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## **Virtuous Circles: New Expressions of Collective Philanthropy in Asia**

**Entrepreneurial Social Finance in Asia: Working Paper No. 3**

**Rob John**  
*May*  
**2014**



## ACSEP

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## Acknowledgments

I am very grateful to the giving circle practitioners who permitted me an interview. I was struck by their willingness to share information with complete openness, which is encouraging for the potential future peer learning between groups in Asia and beyond. I am particularly grateful to Dasra and SNEHA for allowing me to reproduce a quarterly performance scorecard. I have drawn on the published work of Prof. Angela Eikenberry and Jessica Bearman, who are the primary contributors to our understanding of American collective philanthropy, who also freely shared their experiences with me via e-mail.

As usual my colleagues at the Asia Centre for Social Entrepreneurship & Philanthropy (ACSEP) provide a stimulating sounding board on all matters of philanthropy and social entrepreneurship.

## Version

ACSEP Working Paper No. 3, version 1.3, 2014

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# Introduction

## Entrepreneurial Social Finance

This is the third paper in our practitioner series exploring the development of ‘entrepreneurial social finance’ (ESF) in Asia. The first paper (John, 2012) introduced the term ESF set in the context of a philanthropy ecosystem that comprises the supply and demand of resources and their intermediation. We coined the term ESF to capture financing models that are particularly appropriate for non-profit organisations that are entrepreneurial in nature and social enterprises that primarily trade in order to achieve social goals<sup>1</sup>. Very often, such market-oriented activity is personified as ‘social entrepreneurship’. Social entrepreneurs seek capital, networks and business acumen, like their counterparts in the private sector. ESF is an umbrella term that includes much of what is self-described as ‘venture philanthropy’ and ‘impact investing’. It is the level of direct engagement by the funder, with the organisation being supported, that most clearly defines the practice of entrepreneurial social finance by venture philanthropy and impact investing practitioners, rather than the kind of financial instrument used. While venture philanthropists are likely to accept that all or most of their capital will not be returned, and impact investors are looking to preserve theirs or make a financial return, both tend to be relatively hands-on, working with the investee’s management at strategic and operational levels. This depth

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<sup>1</sup> The terminology used for describing the variety of organisations that operate with a social purpose is generally troublesome and inconsistent in literature, and varies across jurisdictions. For this paper we have used ‘non-profit’ to describe an organisation with a social mission, providing goods, services or activities for public benefit, that is predominantly dependent on grant financing. We use the term ‘social enterprise’ for organisations whose social impact is predominantly delivered through a trading activity, providing some or all of its revenue. Social enterprises may also raise investment finance as debt or equity, depending on their legal identity and incorporation. Some will wholly reinvest any surplus while others may pay dividends to shareholders. Please refer to the Glossary in this report for definitions of the terminology used throughout.

of engagement with the organisation’s management team has suggested an analogy with venture capital investments or angel investing in the commercial sector.

## Innovation in Philanthropy

Our second paper in the series (John, Tan and Ito, 2013) explored contemporary expressions of Asian philanthropy through the lens of ‘innovation’. We framed innovation as a continuous process of value creation that is driven by entrepreneurs, and stimulated by a complex interplay of interconnected factors — broadly ‘frustrations’ and ‘opportunities’:

### Frustrations

1. Discontent with the status quo in philanthropy.
2. Desire for greater sustained social impact.
3. Awareness that resources are used inefficiently.
4. A disconnect between business and philanthropy sectors.
5. Social issues are too complex for single interventions.

### Opportunities

1. Philanthropy is a globalising sector.
2. Business entrepreneurs are creating wealth, and are searching for models of philanthropy that have impact and connect with business approaches.
3. New generation of family-based philanthropists are reviewing traditional giving.
4. An increasing pool of professional talent seeking to do voluntary work.
5. Social entrepreneurship and hybrid organisational models are becoming mainstream, offering philanthropy beyond grantmaking.

We see philanthropy in broad terms — the deployment of financial and human capital for primarily social purpose. The space occupied by philanthropy is increasingly complex and experimental, offering far more nuanced possibilities than simply ‘giving a donation to a charity’. Philanthropy has several tools in the toolbox — different kinds of finance and non-financial resources such as consulting advice or mentoring. Philanthropy is practiced by institutions (private or corporate foundations and government funds), and by individuals. Our interests in this series

are limited to 'high-end philanthropy' by institutions and wealthy individuals. The motivations for wealthy individuals to engage in philanthropy are influenced by the interplay of psychological, social and cultural factors. In work that is North American in context, Schervish (1999) describes 'hyperagents', whose wealth and associated freedoms allow them to build institutions and fields. His later work (Schervish, 2006) develops the notion of a 'moral biography', the personal narrative, guided by a moral compass that describes hyperagents as wealth holders who 'harbour great expectations [and] possess the confidence to achieve them'. Individuals with the trait of 'hyperagency' may spend their professional career building businesses or industries and, if turning to philanthropy, bring similar entrepreneurial vision and resources. We will come back to this in later chapters, for hyperagency is one characteristic of several individuals who are starting up 'giving circles' in Asia.

