

**Review of Funding from the General Public in Germany for the
Tsunami Relief Operations**

The opinions presented in this study are those of independent external experts and do not necessarily reflect the views of the Federal Ministry of Economic Cooperation and Development

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Abbreviations

AA	Auswärtiges Amt
ADH	Aktion Deutschland Hilft e.V.
BGB	Bürgerliches Gesetzbuch (German Civil Code)
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
Care	CARE International Deutschland e.V.
Caritas	Deutscher Caritasverband e.V.
Diakonie	„Diakonie Katastrophenhilfe“ des Diakonischen Werkes der EKD e.V.
DRK	Deutsches Rotes Kreuz e.V. (German Red Cross)
DWHH	Deutsche Welthungerhilfe e.V.
DZI	Deutsches Zentralinstitut für soziale Fragen
GTZ	Gesellschaft für technische Zusammenarbeit und Entwicklung
HGF	Hermann-Gmeiner-Fonds Deutschland e.V. Verein zur Förderung der SOS-Kinderdörfer in aller Welt
InWEnt	Capacity Building International, Germany
KfW	Kreditanstalt für Wiederaufbau
KNH	Kindernothilfe e.V.
MISEREOR	Bischöfliches Hilfswerk MISEREOR e.V.
MSF e.V.	Médecins Sans Frontières – Ärzte ohne Grenzen Deutsche Sektion (MSF)
NGO	non-governmental organisation
RTL	Radio Television Luxemburg
SMS	short message system
SODI	Solidaritätsdienst – international e.V. (SODI)
PI	Service Agency – Partnership Initiative
tdh	terre des hommes Deutschland e.V. Hilfe für Kinder in Not
TEC	Tsunami Evaluation Coalition
UNICEF	United Nations Children’s Fund
WZB	Wissenschaftszentrum Berlin für Sozialforschung

Executive Summary

On 26th of December 2004, a “Tsunami” wave hit South and Southeast Asia and caused one of the biggest natural disasters in modern history. About 170,000 people are thought to have died and thousands more injured. Overall, approximately two million people have been directly or indirectly affected out of whom 1.7 million were internally displaced. This initiated massive worldwide campaigns by governments, NGOs and the general public to assist the affected countries and victims.

In Germany, soon after the disaster the Federal Government pledged Euro 500 million for relief-reconstruction and development programmes. In addition, until the end of February 2005 about Euro 516 million of private donations were collected.

Because of the huge amount of public funds and private donations as well as the high interest of the general public in respect to the use of these contributions, the Tsunami Evaluation Coalition (TEC) was formed to conduct a thematic evaluation on “The International Community’s Funding of the Tsunami Emergency and Relief”. TEC consists of multi-lateral and bi-lateral donor agencies and international non-governmental organisations (INGOs). The German Federal Ministry of Economic Cooperation and Development (BMZ) supports TEC by cofinancing four out of a total of seven thematic evaluation studies, as well as by preparing two German case studies on “Funding from the general public” and “Key donor state funding flows”.

Approach and methods

Since in Germany neither opinion polls nor studies on Tsunami donations were available before the initiation of this case study the evaluation team decided to carry out an own survey. This study concentrates on the analysis of donations given to NGOs by the general public or the private sector and on special partnership initiatives with Tsunami affected countries. It does not include the many donations made by individuals, private initiatives and companies directly given to affected local communities and organisations.

Quantitative and qualitative investigative techniques were applied including a standardised questionnaire, addressed to the management of 74 NGOs collecting Tsunami donations (“Tsunami organisations”). In addition, qualitative interviews were conducted with 14 of them. These were selected according to previous DZI research and a review of the Tsunami appeals published by German media as well as internet donation platforms. These 74 NGOs were assumed to be major recipients of Tsunami donations in Germany. 88 per cent or 65 of them replied to the questionnaire.

Key findings and conclusions

Based on the specific Terms of Reference formulated by TEC and BMZ the German case study came to the following results:

TOR 1 How generously did the public give and why? Is there any significant geographical, social or other pattern to the giving within the country and between countries?

People in Germany have donated Euro 670 million for the Tsunami victims. This marks the highest volume of a single donation campaign in Germany since World War II. Euro 432 million (65 per cent) of the overall Tsunami donations were given to only 5 NGOs. The 12 most successful Tsunami organisations have received Euro 600 million (89.5) per cent of total Tsunami donations. The average donation per Tsunami donor is about Euro 124.

A majority of Tsunami NGOs (60 per cent) and even of Non-Tsunami NGOs (68 per cent) confirm that the Tsunami donation campaign did not significantly reduce the

donation volumes for other purposes. The minority stated there is some negative impact but that the donation period in November and December 2005 will eventually show the real figures.

The hypotheses about the donors' motives were based on the tremendous dimension of the natural disaster, on the fact that many western tourists - including Germans - were among the victims, and that it happened on Christmas. In addition, the extensive media coverage was seen as a major factor to initiate the enormous Tsunami fund raising campaigns. These hypotheses are supported by the findings of the study. Besides, new and easy ways of donating via internet or by telephone calls during TV gala shows contributed to the high amount of donations.

Regarding the motives and profile of the new donors of the Tsunami campaign, no studies are available in Germany yet. According to the interviews, some are different from the regular donors. Whereas the traditional donors are of middle age with middle to high income and good educational background, among the Tsunami donors there are many more young people, some donated for the first time. The percentage of new donors in this campaign was higher than in other campaigns, some NGOs stated up to 30 per cent of new donors. Some of them were characterised as "one time donors" contributing only for the Tsunami disaster, mainly because of the above given extraordinary background of the event.

The motives of the donors to donate for the victims of the Tsunami disaster are not easily transferable to other future natural disasters because of its several unique factors. Therefore, the information is of limited use for future fundraising campaigns. However, findings regarding the young people's preference to use new technologies for donations such as internet donations, TV shows or SMS are transferable and of relevance for future appeals.

TOR 2 Identify various forms the public used in giving

The organisations were asked in the questionnaire to indicate the relative shares of the Tsunami donations they had received via the different forms of giving. Since this question was answered by 25 NGOs only and even the quality of their information was most different, the results were not reliable enough to be included in the study. However, the means used to solicit Tsunami donations were revealed by most of the charities. Press releases were the most frequently used instrument, followed by websites, media's public donations listings, mailings, Radio and TV programme and TV galas. There is no proportional relationship between the frequency of use of the instruments and the respective donation volumes. Only a small group of NGOs participated in TV galas, but these had a significant impact on the overall donation volume. In addition to traditional ways to collect donations numerous new "forms of giving" were applied, such as internet auctions of gifts-in-kind or donation of bonus points.

TOR 3 Which type of agencies benefited most from the public giving and what is the relationship between their traditional constituency and this new one?

Within the group of 12 organisations that had received the highest Tsunami donations the NGOs primarily focussing on emergency and disaster aid totalled up to Euro 506 million. NGOs with emphasis on assistance for long-term relief-reconstruction and development have received Euro 90 million of Tsunami donations.

The findings reveal, that NGOs primarily focussed on emergency and disaster aid are the largest recipients of Tsunami donations, despite the fact that most appeals asked for donations for relief-reconstruction. Most large charities indicated that they

collected donations for emergency aid as well as relief-reconstruction and development.

An estimated Euro 200 million of “new money” was generated, i.e. approximately 30 per cent of the Tsunami donations were given by people who had not supported the respective charities before.

In general, NGOs do not have different relationships with their traditional donors and the new Tsunami donors. Some try to establish long-term relationships with their new large-scale donors. Two large NGOs have initiated studies on profiles about their new donors to develop new fundraising strategies.

The Service Agency - Partnership Initiative (PI), a unique form of German development cooperation facilitates partnerships between German municipal administrations, private sector and civil society organisations with local administrations and communities in the Tsunami affected region. About 286 partnership projects with almost 600 partners have been initiated. Currently, there are more partnership projects prepared than assistance is available and additional sources of funding are required. However, it is seen as unlikely to receive additional funding from Tsunami donations from large NGOs since these organisations intend to use the funds for long-term development projects in the Tsunami region with their own partners in the next years.

TOR 4 What have been the public's main concerns about how funds are spent? How do organisations report on the spending to contributors? Is there more focus on public accountability as compared to previous disasters? Why?

Compared to previous disasters 90 per cent of the organisations feel an increased responsibility to report on the disbursement of Tsunami donations. However, the NGOs report no substantial increase in demand for accountability by their donors but they do confirm such an increase on the side of the media. In their own opinion, they pursue a pro-active information strategy and report adequately about the use of Tsunami donations. However, the study revealed that by September 2005 only 20 per cent of the Tsunami organisations had reported in detail on their donations and the Tsunami related activities. The information analysed for this study was found to be very diverse. It ranges from detailed documentation on Tsunami activities to brief information such as press releases. Overall, the positive self-assessment of the NGOs reporting on accountability reveals a certain discrepancy to the results of the analysis about their actual reporting details on Tsunami donations.

TOR 5 Explore the role of the internet in giving. Has it significantly changed the way people donate?

