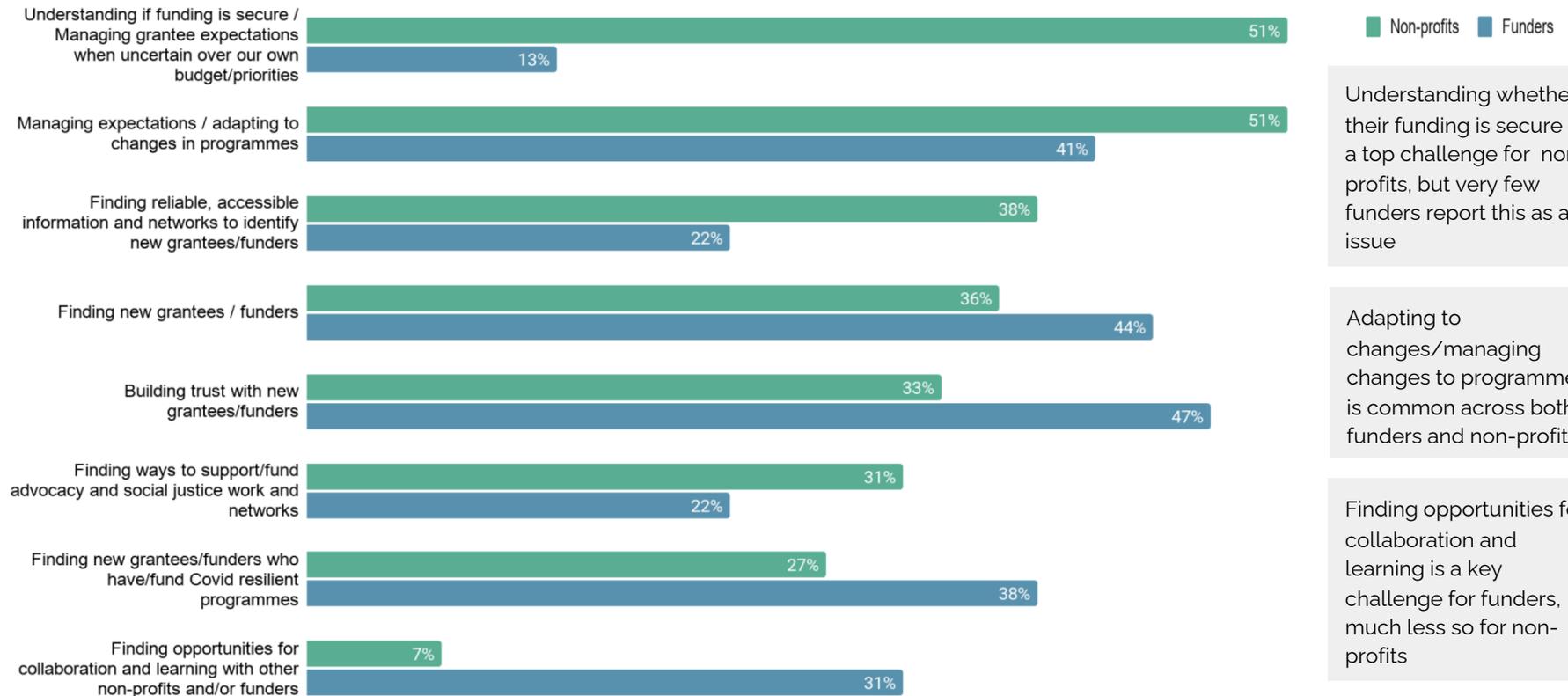
02 Finding new grantees (44%)

03 Adapting to changes in our grant partners' progs (41%)

A more detailed comparison between non-profit and funder survey responses, highlights some important commonalities and distinctions in challenges:

Top challenges in managing partnerships for all surveyed non-profits and all surveyed funders in 2021 (select top 3)

(Funder respondents n=32 vs non-profit respondents n=45)



Understanding whether their funding is secure is a top challenge for non-profits, but very few funders report this as an issue

Adapting to changes/managing changes to programmes is common across both funders and non-profits