Across the 34 nations and special administrative regions of Asia that define our geographical scope<sup>2</sup>, we witness both poverty and wealth creation. At their nexus is the potential for innovative philanthropy 'that reinvents and massively improves social systems through a tough-minded and rigorous approach to managed change' (Cheek, 2012). A region where the number of high net worth individuals (HNWI)<sup>3</sup> exceeds the number found in either North America or Europe is also home to 1.63 billion individuals living on less than \$2<sup>4</sup> a day (Capgemini and RBC, 2012), and while economic development has lifted many millions out of poverty, the gap between rich and poor grows and Asia's environment is under pressure from pollution and climate change.

We framed our previous study on innovation as three broad themes of enquiry:

**Entrepreneurial Philanthropy:** A response of philanthropists to the needs of social entrepreneurs for the financial capital

2 For the purposes of this series we consider 'Asia' to be: North Asia (with a particular focus on Greater China, South Korea and Japan), the ASEAN grouping (with a particular focus on Singapore, Malaysia, Thailand, Vietnam, the Philippines and Cambodia), South Asia (with a particular focus on India and Bangladesh, and including Pakistan) together with Australasia (with a particular emphasis on Australia and New Zealand). There is no fixed definition of other terms commonly used such as Asia-Pacific and Australasia.

3 HNWI's have investable assets in excess of \$1 million (excluding primary residence, collectables and consumer durables).

4 US Dollars are used throughout unless otherwise specified.

and business acumen needed to develop their ideas from early stage and grow them to scale. Models within this domain include 'enterprise philanthropy' (engaged grant finance that assists non-profit organisations on a pathway to become investable social enterprises); 'venture philanthropy' (grant financing and intensive non-financial advice for non-profits with ambitious growth plans); and 'impact-first impact investing' (investment in social enterprises that seeks to at least preserve capital).

**Strategic philanthropy:** For philanthropy to be both innovative and responsive, it is not restricted to venture or impact investing models. Good grantmaking is clear about what it wants to achieve: It is focused on measuring outcomes, is collaborative and flexible. Such a strategic approach can be practised by private and corporate foundations and by individuals, and adds value beyond dispersal of a grant.

**The Philanthropy System:** Philanthropy does not operate in isolation but in an ecosystem with diverse players. It is a marketplace for ideas, where the right capital and skills connect with the most promising solutions. We explored factors that bring efficiency to the ecosystem, including information, research, brokerage, collaboration, networks, field building and the supportive government policies.

## Why Study Giving Circles?

The theme of entrepreneurial philanthropy focused largely on the practices of venture philanthropy and impact investing organisations — institutionalised funds that offer a blend of finance and advisory services to social entrepreneurs in support of their ambitions to strengthen their organisations and grow social impact. We were intrigued by a variant of venture philanthropy whereby individuals pooled their resources and together selected a small number of non-profit organisations to support with grants and advice. Our earlier study profiled several such giving circles in India, Hong Kong and Tokyo but we felt that such an innovation in

collective philanthropy will grow in scale and importance in the coming decade to become a key part of the philanthropy landscape in Asia and thus warranted further study. In the next chapter we will look at how research evidence from North America supports a dual objective for the giving circle methodology — to provide resources for non-profits; and to educate and motivate donors. Giving circles can provide a learning experience for people who want to better understand philanthropy, such as how to create social value by donating their money and skills in a socialised context. When philanthropy is described as a journey that individuals embark upon throughout life, it is not simply about giving more money over time. Giving should be made more intelligently and strategically; it can involve leveraging non-financial resources; and it understands and measures the impact created. Collaborating with others on the philanthropy journey holds the potential to make giving a more impactful and personally fulfilling experience. Giving circles make it easier for individuals to enter into larger scale and more sophisticated philanthropy and share the risks and rewards with others. The learning opportunities are not only about the mechanics of good grantmaking but also throw light on the complexity of social and environmental problems at community level, and the nature and impact of interventions by non-profit organisations. As philanthropy evolves in Asia, giving circles will play their part in a wider spectrum of modern mechanisms of giving — private, corporate and community foundations, government funding programmes and the countless acts of generosity made by millions of people every day.

## Scope and Limitations of the Study

We are not aware of any substantial research publications on giving circles in Asia. In this study we wanted to make an initial exploration of models of collective philanthropy in Asia. Two constraints to

our study were geography and ‘visibility’. To investigate all 34 countries and special administrative regions in our definition of Asia would require time and resources not available to us. We therefore focused here on a small number of countries where we had experience from our previous research — in particular India, China, Singapore, Hong Kong, Japan, Korea and Australia. As the study progressed we learned of activities in other countries and included these in the report. It should be understood, however, that this study is not exhaustive and is not likely to include all activities in other countries.

A major constraint is visibility. A giving circle may be informally organised and has no profile outside of its members or peer group. Even a giving circle that is formally constituted, perhaps with a legal identity, may decide to keep its activities private and out of public view (which is not uncommon in low-disclosure jurisdictions in Asia). Such activities are the ‘iceberg’ below the water, invisible to research enquiry and only uncovered serendipitously or by word of mouth. Such ‘known unknowns’ are beyond the scope of this study although we have profiled one example to illustrate their existence in the universe of giving circles.