The question whether the internet has possibly changed the donors' behaviour revealed no substantial change. According to the findings of this study, the relative share of online donations (6.5 per cent) in total Tsunami donation volume has only slightly grown compared to other emergency and disaster situations. Consequently, internet donations play a supplementary role with an increasing importance in overall fundraising.

TOR 6 Explore the legal relationship between individuals giving and agencies obligation to spend on tsunami relief.

German tax law as well as the Civil Code indirectly affect motives and interests of donors regarding the purpose for which funds are earmarked. For an issuer of donation receipts a circumstance of liability is evident if donations are intentionally

used for purposes other than they were donated for. If the donation cannot be used for the given purpose within an appropriate time frame (i.e. one or two years), or if the requirements to put surplus donations into the reserves are not fulfilled, an obligation of restitution of donations arises to the recipient.

1. Introduction and Terms of Reference of the Study

On Christmas, 26th of December 2004, a “Tsunami” wave hit South and Southeast Asia and caused one of the biggest natural disasters in modern history. The major destruction happened in Indonesia, Sri Lanka, India, the Maldives and Thailand, but several other countries were also affected including Myanmar and Somalia. Countries like Bangladesh, Malaysia or even Kenya, Tanzania and the Seychelles were touched by the Tsunami but were not damaged as severely as South Asia.

“More than 170,000 people are thought to have died and thousands more injured. Overall, an estimated two million people have been directly or indirectly affected of whom 1.7 million are internally displaced¹. Damage and destruction of infrastructure has destroyed people’s livelihoods, left many homeless and without adequate water and healthcare facilities. In the aftermath of the disaster governments and people around the world reacted immediately with great generosity and provided rescue and relief efforts to national authorities and local communities in the affected region and countries. More than \$ 6 billion has been pledged for humanitarian emergency relief and reconstruction assistance to Tsunami affected areas. This has been instrumental in reducing or mitigating the consequences of the disaster and in boosting the current recovery and reconstruction efforts.”²

In Germany, soon after the disaster the Federal Government pledged Euro 500 million for relief-reconstruction and development programmes. In addition, until the end of February 2005 about Euro 516 million of private donations were collected.

Because of the huge amount of public funds and private donations as well as the high interest of the general public in respect to the use of these contributions, the Tsunami Evaluation Coalition (TEC) was formed to conduct a thematic evaluation on “The International Community’s Funding of the Tsunami Emergency and Relief”. TEC consists of multi-lateral and bilateral donor agencies and international non-governmental organisations (INGOs). The German Federal Ministry of Economic Cooperation and Development (BMZ) decided to support TEC by cofinancing four of its seven thematic evaluation studies. This case study on “Funding from the general public” as well as another German case study on “key donor state funding flows” are part of the thematic evaluation on the “International Community’s Funding of the Tsunami Emergency and Relief”.

The German case study on “Funding from the general public” was carried out by an independent evaluation team consisting of Dr. Dagmar Bär (consultant), Ms. Tanja Ibrahim, Ms. Christel Neff and Mr. Burkhard Wilke from Deutsches Zentralinstitut für soziale Fragen/DZI (German Central Institute for Social Issues) from September to mid-October 2005.

The purpose of the overall evaluation is:

- a) to provide an overview on the total volume of funding of the response by the various actors, and to sample the flow of donation of goods in kind for a few specific countries or agencies,
- b) to assess the appropriateness of allocation of funds in relation to the actual relief and reconstruction needs and in relation to other emergencies,
- c) to contribute to a better understanding of public responses to emergencies,
- d) to provide a basis for follow up studies after 2 and 4 years.

¹ Figures of dead and missing are taken from Guha-Sapir; Van Panhuis, “Health Impact of the Tsunami: Indonesia 2005”. Brussels Centre for Research on the Epidemiology of Disasters, July 2005.

² TEC-Evaluation Concept Paper 2005

The purpose of this specific evaluation on public funding is to understand the motivation and nature of the tremendous outpouring of generosity from the general public and the implications of this for future mega disaster response operations.

The specific Terms of Reference for Theme 6 “Funding from the general public” concentrate on the assessment and verification of the following aspects:

1. How generously did the public give and why? Is there any significant geographical, social or other pattern to the giving within the country and between countries?
2. Identify various forms the public used in giving.
3. Which type of agencies benefited most from the public giving and what is the relationship between their traditional constituency and this new one?
4. What have been the public’s main concerns about how funds are spent? How do organisations report on the spending to contributors? Is there more focus on public accountability as compared to previous disasters? Why?
5. Explore the role of the internet in giving. Has it significantly changed the way people donate?
6. Explore the legal relationship between individuals giving and agencies obligation to spend on tsunami relief.

The Terms of Reference including the division of work within the evaluation team is laid out in the Concept Paper (Annex i).

2. Approach and Methodology

This study concentrates on the analysis of the amount of Tsunami donations in Germany, the organisations that benefited most including the ways of giving and the motives and characteristics of donors.

The approach and methodology as outlined for the overall TEC-evaluation was followed wherever it was relevant for evaluating the funding from the general public. This included reflection of already commissioned Tsunami evaluations and other relevant studies by donor agencies, the response community and research institutes.

Since in Germany neither opinion polls nor studies on Tsunami donations and profiles of the donors were available before the initiation of this case study the evaluation team decided to carry out an own survey. This study concentrates on the analysis of donations given to NGOs by the general public and private sector as well as on special partnership initiatives with Tsunami affected countries. It does not include donations made by individuals, private initiatives and companies directly given to affected communities and organisations.

The use of both, quantitative and qualitative investigative techniques was applied as outlined below:

1. Development of hypothesis about motivation of the public to spend for Tsunami affected countries and its victims;
2. Development of standardised questionnaire and conduction of survey on NGOs receiving Tsunami donations;
3. Development of semi-structured guideline for interviews with key experts of selected donor/funding organisations;
4. Interpretation of information about characteristics of donor/funding organisations and its clients;
5. Review of relevant secondary literature and statistical research on Tsunami funding;
6. Concluding „lessons learned“ from Tsunami campaigns for future public appeals in case of natural disasters.

No opinion poll was conducted. Instead, a twofold research approach was chosen to assess and verify the funding from the general public: First, the comprehensive standardised questionnaire developed by DZI and second, a semi-structured interview guideline (D. Bär) to interview selected NGOs will be described in more detail below.

Survey with standardised questionnaires

The standardised questionnaire (Annex ii) consisting of 18 questions on related issues was send to the management of 206 selected NGOs having solicited donations nationwide. This group consists of 195 organisations certified by DZI and eleven uncertified charities, that also collected significant amounts of Tsunami donations. Out of the 206 NGOs 74 have received Tsunami donations of which 65 had explicitly launched an appeal.

88 per cent representing 65 out of 74 NGOs have answered the questionnaire. The remaining nine charities did not reply. However, for these nine NGOs reliable information about core aspects of their fundraising campaigns could be obtained by other sources (via internet etc.). In addition, another 66 NGOs without Tsunami donations also answered parts of the questionnaire, i.e. related to possible negative impacts of the Tsunami campaign on their income.

An overall 88 per cent return rate of the questionnaire is unusually high. It has to be mentioned that some questions were not answered by several organisations (e.g. concerning information about average donation, number of new donors, surplus of funds); even though DZI had informed the NGOs explicitly on the confidentiality of their information about such sensitive issues.

Due to the tight time schedule for the conduction of the survey, some organisations were not able to provide all requested information. For instance, in very large organisations, various departments are responsible for the different areas and therefore the coordination of their reply is time consuming. Some large organisations did not want to participate in the evaluation at all or provided only fragmented information on certain issues. However, these were only exceptional cases.

Interviews with selected NGOs

In addition to the standardised questionnaire, 17 NGOs³ have been selected for qualitative interviews. A semi-structured interview guideline (Annex iii) consisting of 10 questions was developed for management and staff of the selected NGOs on the following issues:

- Motives/reasons of the donors to spend for Tsunami victims;
- Socio-economic background, age, gender, regional background and values/religious orientation of the Tsunami donors;
- Differences in the profiles of regular (old) donors and the new donors (for Tsunami);
- Strategies of the NGOs to keep in contact and follow up traditional and new donors;
- Concerns of the general public and the constituency of the NGOs regarding the proper utilization of the Tsunami donations;
- Introduction of new ways and instruments for fundraising
- Possible surplus of funds and options for reallocation of funds;
- Lessons learned and new strategies for future fundraising.

Interviews were conducted with the management of 14 out of the 17 NGOs⁴ either by personal visits to the organisations (some in Berlin and Bonn) or by telephone. The duration varied between 30 to 90 minutes according to the openness and details presented on the issues by the interviewee. The gathered information was verified by other sources of information as available and supplemented to the data collected by the standardised questionnaires. The results are included in the respective chapters of this report.

In addition, the Service Agency – Partnership Initiative (PI), as a unique form of German development cooperation by establishing partnerships at local level was included into the evaluation. Relevant documents were reviewed and interviews with the PI management as well as representatives of the responsible departments at the Federal Foreign Office and the Federal Ministry of Economic Cooperation and Development (BMZ) were conducted.