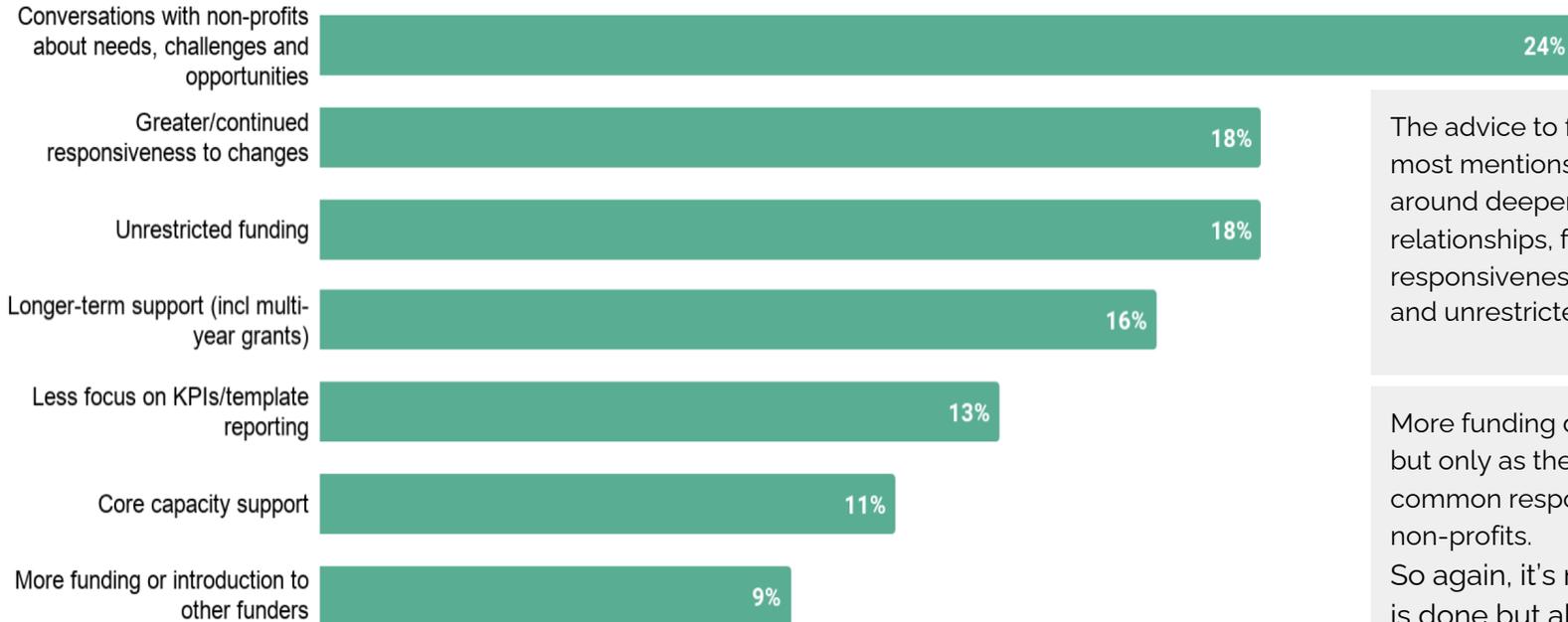
Finding opportunities for collaboration and learning is a key challenge for funders, much less so for non-profits

Note: Respondents selected top 3 challenges from a list of potential challenges. Funder respondents selected all applicable actions from a parallel list. Included above are the main challenges - i.e. ones which represented more than 20% for funders and/or non-profits.

We asked non-profits their advice to funders to help them better support non-profits in the future; the most common advice focused on engaging in conversations:

What is the one piece of advice you would give to your funders that are foundations and trusts to help them better support non-profits in the future?

(Coded responses from free text response, % of all non-profit respondents who mentioned this response, n=45)



The advice to funders with most mentions centred around deepening relationships, followed by responsiveness to change and unrestricted funding

More funding does feature, but only as the 7th most common response from non-profits. So again, it's not just 'what' is done but also 'how,' with communication as a central theme

Note: Respondents provided free text response

Here is what the non-profits we surveyed said about their advice to funders to help them better support non-profits in the future...(1 of 2:)

Advice to funders that are foundations and trusts to help them better support non-profits in the future
(top 4 common themes from non-profit survey + selected quotes from non-profit interviews and survey)

Conversations about needs, challenges and opportunities

"Focus on brief 30-45 minute phone calls with your grantees where you actively discuss the opportunities that the organization sees."

"Engage them in conversations about their strategic vision and how they want to grow."

"Just give us a call and find out how we're doing."

"Engage with non-profits to understand operational challenges and flex the project guidelines and goals in line with the social mission of the funder."

"Have regular feedback sessions to know the groundwork."

"Schedule a call without requiring a presentation or report- just to check in on what's happening, how we are doing."

Greater / continued responsiveness to changes

"Because COVID-19 is so unpredictable it has been very difficult for us to know what we will be able to do, and when we will be able to do it. We have appreciated funders who have been willing to let us adjust our goals and plans."

"Once trust has been fully established, keep the same flexibility and openness as shown during COVID-19."

"Provide long-term strategic support that is flexible to the changing situation and needs."

"Funders should help the non-profits to survive by allowing goals or timelines of current grants to shift and letting them convert the current funds to need-based plans in order to respond to the need."