Our previous papers mentioned that many activities assumed to be modern — for example, social entrepreneurship, venture philanthropy and impact investing — are often contemporary expressions of historical practices. This does not diminish their potential, but is a humbling reminder that in philanthropy, as in most of life, there is seldom anything new under the sun. A rigorous study of historical models of collective philanthropy across diverse Asian ethnic groups would yield highly interesting insights, but is again beyond the scope of this research. We know that getting together to give is not new in Asia. Clan, ethnic, diaspora and faith groups have pooled their resources in the manner of giving circles for decades. Nearly 100 years ago the Chinese Ladies Association of Singapore pooled their charitable giving for social and educational causes in what was at the time a modest colonial outpost with high levels of social deprivation. Chinese clan associations throughout Asia plotted the course of 19th century economic migration from the mainland to points throughout



Southeast Asia. Much of their activities, although inwardly focused, would be described as philanthropic today. Conscious of this historical dimension, our study focuses on ‘contemporary’ expressions of collective giving in the new era of professionalised, charitable giving.

An area of collective philanthropy we have deliberately chosen to exclude is what is often termed ‘donor circles’ where individuals club together to raise funding exclusively for a specific non-profit organisation. Donor circles are generally a fundraising tool initiated by a non-profit and will include educational elements such as speaker events and field trips. They generally lack the element of member choice about what to fund, as the group was initiated by the organisation that benefits from the funding. There are variants of this model: for example the Foundation for Sustainable Development (FSD) is a US-based international development non-profit that creates and services donor circles that choose a community project to support from a menu of several hundreds of their partners in developing countries. FSD charges a 15 percent fee for servicing each circle, including providing educational activities. There is a fuzzy line between a donor circle (driven by one particular non-profit or cause) and a giving circle (driven by independent citizen action), and they both sit within the broadest understanding of collective philanthropy. Dasra is a hybrid initiative we profile in Chapter 3, which has the attributes of both giving and donor circles.

Our working paper series views philanthropy as ‘the deployment of financial and human capital for primarily social impact’. Venture philanthropy and active impact investing stress the combination of finance and non-financial inputs in their model, analogous to the active investment approach of private equity in the commercial sector. We will see in later chapters that giving circles lie scattered along an engagement spectrum — some intentionally leverage members’ skills, always offering advice with funding, while others are far less engaged with the non-profits they support. In valuing time and skills as philanthropic resources we have included an example of collective giving in India that involves exclusively donated skills and not money.

The popularity of impact investing in the last five years has led to some philanthropists looking at investing in social enterprises, using equity or loans, as an alternative (or in addition) to making grants to more traditional non-profits. During the course of this study we noted several examples of ‘collective impact investing’ – where individuals would group together to invest in early stage social businesses, somewhat like angel networks in commercial investing. Some of these ‘impact angels’ operated as informal groups for sharing investments. We also noted in India a migration of commercial angel networks into the impact investing space. We have excluded such examples of collective impact investing from this report but they will be the subjects of a subsequent working paper.

## Structure of the Report

The vast bulk of known and documented giving circle activity is in the United States and Canada, which has resulted in an output of academic and practitioner research. Chapter 1 summarises what we know about North American giving circles from studies carried out between 2005 to 2009, and which has set the theoretical framework for the phenomenon of collective philanthropy. The chapter also mentions giving circle activity in Europe although research in that region is new and yet to be published.

In Chapter 2 we profile seven examples of giving circles in Asia that have been ‘imported’ from the U.S. or United Kingdom, either as formalised chapters of organisations in the West, or loose affiliations. Giving circles that have been initiated locally, without direct involvement of Western organisations, are profiled in Chapter 3. This chapter also mentions two extensions of the core giving circle model — a collective that invests in social enterprises, and an organisation that mobilises consulting skills that are volunteered to non-profits.

Finally, in Chapter 4 we offer a preliminary analysis of giving circles in Asia, exploring their potential in the landscape of Asian

## Introduction

philanthropy and the resources that would expedite their formation and development.

At the end of the report we have made a number of recommendations with this diverse readership in mind.

## Methodology

This study employs an essentially qualitative methodology. We conducted 43 face-to-face, Skype and e-mail interviews in Singapore, India, China, Japan, Australia, Taiwan, U.S., South Korea, Mongolia and U.K. between June and December 2013. We chose in-depth interviews as the central component of the study to gain insight into the personal motivations of individuals who founded, manage or are members of giving circles. The face-to face and Skype interviews were conducted in English and were semi-structured (using an interview script but allowing flexibility for free-flowing conversation). A full list of interviewees is appended.

We carried out a review of literature and websites to obtain general data on philanthropy and organisations that were not part of our interview process.

## Audience

We have written this report with a wide audience in mind. We hope it will be read by philanthropists (in Asia or with an interest in Asia; and at all stages of their philanthropy 'journey'), those engaged professionally in philanthropy and wider social investment, and by individuals who might be interested in joining or forming giving circles in Asia. We also hope it will stimulate the interest of researchers who might address the dearth of quantitative and qualitative data on philanthropy in Asia, and contribute to a deeper understanding of how collective models of giving can assist human development in the region.

# 1. Giving Circles in North America and Europe

From the perspective of published research and articles, giving circles appear to be a largely North American phenomenon, with only a few examples so far reported in the U.K. and continental Europe. In this chapter we will explore what is known about giving circles in North America and Europe. It is not surprising in our socially globalised world that international travel, study and business afford individuals the opportunity to experience and be influenced by unfamiliar philanthropic cultures and models. We will see in later chapters that many Asian initiatives of collective philanthropy we profile are linked, formally or informally, to existing circles outside of the region.