³ The sample consists of 6 “very large”, 6 “medium”, and 5 “small” NGOs. These groups were formed according to DZI classification based on their annual income: “Very large” above Euro 15 million; “medium” between Euro 500,000 and 5 million; “small” below Euro 500,000.

⁴ 5 very large, 6 medium and 3 small NGOs have been interviewed. The other 3 selected organisations either did not participate (2 very large) or could not be contacted in the timeframe available for the data collection.

3. Fundraising for the Tsunami Disaster

This chapter provides details about total donation volume in Germany, those NGOs that received the biggest amount of donations, donor motives, money generated from new donors and effects on other emergencies.

3.1. Donation Volume – Facts and Figures

Total amount of Tsunami donations

DZI estimates that in Germany the volume of donations given for humanitarian assistance amounted to approximately Euro 2.3 billion in 2004.⁵ The overall annual donation volume in Germany, i.e. including all the other beneficial purposes like conservation, animal protection, culture, sports, etc. is about Euro 4 billion.⁶ Until the end of September 2005 private donations of about Euro 670 million were collected for the victims of the Tsunami (including Euro 1.4 million gifts-in-kind). This number includes information by 74 major charities which have solicited Tsunami donations (“Tsunami organisations”) and were surveyed in the context of the German case study.⁷ Historically, this marks the highest German donation volume since World War II. Previously the “fundraising record” was held by the Elbe-Flood-Campaign in August 2002 (Euro 350 million). Further very big donation campaigns in Germany were „Help Russia“ Euro 60 million (1990), “Oder flood” Euro 70 million (1997), “Kosovo” Euro 110 million (1999).

The Tsunami disaster also motivated many donation appeals by various other initiatives (sports clubs, schools, etc.) and private individuals which were mostly limited to their neighbourhoods. As far as these donations have not been transferred to one of the 74 Tsunami charities mentioned above, they are not included in this case study. According to DZI estimates this will have only marginal impact on the final results, i.e. not exceeding the one-digit million Euro range.

Tsunami charities – by size

Euro 432 million (65 per cent) of the overall Tsunami donations were given to only 5 NGOs (see chart 1). German Red Cross (DRK) has collected the single largest amount of private Tsunami donations (Euro 127 million). The second largest recipient is “Aktion Deutschland Hilft e.V.” (Euro 125 million). ADH is an association comprising ten medium sized organisations (see also chapter 4.1). This has to be taken into account in comparing donation volumes of single NGOs.⁸

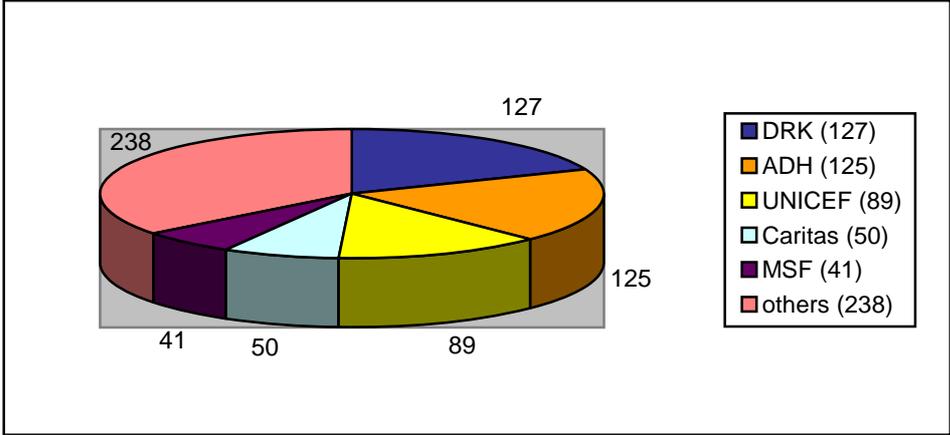
⁵ See Wilke 2004, p. 9.

⁶ See Wilke 2003, p. 8-9.

⁷ See Annex v. (Tsunami NGOs in alphabetical order) and Annex vi. (Tsunami donations by volume).

⁸ Members of „Aktion Deutschland Hilft e.V.“ are: ADRA Adventistische Entwicklungs- und Katastrophenhilfe .V., Arbeiter-Samariter-Bund (ASB) e.V., Arbeiterwohlfahrt Bundesverband e.V., CARE International Deutschland e.V., Deutscher Paritätischer Wohlfahrtsverband-Gesamtverband e.V. (DPWV), Deutsches Medikamenten-Hilfswerk „action medeor“ e.V., HELP - Hilfe zur Selbsthilfe e.V., Johanniter-Unfall-Hilfe e.V., Malteser Hilfsdienst e.V., World Vision Deutschland e.V.

Chart 1: TOP 5 recipients of Tsunami donations (in million Euro)

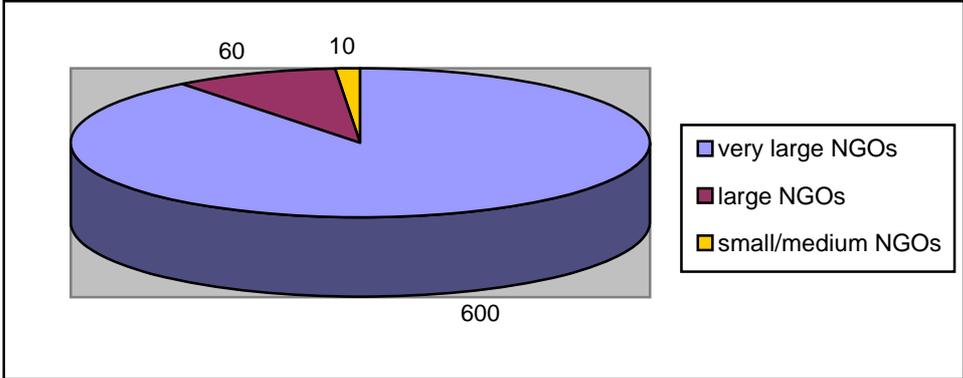


In order to subdivide all 74 organisations in respect to their Tsunami donation volume, the distinct categories were defined as follows:

- small and medium: up to Euro 1 million (42 NGOs);
- large: Euro 1 million to 10 million (20 NGOs),
- very large: more than Euro 10 million (12 NGOs).

As shown in chart 2 the group of 12 “very large” organisations has received Euro 600 million (89.5 per cent of total Tsunami donations), followed by 20 “large” NGOs, which collected about Euro 60 million (9 per cent). The largest group consisting of 42 small and medium sized organisations received Euro 10 million only (1.5 per cent).

Chart 2: Tsunami donations by size groups (in million Euro)



New donors

36 Tsunami organisations (out of a total of 74) answered the questionnaire in respect to the donation volume received by new donors, i.e. people not having donated to the respective NGO before (“new money”). The “new money” generated by the 36 NGOs totalled up to Euro 75.5 million. Extrapolation of this figure in regard to all Tsunami charities results in an estimated overall volume of approximately Euro 200 million of “new money”.

Average donation volume

36 Tsunami organisations provided information on average donations, resulting in a volume of Euro 124 per Tsunami donor.⁹ Collecting information concerning the number of all Tsunami donors was not part of this survey. Relating the total donation volume of Euro 670 mil-

⁹ See also chapter 6.2. (Internet).

lion to the average single donation volume, results in an estimated 5.4 million donors supporting the Tsunami campaign in Germany.

Impact on other donation campaigns

64 Tsunami charities responded to the question whether the Tsunami campaign had any adverse impact on their other donations. 60 per cent (38) denied the question, and 40 per cent (26) confirmed that they received fewer donations for other appeals in 2005. The question was also answered by 66 “non-Tsunami charities”; 68 per cent of the respondents (45 NGOs) denied any negative Tsunami impact on their own income until now. 37 per cent (21 NGOs) confirmed a Tsunami-related decline in their donations. Numerous organisations pointed out that concrete figures will not be available before the end of 2005, since most of them expect the biggest volume of donations during the upcoming Christmas season.

It can be concluded that:

- People in Germany have donated Euro 670 million for the victims of the Tsunami disaster.
- The 12 biggest recipients of Tsunami donations have received Euro 600 million, i.e. 89.5 per cent of the total volume.
- An estimated Euro 200 million of “new money” was generated, i.e. approximately 30 per cent of the Tsunami donations funds were given by people who had not supported the respective charities before.
- A majority of Tsunami NGOs (60 per cent) and even of Non-Tsunami NGOs (68 per cent) does not confirm that the Tsunami donation campaign significantly reduced their other donation volumes.

3.2. Motivation of Donors

One major aim of this study was to find out more about the motivation of people to donate for the Tsunami disaster. This included aspects about the profiles and characteristics of the regular donors and as far as information was available, about the new donors. There were no specific studies on the new donors released yet. Currently, two large NGOs carry out own research on this issue.

The hypotheses about the donors’ motives were based on the tremendous dimension of the natural disaster, on the fact that many western tourists - including Germans - were among the victims, and that it happened on Christmas. In addition, the extensive media coverage of the disaster was seen as a major factor to initiate the enormous Tsunami fund raising campaigns.