Here is what non-profits we surveyed said about their advice to funders to help them better support non-profits in the future...(2 of 2)

Advice to funders that are foundations and trusts to help them better support non-profits in the future
(top 4 common themes from non-profit survey + selected quotes from non-profit interviews and survey)

Unrestricted funding*

"I think that 2020 shows you what type of organizations you are supporting. If you are impressed with how they are responding, you should probably consider trusting them more going forward. This means you should probably consider unrestricting your grants and changing reporting."

"Unrestricted funding is essential to any non-profit and is the foundation of our work."

"Trust their non-profit partners. Give them the flexibility to spend on what is needed most--even if that is staff costs."

Longer term support

"It will be great if they could provide multiple-year funding even though it is a small amount rather than the large amount but only one year."

"Provide more multi-year grants. 3 years would be a good time frame. Saves time for both the grantee and the funder in terms of the application and the due diligence process, but also allows for a deep check-in every 3 years."

"If funders can stick with their non-profit partners to ensure continuity, then we will have a more professional industry & not always creating new orgs that will need to invest in infrastructure."

"[My advice]...to not believe that they should not fund beyond 3 years because it will cause dependency on them...as soon as they stop, we will spend a lot of time, work and energy to seek another partner ...Long term, trusted relationships with key donors helps us to make lasting mind set changes in the communities. It takes a lot of time do do this!"

*Please see definitions slide for how we define unrestricted funding.

Thank you

Please note, as Just Cause agreed with interviewees, we have not included a list of the funders and non-profits interviewed in this deck.

However, we would like to take this opportunity to sincerely thank them for their time and insights. This deck will be shared with all of them.

If you have any questions from this slide deck or would like to share any learning from your own organisational experience / reflection on some of this, please do feel free to reach out to Nicky Wilkinson at Firetree Philanthropy (nw@firetree.org.)

Appendix I: Definitions & survey profiles

Definitions:

Unrestricted funding: for the purposes of this snapshot, unrestricted funding is understood as funding that a non-profit can decide to use for any purpose/expenses in the service of its mission, including general operating & core capacity support.

Tightened restrictions (slide 9): on current grants includes placing further restrictions on how the funding is spent and the reporting requirements for managing the grant

Funders: when we refer to 'funders' in the deck, we are referring principally to the two main types of philanthropic funder we were interested to explore more on; 'private funders' and 'corporate funders' – see below.

Private funders: private family foundations, private trusts and family offices providing grant funding to non-profits

Corporate funders: corporate foundation and corporate social responsibility (CSR) providing grant funding to non-profits

'Fully local board' (slide 13): non-profit organisations where 100% of the board is from the countries or communities where the non-profit works. Please note, as per slide 13, 'local' was self-defined by the non-profits. So there may be some variation in this. For example, some respondents may have interpreted 'local' as board members from the communities they work in, others as from the countries they work in

'Some foreign board representation' (slide 13): non-profit organisations where not all of the board members are from the countries or communities where the non-profit works. The same note as above applies to this definition in that non-profits self-defined 'some foreign board representation.'

Definitions:

Non-profit: We are aware that this term can be used differently in different contexts. For the purposes of this snapshot, 'non-profits' are understood as legal entities (independent from government) that have a social mission and are governed by a board of trustees / directors. These legal entities have no shareholders and are not allowed by law (and by their governing charters) to distribute dividends and profits to directors, trustees or any other ultimate beneficiary.

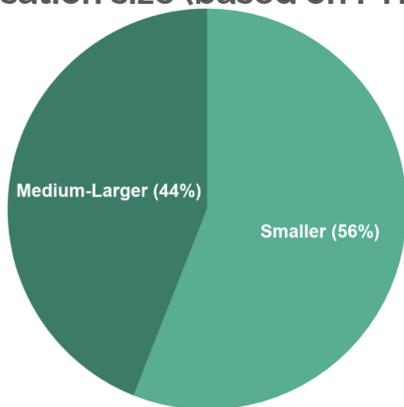
This includes, for example, charities, societies and Institutions of Public Character (IPC's) (in the Singapore context,) companies limited by guarantees, associations registered under the Societies Ordinance and Charitable Trusts (in the Hong Kong context,) non-stock, non-profit entities (in the Philippines context,) Yayasan's (in the Indonesian context) and non-governmental organisations (NGO's) (in the Cambodian context.)