## Giving Circles in the U.S. and Canada

Philanthropy — personal, collective and institutional — has a long history in the U.S. and while collective acts of giving through mutual societies and fraternities have long existed, the modern form of giving circle appears to have developed from the mid 1990s onwards. The rapid growth of giving circles in the world's largest philanthropic market has attracted a number of academic studies since 2002. The most notable researchers are Angela Eikenberry (University of Nebraska, Omaha) and Jessica Bearman (an independent consultant commissioned by the Forum of Regional Associations of Grantmakers). The presence of informal and 'invisible' giving circles makes it impossible to know the exact number operating in the U.S., but in 2004 the Forum of Regional Associations of Grantmakers identified approximately 200 circles when it began tracking such groups. Much research tapered off in 2009 and today the best estimates

for the number of American giving circles is stated variously as 'between 400 to 600' (Walker, 2007) or 'well over 500' (Eikenberry, 2009). The Giving Circle Knowledge Center, hosted on the website of the Forum of Regional Associations of Grantmakers<sup>5</sup>, cites no resource materials published later than 2009. Although most authors view American giving circles as a 'growing phenomenon' there are no verifiable figures on their number, a problem compounded by precise definition of what constitutes a giving circle and by the issue of invisibility. Despite that, the relatively large number of circles in the U.S., compared to any other country or region, has given researchers a significant dataset for quantitative study. At present our only understanding of the scale, variety and dynamics of giving circles comes from research carried out in the U.S. There does not appear to be a published database of U.S. giving circles that has given rise to the varying estimates of their total number.

Eikenberry, an academic and giving circle member, admits that 'giving circles are hard to define' (Eikenberry, 2009, page 57), are flexible in form and nature but typically exhibit five major characteristics — 'they pool and give away resources, educate members about philanthropy and issues in the community, include a social dimension, engage members and maintain their independence.' TABLE 1 summarises her seminal analysis of the core characteristics of American giving circles in 2005, drawing from data on 188 groups.

### A Typology of American Giving Circles:

Eikenberry (2009) offers a typology of giving circles using data from 176 groups identified in 2005, noting that any individual circle may be a blend any of the three 'ideal' types (TABLE 2). In 'Small Groups' leadership is often shared and decision-making highly distributed. There is little emphasis on engagement with the non-profits being supported by the group and the circles value social and educational activities. 'Loose Networks' comprise an

<sup>5</sup> [www.givingforum.org](http://www.givingforum.org) accessed in October 2013.



**TABLE 1:** Adapted from Eikenberry (2009), from a dataset of up to 188 giving circles in 2005 and later reports and studies done by others

Five Core Characteristics of U.S. Giving Circles	
Pool and Collectively Give Away Resources (152 groups surveyed)	<ul style="list-style-type: none"> <li>• Members may or may not contribute equal amounts</li> <li>• 40 percent required no fee or a non-mandatory fee</li> <li>• Multiple giving levels attract more diverse individuals</li> <li>• Stratified membership fees unlikely to raise issues of power, influence and privilege where donations are anonymous</li> <li>• Funds may be raised from outside the membership</li> </ul>
Educate members	<ul style="list-style-type: none"> <li>• Informal and formal education about philanthropy is key</li> <li>• Informal education takes place through the activities of running a giving circle</li> <li>• Formal education takes place through workshops, seminars and guest speaker events, although only usually in the larger, more formalised circles</li> <li>• Formal and informal education about community issues also takes place</li> </ul>
Provide Social Opportunities	<ul style="list-style-type: none"> <li>• For some circles, social interaction is a primary focus — ‘to build a community of women who enjoy working together’ (Everychild Foundation)</li> <li>• For women’s groups in particular, a driving force is ‘social with a purpose’</li> </ul>
Engage members	<ul style="list-style-type: none"> <li>• Especially in less formal groups, volunteers conduct all aspects of the circle’s administration</li> <li>• Even in groups with paid staff support, they are largely driven by volunteers</li> <li>• In some circles (usually the larger and more formal ones) there is also direct engagement with the non-profit organisations being supported</li> </ul>
Maintain Independence	<ul style="list-style-type: none"> <li>• Giving circles are typically not tied to any one charity, with members deciding where funds should be distributed, in contrast to a donor circle that would be organised by an individual non-profit as a fundraising tool</li> <li>• An ambiguous type of giving circle is that associated with university foundations, where distribution is limited exclusively to the institution, but the circle has flexibility to decide on individual projects</li> </ul>

active volunteer core group with a larger body of individuals affiliated with the circle but not necessarily identifying as formal members. Eikenberry suggests that such networks are particularly attractive to women as members, who value the opportunity for ‘doing good’ in busy lives. ‘Formal Organisations’ are often professionally staffed, have a board or core group structure and relatively large memberships. Decisions about grantmaking

are structured through investment committees and engagement between members and non-profits is encouraged.