Profile of traditional donors

To relate the assumed motivations of the new Tsunami donors to the traditional donors recent studies on funding characteristics of the German public were reviewed. The research on profiles about donors in Germany revealed that regular donors of many of the interviewed NGOs are usually of middle to older age (40 to 50 years and above). They belong to the middle to higher income groups with good educational background, often with a special interest in projects for child development, health improvement or disabled persons, human rights issues, environmental sustainability, gender equality, debt relief, poverty reduction or sustainable community development. They generally donate on a regular basis with a fixed monthly or annual amount for a specific programme or project or sponsor children and orphanages. Sometimes regular donors support whole communities and villages through contribution to social, economic and infrastructure development projects. Many of the respondents stated that women donate more often than men, even housewives without own income. They often

use one common account with their husbands and take the initiative to donate for welfare or development issues.

The European Social Survey and the Emnid-Spendenmonitor conduct regular surveys on the participation and characteristics of donors. A recent study conducted by Priller and Sommerfeld (2005) of the Wissenschaftszentrum Berlin für Sozialforschung (WZB) on the statistical reporting of donations by the German public in the past, present and future will be presented in November 2005¹⁰.

The "Freiwilligensurvey"¹¹, a regular panel on the socio demographic profile of the donors interviewed about 15,000 people over 14 years of age annually between 1999 and 2004 reveals interesting results. About 63 per cent of the people had made donations in the last 12 months. But there are big differences in regard to regional distribution, age structure, income and social strata, and values or religious orientations. According to the findings more people from the West of Germany (64 per cent) than from the "new" states in the East of Germany¹² (51 per cent) and more from the South (73 per cent in Bavaria) than from the North (57 per cent in Bremen) made donations. Among young people between 14 to 29 years only about every third person donates regularly, but among the elder age groups from 30 to 59 years and above 60 years more than two thirds give donations. Also, income and professional background play a crucial role in giving donations.

According to the "Freiwilligensurvey" persons with higher income spend more than people without jobs, but interestingly housewives and retired people spend more than all other groups. The economic security plays an important role in the ability to help others in need. Civil servants and entrepreneurs with a participation of 7 to 8 out of 10 persons are highest among the professional groups, whereas only 50 per cent of workers give donations. These patterns are evidently linked to the income situation of the donors. People with strong social values and or religious orientation (usually of protestant or catholic faith) spend more regularly than people who do not belong to a religious group. Among people with close ties to a specific church more than 8 out of 10 people donate regularly.

In an interview, a representative of a large NGO classified the donors into three categories: Donors contributing to thematic campaigns, donors with certain specific interests and donors for disaster appeals. Most of the donors stick to the first chosen category but there are also some movements among the groups.

Profile of Tsunami donors

In Germany, there are no completed surveys about the profile and characteristics of Tsunami donors available. Following information given during the interviews, people from all social and economic strata, beliefs and age groups of the German public made donations. Most of them contributed in cash but in addition, many offered their personal assistance - voluntary and paid work - to emergency and development organisations to help the victims.

The private sector including church organisations, foundations, the media and companies with their staff raised funds; many schools and universities joined and established school-partnerships. Municipal administration and civil society organisations initiated partnerships for development with local administration and communities in the Tsunami disaster affected areas. Some of them were able to build upon existing relationships; others were newcomers and had to establish new partnerships.

¹⁰ WZB-Mitteilungen 108, June 2005.

¹¹ "Freiwilligensurvey" sponsored by the Federal Ministry of Families, Seniors, Women and Youth and the Robert-Bosch-Foundation (2005).

¹² One exception are the donations for the great Elbe flood in 2002, more people from the Eastern part of Germany donated than from the West.

Regarding the Tsunami fundraising the group of donors differs from the regular donor profile: Many young people donated, some for the first time and possibly only once. In general, the clientele donating for catastrophes differs from the regular more development oriented donors. The percentage of new donors in this campaign was higher than in other campaigns, some NGOs stated up to 30 per cent of new donors. Some of them were characterised as “one time donors” only for the Tsunami disaster, mainly because of the above given extraordinary background of the event.

Motives of Tsunami donors

The results of the questionnaire confirmed the hypothesis about the motives of the donors for the Tsunami disaster. Beside the enormous magnitude of the event, Christmas time, and the western tourists being victims of the disaster representing major motives for the generous contribution other aspects are related to new and easy ways of fundraising. Donations via internet accounts or by telephone calls during TV gala shows contributed to the extraordinary high amount of funds. The interviews with coordinators and fundraisers from selected NGOs confirmed the above given motives. In addition, they presented more information on this issue. The list represents the most frequent statements:

- The people reacted so promptly and generously because it was an extraordinary natural disaster of highest magnitude with highest number of victims and destruction of large areas in the affected countries.
- There was a feeling of an almost personal affectedness.
- It was not a man-made catastrophe, like in other cases, such as civil wars or famine, or overuse of natural resources resulting in disasters.
- The opportunity “to really help” with cash or voluntary work instead of just helplessly “wait and see”.
- Innocent people became victims.
- Tourist areas (primarily Thailand and Sri Lanka) were affected; many donors had been there themselves and have emotional relations to the affected countries some even to villages and persons.
- Highest media presence and live coverage of the event with media involvement in fundraising with TV shows and “aid galas”, providing telephone hotlines for donations.
- High profile political representatives (prime ministers and ministers), VIPs and film stars immediately joined fundraising campaigns.
- Overall high public interest and concern.
- Immediate response of emergency and development organisations.
- Everybody, friends, family and companies with their staff donated money. It “was almost impossible not to donate”, cited one interviewee.

In conclusion, the findings about the motives of the Tsunami donors confirm the initial hypotheses about the relation between the extraordinary circumstances of the disaster and the high volume of the donations. These results are not easily transferable to other future natural disasters because of its various unique factors. Therefore, they are of limited use for future fundraising campaigns and for the development of new strategies. However, the findings concerning the young people’s preference to use new technologies for aid donations such as internet donations, TV shows or SMS are of relevance for future appeals.

3.3. Relationship with traditional and new donors

The interviews also aimed to find out about the relationship and ways of communication between NGOs and their traditional and new donors in order to identify new strategies to win new donors. Regarding the relationship between the NGOs' traditional constituency and the new one the following findings were presented by the interviewed NGOs.

Most of the organisations do not have different relationships to the two groups of contributors. They use their usual ways of communication such as letters of gratitude, quarterly bulletins or special publications on Tsunami projects. Some only issue receipts for the tax exemption. Others keep in touch with their new clientele by e-mailing. There are also organisations which did not keep in contact after the Tsunami donation. The reason given for this, is that many new Tsunami donors are classified as "one time donors" and presumably will not donate for other ongoing development projects of their organisation.

In addition, some organisations keep in contact with their new donors by organising special events like project presentations and intercultural exchange programmes. They invite representatives of local partner organisations involved in the reconstruction and development projects. Regarding large donations by partners from the private sector, i.e. companies or staff of the companies the NGOs make special efforts to up-date their clients on the progress and completion of the supported projects (e.g. construction of school buildings, housing or village development projects, donations to buy fishery boats, etc.). In these cases, special reports are prepared and extra audits are conducted if requested.

To conclude, NGOs generally do not have different relationships with their traditional donors and the new Tsunami donors, but some of the selected organisations try to establish long-term relationships with their new large-scale donors. The aim is to attract these donors to their other development programmes hoping that they will provide regular support. As a special effort, two large NGOs have initiated studies on profiles about their new donors in order to know more about their intentions and expectations to develop new fundraising strategies.

4. Characteristics of Tsunami fundraising organisations

After a more general review of the contents of Tsunami appeals, this chapter characterizes more in-depth the group of 12 “very large” Tsunami charities regarding their main characteristics. Also, as a unique form of development cooperation at local level the Service Agency – Partnership Initiative (PI) is included in the analysis.

4.1 Profile of charities that benefited most

Content of Tsunami appeals

65 out of 74 Tsunami charities responded to the question as to whether their appeals had specified a certain category and/or country. Multiple answers were possible. 74 per cent (48) stated that they had defined their solicitations beyond the mere header of “Tsunami relief”. The appeals predominantly referred to relief-reconstruction and long-term development aid (40) while 34 charities asked for donations for emergency and disaster aid, followed by appeals specified for countries: India (30) and Sri Lanka (27). Only few appeals were particularly addressed to other affected regions like Indonesia, Thailand, Sumatra and Somalia.