Non-profit survey profile (n=45) and interviewee countries

Organisation based

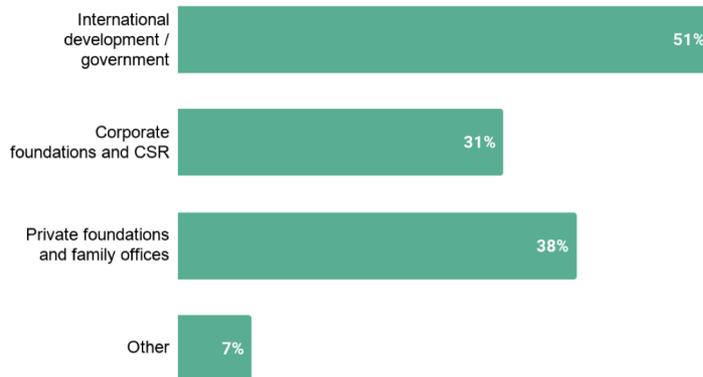


Organisation size (based on FTE)

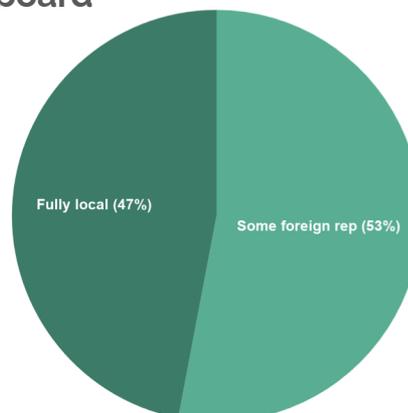


Smaller: non-profit organisations with less than or equal to 20 FTE
Medium-larger: non-profit organisations with more than 20 FTE

Primary funding sources (based on top 2 sources of funds)



Profile of board



Fully local board: 100% of the board is from the countries/communities where non-profit works
Some foreign board rep: not all of the board is from the countries/communities where non-profit works

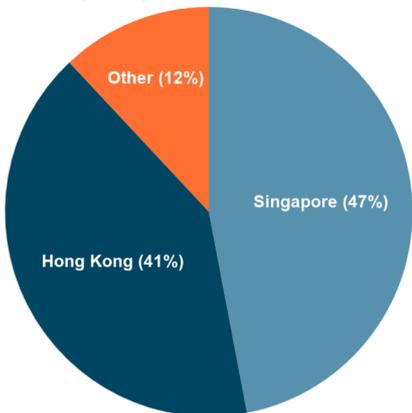
Non-profit interviewees:
 Below is a list of the countries in which the interviewed non-profits are based and working:

- Cambodia – 3 non-profits based & working solely in Cambodia
- Indonesia – 1 non-profit based & working solely in Indonesia
- Singapore – 1 non-profit based & working solely in SG
- Singapore & Malaysia – 1 non-profit working across both countries, based in SG
- Philippines – 2 non-profits based & working solely in PH
- 1 non-profit working across 5 Southeast Asian countries

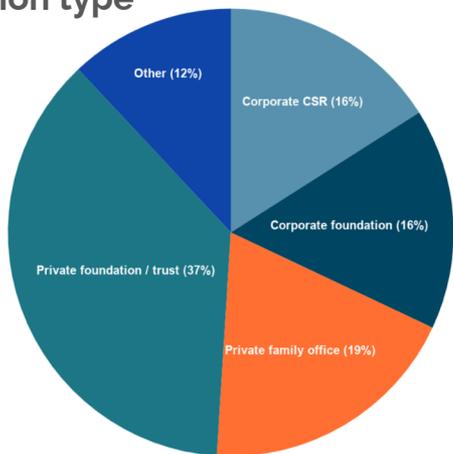
Thanks to the HK-based non-profits who shared their insights informally too

Funder survey profile (n=32)

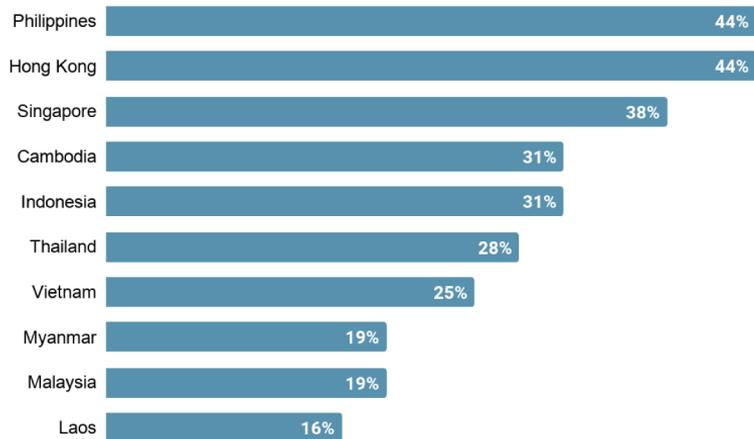
Organisation based



Organisation type



Location of grantees



Organisation size (by FTE)