#### **Why People Join Giving Circles:**

Eikenberry’s survey explores the motivations for individuals to join giving circles. These include generic reasons for engaging in philanthropy (such as giving back to the community, finding a focus after life

**TABLE 2:** Adapted from Eikenberry (2009)

Type/ Characteristic N = 176	Small Group 22% of total	Loose Networks 26% of total	Formal Organisations 46% of total
Number of members	5–25, average 13	2–140, number fluctuates	5–500, average 84
Gender	Half women-only; half mixed	Mostly women	Mostly mixed
Member fee per year	\$50–\$5,000 or discretionary	\$25–\$35, discretionary	\$250–\$5,700
Organisational structure	Shared leadership, closed membership	Informal network, core group plus fluctuating periphery	Formal, committees, focus on growth
Grant decision making	All participate, consensus and vote	Board or lead group, consensus	Committee (in some cases ratify), consensus and/or vote
Major activities	Social and educational (mostly informal)	Social and fundraising (mostly informal)	Educational and volunteer engagement (mostly formal)
Affiliations	Community foundation or other organisation serves as a fiscal agent, sometime provides staff support	National affiliation to headquarters or part of independent movement	Community foundation or other organisation; several become independent 501(c)(3), many with support staff

transitions, a quest to be more spiritual and generous), but also motivations more specific to the collective nature of giving circles — part of a larger group leveraging resources, to connect with others, often networking in the same industry, to learn about community and philanthropy issues in a safe, anonymous environment.

#### **Promoting and Enabling Giving Circles:**

The Forum of Regional Associations of Grantmakers website, as we noted above, hosts its own research on giving circles and practical resource materials for those interesting in setting up or hosting giving initiatives. Bearman developed most of the research and handbook materials in collaboration with others, including Eikenberry (for example Bearman, 2006). This grantmakers' network is a good example of a philanthropy ecosystem 'enabler' which supports the strong American philanthropy sector and which is so lacking in Asia (John, Tan & Ito, 2013). Another such network is the Women's Collective Giving Grantmaker's

Network<sup>6</sup> (WCGN), which 'builds women's leadership in philanthropy by sharing best practices, providing forums for information and resources, and supporting the expansion of women's collective giving throughout the country.' WCGN is an enabler but also a network of giving circles — mobilising 7,000 women members in 37 groups across 18 states. In 2012 the network distributed \$8.8 million to non-profits through grants ranging from \$5,000 to more than \$100,000. It has also started a dialogue in China, where there is interest in the giving circle models among its members.

**The Demographics of American Giving Circles:** Eikenberry's data confirms that there is a significant gender bias in the make-up of giving circles: 44 percent of 188 circles were women-only; 2 percent were male-only; and the rest mixed gender. Seventeen percent of the groups were based on ethnicity, race or religious affiliation and the majority were Caucasian (61 percent of the 188 groups).

<sup>6</sup> <https://sites.google.com/site/wcgnetwork/home>

## 1. Giving Circles in North America and Europe

On the American landscape it appears that gender is a major factor in the formation and dynamics of giving circles. Much has been written about the supposed proclivity that women have for activities that are collaborative, social and of a flat hierarchy. In 20th century American women also had an increasing capacity for philanthropy through income, inheritance, education and control of their finances (Shaw-Hardy, 2009 and Gary, 2005). A recent doctoral thesis by Witte (2012) explores the role of women's leadership in American philanthropy as experienced in giving circles. Witte characterises women as key to the development of philanthropy but often 'invisible', as they are more driven by impact than status and recognition (which resonates with Truman's aphorism: It is amazing what you can accomplish if you do not care who gets the credit). Witte (2012, page 6) suggests that researchers '... see the possibility of giving circles as a way to engage those who have historically been on the margins of philanthropy, providing a means for enhancing participation.' We will see in later chapters that gender does not appear to be a significant dimension of giving circles

in Asia, even those which are replicates of women-only circles in the U.S.

**The Hosting of Giving Circles:** It is notable that Community Foundations have a prominent role as affiliates of giving circles (TABLE 2). This role is largely that of hosting giving circles and has been researched in some depth by Bearman (2007, 2008). In a sample of 160 giving circles, Bearman found that 68 percent were hosted by another organisation — more than half of these hosts were community foundations. Other hosts include public foundations, grantmaker associations, non-profits, educational and health institutions. The function of a host was at a minimum to provide treasury services (accepting, holding and disbursing grants to beneficiaries on behalf of a circle). In a jurisdiction such as the U.S., where there are strong incentives for tax-efficient giving, a giving circle must hold the requisite tax status itself or affiliate with a host that provides such a fiscal service. Other hosts added value by publicising the circle's activity and helping with identification of grantee organisations. TABLE 3 illustrates the advantages to either party of a hosting arrangement.

**TABLE 3:** Adapted from Bearman (2007)

Advantages a giving circle seeks through partnership with a host	Advantages an organisation may gain by hosting a giving circle
Fiscal agency and 501(c)(3) tax status: Providing a vehicle for tax deductibility of members' donations.	Outreach: Extend knowledge about philanthropy into communities and beyond their traditional donors.
Grant disbursement: Administration of grants to benefitting non-profits.	Enrolment: Recruit new donors, especially reaching into new segments (women, ethnic/racial, moderate income).
Local Knowledge: Insights to issues and non-profits in the community; due diligence services.	Servicing existing donors: An opportunity to offer new services to existing donors, especially those seeking greater personal involvement in giving.
Credibility: A respected host may help legitimise a giving circle in the community.	Community leadership: Opportunities to encourage local philanthropy leadership.
Compatibility of Mission: Enhanced mission through partnership with an organisation of shared vision.	Build grantmaking: To augment resources available for existing thematic grant programmes.
Staff support: Back office services or expertise.	Building endowment.
	Culture of giving: Helping advance the host's mission of philanthropy development in the community