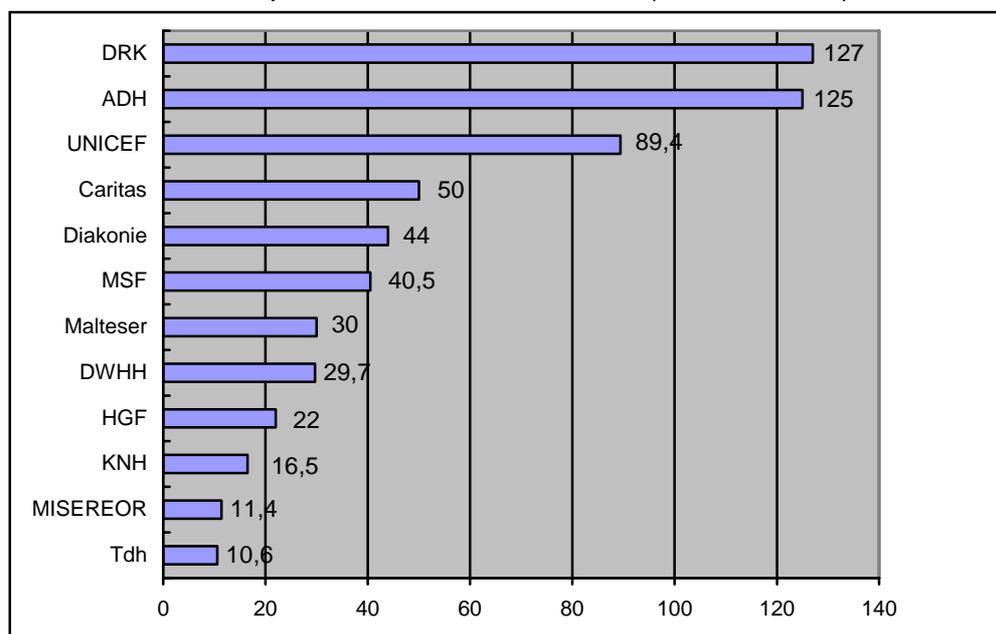
12 “very large” Tsunami organisations

As already indicated in chapter 3.1., about 90 per cent of the German Tsunami donations, i.e. Euro 600 million, were given to only 12 charities. Major common characteristics of 11 amongst these organisations are:

- expertise in emergency aid or in subsequent relief-reconstruction and development;
- worldwide activities;
- embedded in or linked to an international network of partner organisations;
- special position among the most renown humanitarian aid charities in Germany on account of their size, recognized name, professionalism and expertise.

One organisation represents an exception: “Aktion Deutschland Hilft e.V.” is a coalition of ten independent NGOs (see more details below). It turned to the public for the first time in connection with the Elbe-Flood-Campaign in 2002. Because ADH is a rather young and special type of organisation it cannot fully be compared with the other 11 charities.

Chart 3: TOP 12 recipients of Tsunami donations (in million Euro)



Ranking the largest organisations collecting Tsunami donations shows 2 NGOs at the top of the list. Leading the list is **German Red Cross** (GRC/DRK), which acts worldwide in armed conflicts, natural disasters, and other emergency situations. As an integral part of the network of Red Cross and Red Crescent, the DRK is an international actor. DRK has at its disposal the full scope of technical and logistical expertise as well as a vast pool of highly skilled human resources.

The donations received by “**Aktion Deutschland Hilft e.V.**” (ADH) almost equal that of DRK. ADH represents a coalition of 10 NGOs which – by own declaration – is activated in case of disasters and humanitarian emergencies. The association’s goal is to consolidate combined efforts, competences and experiences of its member organisations. For this joint effort, the coalition launches nationwide fundraising campaigns including a shared bank account. Donations collected are distributed to the member NGOs by use of a distribution key on an application basis.¹³ The individual profiles of the member NGOs differ from disaster and emergency aid on one hand and long-term reconstruction and development on the other.

“**Deutsches Komitee für UNICEF e.V.**” ranges third behind these two top places on the list, but is far ahead of those to follow. UNICEF, the United Nations Children’s Fund, was founded 1946 as an emergency fund for children in Europe. Today it is supported by national committees in 37 countries. The German affiliate has been established in 1956. Along with the protection of children against exploitation and abuse, UNICEF now also focuses on emergency aid and on conflict areas.

The mid-field of the Tsunami-ranking is led by two church-affiliated NGOs: the protestant “**Diakonie Katastrophenhilfe** des Diakonischen Werkes der EKD e.V.” and the catholic “**Deutscher Caritasverband e.V.**” The foreign aid department of this organisation, named “**Caritas International**”, provides worldwide emergency and disaster aid as well as development cooperation. Main objective of the “**Diakonie Katastrophenhilfe**” is emergency aid as well. At the same time, they aim to initiate preventive measures. Both, “**Caritas International**” and “**Diakonie Katastrophenhilfe**” can build upon existing structures in the region affected and work with local partners of their international network.

„**Médecins Sans Frontières – Ärzte ohne Grenzen Deutsche Sektion (MSF) e.V.**“ focuses on provision of medical/health care and emergency aid in cases of natural disasters and armed conflicts. In the German section, that is part of the international MSF network, volunteer doctors, nurses, engineers and technicians are engaged in foreign operations. Supported by local sources, they provide immediate aid, such as emergency surgery, restore medical facilities, operate health stations and ensure provision of clean water and food. The organisation’s scope of work does not include long-term relief-reconstruction.

Emergency aid as well as support of social and humanitarian tasks abroad are subject to the by-laws of “**Malteser Hilfsdienst e.V.**”, which is an independent but (catholic) church oriented charity. Its foreign department “**Malteser International**” conducts humanitarian assistance and relief-reconstruction projects in cooperation with local partners.

“**Deutsche Welthungerhilfe e.V.**” marks the transition from predominantly emergency aid oriented organisations to long-term development assistance. The projects conducted by “**Welthungerhilfe**” are based on the principle to support self-help projects that aim to improve living conditions of the poor in developing countries.

Another organisation in this category is the catholic NGO “**Bischöfliches Hilfswerk MISEREOR e.V.**”. It supports predominantly agricultural and social development projects, health care, and education and community development worldwide.

¹³ Non-members can also apply for ADH funds if they use them for similar projects.

Besides UNICEF, three other child-supporting charities are listed in chart 3: “**terre des hommes Deutschland e.V. Hilfe für Kinder in Not**“ (tdh) sponsors projects designed to improve living conditions of disadvantaged children and to promote social rights of women and children. “**Kindernothilfe e.V.**” is mainly engaged in child sponsorship and emphasizes educational and vocational training in supporting basic needs. “**Hermann Gmeiner Fonds Deutschland e.V. Verein zur Förderung der SOS-Kinderdörfer in aller Welt**“ (HGF) maintains several hundred children’s villages around the world.

Chart 4: Characteristics of NGOs benefiting most from the public giving

	emergency and disaster aid	long-term relief-reconstruction; development aid	international network of partner organisations	activities are spread worldwide	average donation volume more than Euro 10 million
DRK	X	X	X	X	X
ADH ¹⁴	X				
UNICEF	X	X	X	X	X
Caritas international	X	X	X	X	X
Diakonie	X	X	X	X	X
MSF	X		X	X	X
Malteser Hilfsdienst e.V.	X	X	X	X	X
DWHH		X	X	X	X
HGF		X	X	X	X
Kindernothilfe e.V.		X	X	X	X
MISEREOR		X	X	X	X
tdh		X	X	X	X

The donations of NGOs primarily or exclusively focussed on emergency and disaster aid totalled Euro 506 million whereas NGOs with emphasis on long-term relief-reconstruction and development aid have received Euro 90 million (see chart 3 in combination with chart 4). All major Tsunami NGOs, i.e. even those specialized in relief-reconstruction and development aid, will significantly increase their 2005 donation income compared to 2004. By mid 2005, i.e. prior to the Christmas season which traditionally brings high amounts of donations Diakonie Katastrophenhilfe has already tripled, while MSF has doubled their donation volume. “terre des hommes” and “Deutsche Welthungerhilfe” almost caught up with their results in 2004.

It can be concluded, that NGOs primarily focussed on emergency and disaster aid are the largest recipients of Tsunami donations, despite the fact that most appeals asked for donations for relief-reconstruction. This possibly can be best explained by the fact that most donations were made immediately after the strike of Tsunami. Those specialized NGOs were in the focus of the public interest. Furthermore, most large charities indicated that they collected donations for emergency aid as well as relief-reconstruction and development. The overall result is that during the Tsunami campaign donors preferred renowned NGOs specialized in emergency and disaster aid but also were willing to support long-term projects.

4.2. Service Agency – Partnership Initiative (PI)

In January 2005, as an immediate reaction to assist the victims of the Tsunami disaster, the German government based on the initiative of Chancellor Schröder created an inter-ministerial committee consisting of the Federal Foreign Office, the Ministry of Economic Cooperation and Development, other concerned ministries and InWEnt as implementing agency. As a

¹⁴ The classification of ADH as an organisation specializing in emergency and disaster aid is not entirely fitting, as some of the 10 organisations making up this alliance are specializing in long-term relief-reconstruction and development.

result the “Service Agency – Partnership Initiative” (PI) was founded in January 2005. To underline the relevance of the PI a special high-ranking emissary was appointed.¹⁵

PI could draw on successful experiences of the already existing “Service Agency Communities in One World”, founded 2001¹⁶ that is cooperating with concerned ministries, local authorities and various other partners. The longterm objective of PI is to facilitate and establish partnerships on “equal level” between German local administrations, the business community¹⁷ and local authorities as well as communities in the Tsunami affected regions. The initial objective is to support and coordinate the above mentioned German donors in identifying and funding concrete and sustainable reconstruction projects. Sri Lanka, Indonesia, Thailand and India are focus countries for these activities.

PI is not a funding organisation and does not conduct own fundraising campaigns. Monetary donations for partnership projects are directly transferred to the different implementing agencies. PI follows the principle of subsidiarity and complementarity.

Clients and partners of PI are local institutions (municipal administrations and schools), private sector organisations, enterprises and individuals. Between its inception in January 2005 and September PI has received about 1,400 “offers of aid” from federal states, local governments, schools, NGOs, companies and private persons. In the beginning of October 2005 about 70 per cent of these offers were allocated or in the decision phase. About 25 per cent have withdrawn their initial offer and only 5 per cent could not be provided with an adequate project.

In the same period, altogether 286 projects supported by almost 600 partners were launched; out of which 111, in volume of Euro 21 million, are direct results of PI proposals, for the other 175 projects PI provided advisory assistance. The projects are directly implemented directly with local administrations, NGOs and GOs like GTZ and THW (German Federal Agency for Technical Relief).

Interviews with the management of PI revealed the time consuming process to develop suitable partnership projects during the first months after the Tsunami disaster. This caused frustrations by some individuals and organisations who had offered their assistance at an early stage. Now, ten months later, more partnership projects are prepared than financial and other forms of assistance through partnerships are available. One option to receive additional funding for partnership projects could be the use of Tsunami donations given to large NGOs. However, this seems unlikely to be successful since these organisations explained to use the funds with their own partners during the next years.

¹⁵ More details can be found on the homepage of PI: www.partnerschaftsinitiative.de

¹⁶ “Service Agency Communities in One World” provides practical support and integrates the development cooperation with the Local Agenda 21-process as a result of the World Summit on Sustainable Development (WSSD) and the Johannesburg declaration on the need for local partnership.

¹⁷ See Post-Tsunami reconstruction, InWEnt, September 2005.

5. Fundraising Practices

This chapter informs about the forms of giving including the role of the internet. It also provides an overview on innovative fundraising methods used in the Tsunami campaigns that resulted in significant donation volumes.

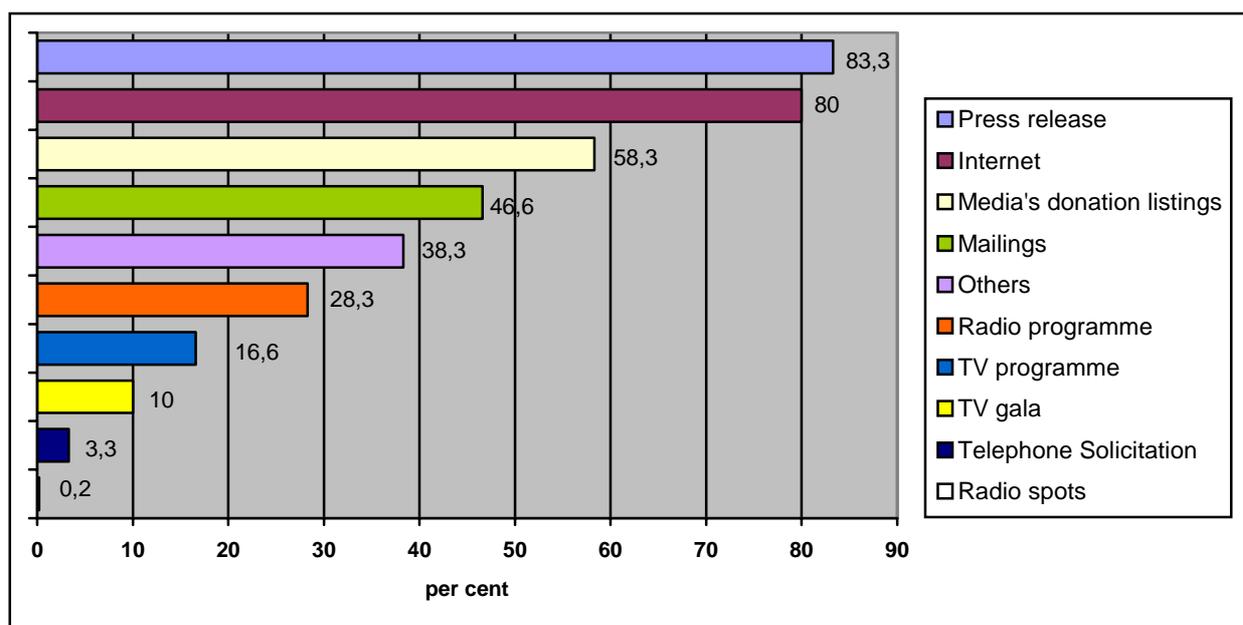
5.1. Forms of Giving

The various options and forms of giving are influenced by the fundraising instruments used by the charities. In general, important instruments are public appeals, specific fundraising campaigns, charity events, legal fines and legacy marketing, as well as merchandising. These instruments can be deployed in various ways, e.g. mailings, street and church collections, telephone marketing, internet fundraising, lotteries and raffle activities.¹⁸ In case of emergencies the urgency of the required action and the charities' subsequent desire to reach donors as soon as possible demand deployment of expedient and rapid fundraising instruments which do not require time-consuming preparations.

60 NGOs (out of a total of 74 Tsunami charities) provided input on the means they used to solicit donations for Tsunami relief. The organisations had also been asked to indicate the relative shares of the Tsunami donations they had received via the different forms of giving. Since this question was answered by 25 NGOs only and even the quality of their information was most different, the results were not reliable enough to be included in the study.

Chart 5 shows that the fundraising instruments most often used during the Tsunami campaign were press releases, followed by websites, media's public donations listings, and mailings. It has to be noted there is no proportional relationship between the frequency of use of the instruments and the respective donation volumes. For instance, only a small group of NGOs participated in TV galas, but these had a significant impact on the donation volume because they reached a broad audience. The three most successful TV galas appealing for Tsunami relief (broadcast between 31st Dec 2004 and 4th January 2005) collected more than Euro 60 million.

Chart 5: Means used to solicit Tsunami donations



¹⁸ See Haibach: Handbuch Fundraising. Spenden, Sponsoring, Stiftungen in der Praxis, Campus Verlag, Frankfurt am Main/New York, 1998, p. 231 et seqq.

In addition to traditional ways to collect donations numerous new “forms of giving” were applied during the Tsunami campaign. Five campaigns will be described:

- A cooperation project between German Post World Net and eBay resulted in auction proceeds of Euro 2.2 million for Tsunami relief. Between 5th and 17th January 2005, the postal service delivered packages to a central collection point where pictures were taken from the contents. eBay published these photos with descriptions on its website and conducted the auction. Both the German Post and eBay waived regular postal charges and auction fees. More than 200,000 packages were donated. Numerous donors and also some media afterwards criticized that goods were damaged during the whole procedure. Also, it was questioned whether the administrative costs on the side of German Post and ebay could be judged well proportioned in respect to the overall donation volume resulting of this new kind of fundraising.
- McDonald's Deutschland Inc. proposed to their guests to make donations to “Ärzte ohne Grenzen”. They did not use collection boxes; instead, the cashiers asked each guest if he/she was willing to donate 50 cents. Donations were accounted by the cash register. This action resulted in donations of Euro 400,000.
- On a specific day television channel RTL showed different broadcasts related to the Tsunami disaster and asked for donations. RTL also produced a TV spot on the topic. The background music was sold on a special CD. One Euro per CD was forwarded to the RTL foundation. This resulted in a total amount of Euro 10 million which then was transferred to Caritas International. All persons involved did not claim any salaries.
- At least Euro 400,000 were collected during the New Years celebration at Brandenburg Gate in Berlin. The guests were asked to donate Euro 2.65 per person by SMS to the UNICEF campaign “Helft den Kindern Asiens” (“Help for the Children of Asia”). 130,000 people responded to this appeal contributing Euro 345,000.
- The company “HappyDigits” (dealing with discount stamps) established a donation platform¹⁹. Customers could donate their collected bonus points. This resulted in a total of Euro 300,000.

5.2. Role of the Internet

In recent years, the internet has become a significant instrument of information and communication between charities and donors. 98 per cent of the 65 Tsunami organisations which answered the questionnaire have their own website and email address. Roughly, 74 per cent of the respondents indicated to appeal for funds via internet. Even though the internet is primarily used to support the organisations' public relations, it increasingly becomes a platform to win new donors and generate additional donations.

Significance of internet donations

39 Tsunami NGOs (out of a total of 65 respondents) reported that they received donations via the internet. 85 per cent (33) of this NGOs further indicated that more people made donations via internet during the Tsunami campaign compared to other fundraising events. Only a small group of organisations did not notice any difference.

According to previous studies, NGOs in Germany usually receive no more than one per cent of their total donation volume via their website²⁰. In emergency and disaster aid situations,

¹⁹ HappyDigits is a bonus programme set up by various large enterprises. With each purchase in one of the participating stores the customer receives bonus points which then can be exchanged into cash or goods. One digit is worth one Cent.