**The Impact of Giving Circles on their Members:** Models of collective philanthropy in the US stress a dual purpose: to provide resources to non-profits in a thoughtful and intelligent way; and to educate members through the giving process, by learning from each other and others. The survey of 341 members of 26 diverse giving circles by Eikenberry and Bearman (2009) set out to measure how membership of giving circles influenced giving, volunteering and civic engagement, compared to a control group of other donors. Their survey and interviews indicated that:

Giving circle members give more in total charitable donations, although the increase may not be substantial enough to make up for income effects. Total giving increases as level of engagement and length of time in a giving circle increases and number of giving circle memberships increases.

Giving circle members give more strategically and more broadly, especially to organisations supporting women and girls and ethnic/minority groups (groups often neglected by mainstream organised philanthropy). Giving in these areas increases in particular for white and male members but decreases for all members as the size of the giving circle increases. Giving circle members are less likely to support combined general-purpose organisations and religious purposes.

Giving circle members tend to be more civically engaged, although it is not certain that the giving circle causes this. However, the more engaged someone is in a giving circle, the more likely they are to say that they have increased the amount of time they volunteer; and the longer someone is in a giving circle or the more giving circles in which they participate, the more they are civically engaged. Members with higher levels of engagement within a giving circle are also more likely to have higher levels of involvement in changing government policies.

Giving circle participation does not appear to increase political activity, but members are more comfortable with and more inclined to have political discussions and to see giving circles as a means to be engaged with the community.

Giving circles have a considerable impact on increasing members' knowledge and awareness

of philanthropy, non-profit organisations, and problems in the community.

## Global Promotion of U.S. Models

Our study suggests that three giving circle networks in the U.S. are known to have replicated their model in Asia — Social Venture Partners Network (SVP), Impact 100 and The Awesome Foundation for the Arts and Sciences. Additionally there has been a wider promotion of giving circle methodology by U.S. practitioners, including Colleen Willoughby, through visits to Asia, which may have led to circle formation.

**Washington Women's Foundation:** Colleen Willoughby has been described as the 'mother of giving circles' in the U.S. after founding the Washington Women's Foundation (WWF) in 1995 as a pioneering model of collective giving. WWF engages more than 500 women in Washington state who had donated US\$13 million in 2013, with approximately half that sum held in pooled funds and half made as donations by individual members. Willoughby was instrumental in encouraging other, independent giving circles to form across the U.S. through the Women's Collective Giving Grantmakers Network (WCGN), which today is a learning platform for 38 giving circles in 18 States. The success of such rapid expansion led WWF to partner with the Marc Lindenberg Center at the University of Washington in a research project named Global Women's Philanthropy to determine if the WWF model could be replicated globally. A pilot project is currently researching the scope for giving circle replication in China. In 2010 Willoughby and her colleagues established Global Women – Partners in Philanthropy (GWPP) as a practical outcome of the research, to 'introduce the philanthropic model of collective giving by individual donors in their own local communities globally'. In 2012, GWPP became a part of the Seattle International Foundation, which focuses on global non-profit development, and since 2013 has been actively working with philanthropy organisations in China. The GWPP's Invitational Travel Exchange programme in April 2013 brought

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leading Chinese philanthropy professionals to Washington state for an exposure to a variety of collective giving models, with the objective of seeding initiatives in China.

**Social Venture Partners Network<sup>7</sup> (SVP)** is a widely recognised 'brand' of giving circle in North America that first extended its reach internationally in 2005 (see Social Venture Partners Network profile). By the end of 2013 SVP had 27 chapters in U.S. and Canada, an established chapter in Tokyo and chapters starting up in Ireland, India, China and Australia. The SVP network now has more than 2,700 individuals associated with its chapters and has plans for further growth, particularly outside the U.S.

At the same time that SVP was initiated in Seattle a mirror initiative named Silicon Valley Social Venture Fund (SV2) was being developed by Laura Arrillaga-Andreessen, a philanthropist and philanthropy researcher (Arrillaga-Andreessen, 2012). While engaged in her MBA at Stanford University, Arrillaga-Andreessen reasoned that those entrepreneurs and venture capitalists that populated Silicon Valley and had created wealth before the age of 40 may be attracted to a model of giving that treated donations with 'the same degree of seriousness, accountability and efficiency' as commercial investments. Her model would be based upon the investment approach of venture philanthropy and driven by a circle of engaged and motivated 'partners' who would pool their donations. While SV2 and SVP developed along very similar paths during the same time, they are not formally linked, but do collaborate and share learning with one another.

**Impact 100:** Wendy Steele is an entrepreneur with a 20-year career in banking when in 2005 she brought 'philanthropy to the dinner table' by founding Impact 100 in collaboration with United Way and FYL (Financially Literate Youth). Impact 100 is a women's giving circle that has grown to 15 other U.S. cities and in 2011-12, chapters were set up in Western Australia and Melbourne (See Impact 100 U.S. Profile).

The Impact 100 chapter in Austin, Texas has been the subject of recent academic research study by a graduate student based in Australia.