²⁰ Böker, Susanne (2002): Fundraising im Internet. Nutzungsmöglichkeiten des Internet als Kommunikationsmedium zwischen Nonprofit-Organisationen und potenziellen und existierenden Unterstützern. Konstanz.

the rate increases to about 5 per cent.²¹ In this study, only 15 organisations (from a total of 39 NGOs, see paragraph ahead) responded to the question concerning the relative share of Tsunami online donations. Their respective answers ranged from 0.5 per cent up to 18 per cent with an average of 6.5 per cent, i.e. related to the total Tsunami donation volume of Euro 670 million an estimated Euro 43 million were collected online. This estimation, of course, has to be treated cautiously because of the small number of respondents.

There are some reports on “record breaking” internet donations. For instance, within the first two weeks after the Tsunami disaster Deutsches Komitee für UNICEF e.V. received 20 per cent of its Tsunami funds via internet, the highest rate ever reached.²² Several times the media reported on technical problems of some NGOs to handle the large volume of internet donations.

Donation platforms

18 Tsunami organisations have confirmed that they received online donations via certain donation platforms in the internet. Donation platforms are electronic registers, usually set up as non-profit initiatives in the internet. They serve as a link between donors and organisations, some of them provide assistance to donors in transferring the donation, but they don't evaluate or judge the quality of the charities. Regarding the total amount of collected money the platform “HelpDirect.org” – the most renowned out of three established German platforms – reports that it has transferred about Euro 1 million of Tsunami donations within the first week after the Tsunami had happened.²³

Average internet donation volume

The average online donation - in disregard of particular aid and emergency situations - is reported to be about Euro 50.²⁴ During the Tsunami campaign the average online donation amounted to approximately Euro 120. This figure is based on the information provided by 26 out of 39 responding Tsunami organisations.

In conclusion, the question whether the internet has possibly changed the donors' behaviour revealed no substantial change. According to the findings of this study, the relative share of Tsunami online donations has only slightly grown compared to other emergency and disaster situations. Consequently, internet donations play a supplementary role with an increasing importance in overall fundraising.

²¹ Fischer, Kai und Beck, Marcus in poldi.net e.V., politik-digital, 05.01.2005 (http://www.politik-digital.de/edemocracy/netzkultur/tsunami_spendenflut101.shtml).

²² Fundraising aktuell online, no. 106, 11.02.2005.

²³ Fundraising aktuell online, no. 105, p. 3-4, 19.01.2005.

²⁴ startsocial 2004, Stipendiatenhandbuch, p. 33.

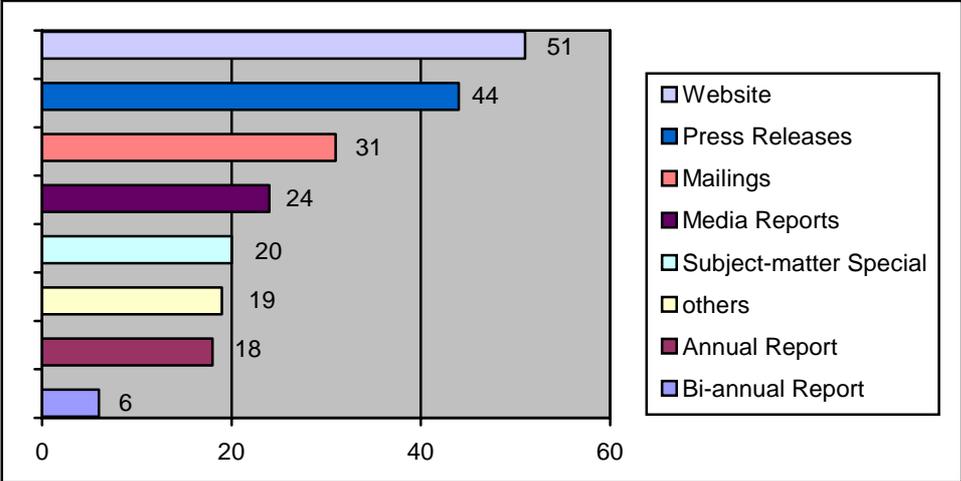
6. Reporting on Donations

This chapter elaborates on the means of Tsunami organisations to inform the public about their collected donations and the use of the funds. Several criteria specifically developed for this study serve to analyse how the NGOs reporting answers to the demand of public accountability.

6.1. Means of Reporting

NGOs were asked in the questionnaire by which means they publicly accounted for the appropriation of the Tsunami funds. The options listed revealed eight possible publications formats. Out of the 65 participating organisations, 62 responded to this question. Marking of multiple answers was possible. As shown in chart 6 the most common reporting format selected by the charities was the website (51 organisations), followed by press releases (44). Altogether 20 organisations prepared special publications on Tsunami activities and 6 released bi-annual reports.

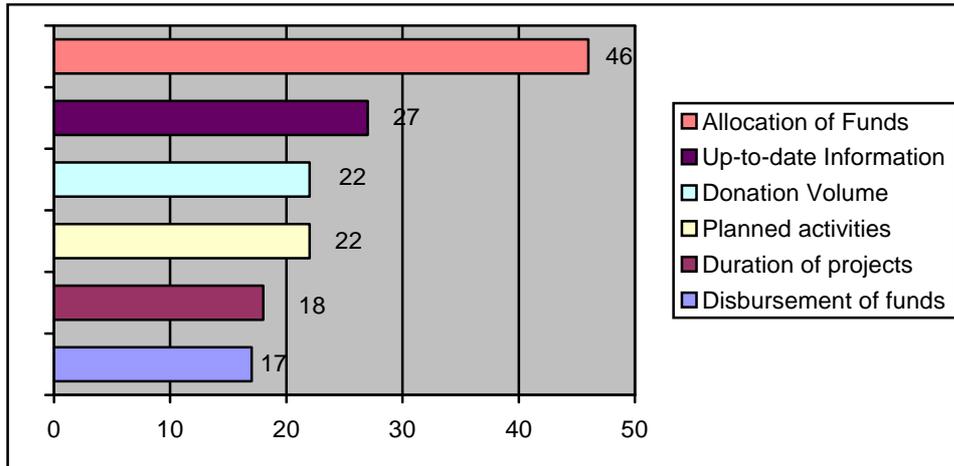
Chart 6: Different types of reporting publications



In order to evaluate the reporting done by NGOs, publications of 57 organisations were analyzed, some (30) based on their printed material, the other 27 (not having submitted printed samples) by reviewing their website. The evaluation was conducted on the basis of six criteria (shown in chart 7) defined by the evaluation team assumed to be of particular importance for the public.

As chart 7 indicates, 80 per cent (46) of the organisations described the allocation of funds, i.e. their programmes. Information provided by 27 organisations was not older than 3 months and therefore was judged up to date. Numerous charities made an interim balance after 6 months of the appeal. Only 22 organisations (39 per cent) published their explicit Tsunami donation income. 18 NGOs had published details about the planned duration of the projects. Information on the disbursement of funds was provided by 17 NGOs only (30 per cent). Some did not report on any of the aspects.

Chart 7: Evaluation of reporting publications



It can be concluded, that 12 out of the 57 organisations reported in detail on their donations and the Tsunami related activities because they met at least five of the six selected criteria. The analysed information was found to be very diverse. It ranges from detailed documentation on Tsunami activities (including donation appeal, donation volume, project listing and regional descriptions) to brief information such as press releases.

6.2. Public Accountability as compared to previous Disasters

In the context of this study, public accountability refers to public concerns about how Tsunami donations are spent compared to previous disasters. In order to assess the public demand for information on the use of Tsunami donations, the organisations were asked about their impression.

33 out of 61 organisations noticed an increased interest for information by the donors compared to previous donation campaigns. Possible reasons are seen in the extensive media coverage, the dimension of the disaster and the all-time unmatched donation volume.

On the other side, in the opinion of the Tsunami NGOs, the media show a significant higher interest and demand for accountability. 72 per cent of the NGOs (44) observe an increase in the reporting practices of the media concerning the timely disbursement of Tsunami donations. The NGOs relate this to the very high interest and extensive reporting by the media in the first weeks after the Tsunami disaster resulting in an increased demand for follow-up information. In addition, tv and radio as well as the printed press themselves appealed for donations with remarkable success: Altogether, they collected at least Euro 70 million in their campaigns representing about 10 per cent of the total Tsunami donations. Also, the enormous overall volume of Tsunami donations caused a high interest of the media to closely follow-up on proper and timely allocation of donations. However, the media's interest on the Tsunami disaster has reduced after a few weeks, but the NGOs expect that around the first anniversary of the disaster the media will again focus on the issue of accountability of Tsunami donations.

Compared to previous disasters 90 per cent of the organisations feel an increased responsibility to report on the disbursement of Tsunami donations in a detailed and timely manner. Because of the large donations received and the implicit trust by the donors, they feel obliged to demonstrate openness about the use of Tsunami funds as well as in future collection campaigns.

The above findings were supported by the interviews. The vast majority of organisations did not express an increase or special desire for information on the use of donations by their donors. The NGOs explicitly distinguished between the high trust among "their" donors. This

is opposed by the common public scepticism about the proper use of donations, which in their opinion is strongly influenced by critical reports of the media. NGOs hope for more supportive reports by the media, explaining the long process involved in reconstruction and thereby gaining better public understanding for the preparation of the projects, including participation of the local population and the governments.

In conclusion, the NGOs report no substantial increase in demand for accountability by their donors but they do confirm such an increase on the side of the media. In their own opinion, they pursue a pro-active information strategy and report adequately about the use of Tsunami donations. They expect an increase in public interest and media coverage at the first anniversary of the disaster.

Overall, the positive self-assessment of the NGOs reporting on accountability reveals a certain discrepancy to the results of the analysis about their actual reporting details.

7. Legal Aspects

Donations are an important source of funds for NGOs. Many donors expect to be fully and comprehensively informed as to which concrete projects benefit from their donations; some of them even want to directly influence the use of their money. Some contributors outrightly refuse to give their donations for an unspecified purpose. In order to improve overall funding, more and more charities appeal for supporting specific projects or purposes.

In cases of civil war, famine or a natural disaster, appeals for funds are usually tied to a certain purpose. In the case of Tsunami the majority of organisations indicated that in their appeal they referred not only to Tsunami disaster but linked it to specific emergency and disaster programmes or to certain countries (see chapter 4.1.). The more narrowly defined the call for donations are, the more difficult it becomes for organisations to reallocate the funds to other projects.

Donations tied to certain use constraints may also be classified under the gift-giving laws codified in the German Civil Code (Bürgerliches Gesetzbuch/BGB). This defines a gift as a “transfer of funds through which someone from his or her own personal assets augments the net worth of another [...], particularly to the extent both parties agreed upon that this transfer occurs without consideration”. According to §§ 51-68 of the German tax law (“Abgabenordnung”), a judicial person qualifying for tax benefits may only use funds collected for those purposes specified in its by-laws.

German tax law indirectly affects motives and interests of donors regarding the purpose for which funds are earmarked. In this regard, liability as to § 10b sec. 4, sentence 2 of the German Income Tax Law EstG (donor/recipient liability for the issuer of donation receipts) and the principle of the “timely use of funds”, as specified in § 55, sec. 1, no. 5 of the “Abgabenordnung” are significant factors in making donations.

The liability taken on by an issuer of donation receipts is related to the presence-of-confidence-clause (§ 10b, sec. 4, sentence 1 of the EstG). A circumstance of liability is evident if donations are intentionally used for purposes other than they were donated for. A donation is regarded as misallocated if it has not been spent as intended by the donor or stated in the donation receipt.²⁵

Tax privileged corporate entities must use funds raised for those purposes outlined in their articles (see § 55, sect. 1, no. 5 of the “Abgabenordnung”). This commitment includes donations for specific purposes. A timely use of funds is assured if they are spent no later than by the end of the calendar or fiscal year following the year in which the donation has been credited to the account. If the donation cannot be used within an appropriate time frame, an obligation of restitution arises to the recipient. In the event organisations received more funds for the use-linked donation than they can actually spend within this time frame, they are not allowed to retain these funds and use it for other purposes. If they intend to use donations for other projects, they have to confirm with the donors.

In practice, there are many ways to deal with a situation of “surplus of donations”. One possibility is to assign applicable funds received to another tax-privileged organisation (see § 58, no. 2 of the “Abgabeordnung”). Also, surplus funds can be put into a reserve account. In this case funds are linked to those purposes they were collected for, but can remain in the reserve account for a longer time period than the above mentioned time restriction according to § 55, sect. 1, no. 5 of the “Abgabenordnung”. If the organisation does not opt for solutions like these, it is obliged to return the donation or to confirm with the donor about a possible re-allocation.

²⁵ See Buchna, *Gemeinnützigkeit im Steuerrecht*, 8. Aufl. Achim 2003, p. 349 et seqq.

The establishment of a reserve account is based on § 58, no. 6 “Abgabenordnung”. The funds must be collected for certain cause, as contained in the organisation’s by-laws, and the execution of the project must be credible and financially feasible. An additional prerequisite of the reserve fund is to fulfil the goals and purposes of the organisation permanently.²⁶ The German Institute of Certified Accountants (Institut der Wirtschaftsprüfer in Deutschland/IDW)²⁷ specifies that interest earned on temporary investment of donations have to be used for the same purpose as the initial donation.

In case the full extent of a natural disaster cannot be assessed immediately, it seems reasonable to define an appeal in the broadest possible way; consequently, donations could be used for alternative purposes.²⁸ Some charities operate this way. All surplus funds will be reallocated to other purposes in line with the organisation’s by-laws. In addition, there remains the possibility of building up a reserve fund.

According to collected information within this study, a majority of the Tsunami donations solicited in Germany have not yet been disbursed. In order to provide meaningful, long-term reconstruction and development projects reserves have been built, in one exceptional case covering a period up to 15 years.

Two of the organisations answered that they received more Tsunami related donations than they were able to use for the given purpose. The international network of MSF received more than Euro 109 million of Tsunami donations. The estimated need in the Tsunami region, however, only amounts to Euro 24.6 million. The organisation therefore seeks to reallocate about three-fourths of the funds to other programmes. As this can only be done with the consent of the donors, MSF started to contact their donors soon after the Tsunami disaster and asked them whether they would accept a reallocation of the donations. The remaining surplus funds were transferred to partner organisations assisting countries struck by the Tsunami. Reactions by the public and individuals to this request have largely been positive. According to MSF, a total of Euro 62 million has been reallocated until the end of August 2005.

Another question posed to organisations within this survey was related to the timely allocation of non-profit funds contained in the German tax law (Abgabenordnung). 20 out of 56 organisations judged the existing requirements as being too restrictive and feel the pressure of time. Conversely, 36 saw them as not being problematic because of the possibility to set up reserve funds.

On January 14th 2005, the Federal Ministry of Finance published a special act to simplify tax measures to support the victims of the Tsunami.²⁹ This enactment allowed organisations to appeal for Tsunami relief even if according to their by-laws they pursue different purposes or are bound to other regions. This decree was criticized by many NGOs as not being very adequate because it ignores the organisations’ qualification and the competence needed to provide useful assistance.

It can be summarized, that donors can expect their purpose-linked contribution to be used as intended. If a sensible use of surplus funds can no longer be assured, the organisation is obliged to inform the donor of this, who can then demand to have his or her contribution refunded or agree to a reallocation. From the charities’ perspective, there are many ways to deal with the surplus of donations and most of them feel comfortable with the existing regulation.

²⁶ See Anwendungserlass zur Abgabeordnung (AEAO) numbers 9-11

²⁷ Institut der Wirtschaftsprüfer, HFA 4/1995, B. I. 3.

²⁸ See Lindemann; Goetz: Zweckgebundene Spenden aus rechtlicher und steuerlicher Perspektive, in: DZI Spenden-Almanach 2004/5, p. 33-44

²⁹ Federal Ministry of Finance, 14.01.2005 – IV C 4 – S 2223 – 48/05

8. Lessons learned

The Tsunami disaster of December 2004 led to donation campaigns with highest volumes of private donations. This study analysed the donations received by German NGOs, the organisations that benefited most, forms of giving and the motives of the donors. It concludes on lessons learned from the Tsunami disaster for other big natural disasters and further fundraising campaigns:

- The biggest amount of donations was given to the large organisations with worldwide activities and international networks, primarily engaged in emergency and disaster aid. However, the results indicate that donors are also willing to invest in long-term reconstruction and development projects.
- The major motives of donors to contribute extensively to the Tsunami campaign were the extraordinary extent of the natural disaster, the extensive media coverage, that it happened on Christmas, and that many western and German tourists were among the victims.
- The donor motives during the Tsunami disaster are not easily transferable to future natural disasters because of its several unique factors. However, findings regarding the young people's preference to use new technologies for donations such as internet donations, TV shows or SMS are of relevance for future appeals.
- The clientele donating in the case of disasters differs from the regular, more development oriented donors. Among the Tsunami donors, many more young people and more new donors participated than in other donation campaigns. Some of them were characterised by the NGOs as "one time donors" contributing only for the Tsunami disaster.
- NGOs have not yet developed different kinds of relationships with their traditional donors and the new Tsunami donors. However, some organisations try to establish long-term relationships with their new large-scale donors.
- Press releases were the most frequently used fundraising instrument, followed by websites, media's public donations listings, mailings, Radio and TV programme and TV galas. There is no proportional relationship between the frequency of use of the instruments and the respective donation volumes. In addition to traditional ways to collect donations numerous new "forms of giving" were applied, such as internet auctions of gifts-in-kind or donation of bonus points. Notably, for smaller organisations donation platforms are quite helpful to attract donors.
- NGOs report no substantial increase in demand for accountability of the Tsunami funds among their donors because of their high trust, but they do confirm such an increase on the side of the media. Overall, the need for public accountability of the use of Tsunami funds seems to be not substantially higher than compared to other disasters.
- The relative share of Tsunami online donations does not significantly differ from other emergency and disaster situations. Consequently, internet donations have a rather supplementary role in overall fundraising.
- German law regulates the proper and timely use of donations. Increasing numbers of NGOs have turned to project related sponsorship or appeal for funds for specific purposes. The more narrowly defined the call for donations are, the more difficult it becomes for organisations to attribute some of the funds to their general programme or to other specific projects. In practice, most of the organisations feel comfortable with the existing regulation.