<sup>7</sup> Prior to a rebranding in 2013, SVP Network was known as Social Venture Partners International (SVPI), which comprised U.S. and non-U.S. affiliates and the staff team responsible for promotion and learning. Today the SVP Network is serviced by a Network Office.

Lesley Ann Ray's 2013 Master of Business thesis from QUT Business School is a timely academic enquiry into the relationship between a giving circle's members and the non-profit organisations being supported by the group, an area into the study of donor motivation coined 'philanthropic psychology<sup>8</sup>'. While based upon an extended case study of an U.S. giving circle, the thesis draws potential application to the Australian context, where as we shall see, there is recent activity in collective philanthropy.

Our final example of an American giving circle with a growing international footprint is **The Awesome Foundation for the Arts and Sciences**. Some have described giving circles as a cross between 'a book club and an investment circle<sup>9</sup>'. Given such a suburban description, it is perhaps not surprising that Generation Y<sup>10</sup> may seek a more contemporary feel to model civic action, including collective giving. The Awesome Foundation was conceived by a small group of friends in Boston in the summer of 2009, as an unconventional take on individuals pooling money to 'forward the interests of awesomeness in the universe'. The concept, while perhaps sounding a little vague and quirky, grounded itself in a rapidly growing global community of giving circles (See Awesome Foundation Profile). The barrier to launching an Awesome chapter is very low, requiring only a handful of individuals each pledging US\$100 per month. Applications from individuals or groups are solicited online and the circle considers just about any project of general public benefit, including those outside what would be conventionally considered as charitable. This broad mandate means that the members' donations are not tax deductible, but this small deficiency is offset by less bureaucracy, fast decision-making and a general sense of 'fun'. There are 54 chapters in U.S. and Canada, although rapid and easy growth may also mean that the chapters are

<sup>8</sup> Philanthropic psychology is a growing academic and practitioner field that argues the case for better understanding of the motivations that lead donors to make choices in their personal giving. Much of this research has recently been led by Sargeant and Shang (2010). Shang now holds the first university chair in the U.K. for philanthropic psychology (Plymouth Business School in 2013).

<sup>9</sup> Carole Schweitzer in *Building on New Foundations*, quoted by Eikenberry (2009).

<sup>10</sup> From Wikipedia: Generation Y, also known as the Millennial Generation, is the demographic cohort following Generation X. There are no precise dates for when Generation Y starts and ends. Commentators use beginning birth dates from the early 1980s to the early 2000s. Educational sociologist Andy Furlong describes Generation Y in *Youth Studies: An Introduction* as optimistic, engaged, and team players. Millennial characteristics vary by region, depending on social and economic conditions. There's a marked increase in use and familiarity with communication, media and digital technologies.

not self-sustaining and may easily become dormant. A handbook for new chapters spells out suggested guidelines but are subjected to each group's interpretation. The network is self-policing and relies on trust and dialogue amongst the community.

## Giving Circles in Europe

It was beyond the resources and scope of this study to uncover the actual number of giving circles in Europe, even those we categorise as 'visible'. Philanthropy professionals and networks were contacted in several European countries to enquire if they had knowledge of giving circles. This approach, acknowledged to be of limited investigative value, uncovered only a handful of giving circles, mostly in the U.K. There is currently very little published research on the volume and diversity of giving circles in Europe. Unpublished research by Eikenberry and Breeze suggests there may be up to 80 giving circles in U.K. and Ireland<sup>11</sup>, far more than previously reported.

We readily identified only a handful of giving circles or networks in the U.K. — The Funding Network (TFN), The Women's Foundation, the Rosa Giving Circle, Young Philanthropy and The Bread Tin. Young Philanthropy and The Bread Tin are new initiatives that focus on developing philanthropy skills amongst young professionals in the City of London (the core business district) who are mentored by more experienced philanthropists. TFN has several chapters in the U.K. and has started to replicate internationally, including Asia. Informal donor circles, which focus on raising funds for a specific non-profit, are probably numerous e.g. the Oxford Givers' Circle has pooled its members to support the charity Womankind Worldwide.

**The Rosa Giving Circle for Suffolk** is an initiative of the Suffolk Community Foundation in partnership with Rosa, a registered charity whose mission is to increase resources for organisations in the U.K. that work with at risk or disadvantaged women and girls. Through

the agency of a mutual contact, the community foundation initiated a giving circle to fund local charities and groups working with women and girls. Members of the circle commit £500 (US\$850) annually for three years. Half the fund is distributed immediately to local charities and the other half is allocated to an endowment fund. The endowment is topped up with funds from a government-run matching scheme for community initiatives. The community foundation receives the Gift Aid from pledges (income tax recovered on charitable donations) to cover the administrative cost of managing the circle. While the giving circle is branded as 'Rosa' the organisation itself does not receive any of the funds collected, but views that its mission is fulfilled by bringing new funds into the sector and educating circle members about women's issues. Rosa sees untapped potential through the giving circle model and is in contact with other community foundations interested in launching similar initiatives in the U.K. In category terms the circle is most likely 'community foundation initiated' with a strategic partner with an issue-focused non-profit. The community foundation services the circle and the non-profit provides educational inputs.

**The Women's Foundation (TWF)** was established in 2010 as a charitable trust in support of vulnerable women and girls in the U.K. as an initiative in women's collective philanthropy. Members are expected to pledge a minimum of £500 (US\$800) annually, and in the financial year 2012–13 the foundation made grants totalling approximately US\$19,000. Application from grant seekers are made online, and the giving circle's website suggests that a small group of members manage the grant process as volunteers. The organisation's website does not offer details on the size of each grant, and because of its small size the regulatory body does not require the foundation to disclose full annual reports.

**The Bread Tin** is a London-based charity registered in 2012 to 'help people make their own charity projects'. A group of eight individuals form a giving circle together with an experienced philanthropist who mentors the group. The members make a voluntary contribution into a pooled fund to which The Bread Tin gives £10,000 (US\$16,600). The group meets regularly to shape a charitable project linked to the work of a non-profit, which receives the project funding. The Bread Tin's website describes only its first, pilot project

11 Unpublished research (2013–2014) by Eikenberry (University of Nebraska) and Breeze (University of Kent). The researchers estimate up to 80 giving circles in U.K. and the Republic of Ireland (personal communication with the author).



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but it appears that two other circles are under way.

**Young Philanthropy** was registered in 2013 as a Charitable Incorporated Organisation (a hybrid legal form blending charity and social enterprise) to 'help young professionals join together and invest their money, time and skills in a niche charity project, with matched funding and mentoring support of an experienced philanthropist or senior leader within their organisation'. The model is employer centred, where a company hosts a giving circle called a 'syndicate'. Each syndicate comprises 15 young professional employees and one senior executive or philanthropist who matches the group's individual financial contributions. Each syndicate chooses a charity to support over 12 months and the experienced individual guides the members through the process. Young Philanthropy is currently limited to London and describes the initiative as complementing a company's existing Corporate Social Responsibility (CSR) activities. The organisation's website does not specify how many company-based syndicates have been initiated, but a web page for each company hosting a syndicate is provided.

**The Funding Network (TFN)** is an established giving circle in the U.K. having been set up in London by four individuals in 2002, who 'wanted primarily to have a peer group to give with and to make what we were able to give go further.' (See The Funding Network Profile). TFN events are open to members and anyone else who is curious about collective giving, and are organised around a sequence of strictly timed pitches made by pre-selected non-profits, after which the audience makes pledges. Typically grants of £5,000 (US\$8,000) are donated to successful organisations, which are required to file a progress report 12 months after receiving the funds. By 2012 TFN had expanded to nine local groups in the U.K. and three pilot chapters overseas. During the first 10 years the network had dispersed £4 million (US\$6.5 million) to 590 charitable organisations, most of which were at the early stages of development. As well as growing geographically, TFN experimented with innovations that departed from the core methodology — one sub-group of members committed grants of £25,000 (US\$40,000) as second-stage growth capital for eligible non-profits; events were held that targeted younger donors or professionals in London's

financial district. TFN is not structured as a giving circle where personal member engagement with non-profits is normative. TFN members may support successful non-profits with additional funds, offer management advice or introduce them to other donors, but this is informally done in a personal capacity. TFN is a lightly engaged model, in comparison to SVP.

The expansion of TFN into Bulgaria and Romania was facilitated by the CS Mott Foundation, which supports the development of civil society, including philanthropy, in the former Soviet Union. TFN in Eastern Europe has extensive partnership with local community foundations, which are a major initiative in the development of philanthropy in the region. TFN has a chapter in Canada and more recently has started up in the U.S. (an interesting decision given that the country already has a large number of giving circles.) Nevertheless, the opening in such a busy and mature environment for collective philanthropy will provide a learning opportunity for TFN in Europe, South Africa and Asia.

TFN's initiative for younger people, Youth TFN, adapts the core model by making the event entry ticket the minimum donation. This is a similar approach to the SOUP giving circles, which are centred around a public event, described as crowd sourcing for community causes, where a US\$5 entry fee gives a simple meal followed by the pitches of several community groups seeking funding. Detroit SOUP started in 2010 and now has 200 regular attendees who have donated US\$55,000. The initiative, which utilises the communication channels of Facebook, Twitter and even an iPhone app, has been replicated in Canada and the U.K.

In this chapter we have explored giving circles in the U.S., where several hundred have been studied. The experience of collective philanthropy helps us understand the diversity of models, the impact on both non-profits and members and strategies for international expansion. There are fewer giving circles we know of in Europe, although recent studies suggest that the number is growing. In the following chapter we will examine initiatives being started up in Asia by giving circles in the U.S. and U.K.

# Chapter 1 Profiles

## Social Venture Partners Network (SVP)

The first SVP chapter was established in Seattle in 1997, during the heady days of new economy entrepreneurship when traditional, institutional philanthropy was often criticised by newly wealthy entrepreneurs who went on to stimulate the 'venture philanthropy' movement (John, 2006). Paul Brainerd was an entrepreneur who, after selling his software company, Aldus Corporation, was exploring his own philanthropy journey. A passionate environmentalist, Brainerd engaged colleagues, friends and community members in a conversation about how to draw many people into a new experience of giving that would be beyond 'cheque writing', would leverage their professional skills and networks to support the non-profits tackling Seattle's entrenched social problems. With this group of 40 founding members, SVP was conceived. A loose network of 18 SVP groups rapidly grew around the U.S. and Canada, and by 2001 Social Venture Partners International was formed to connect the groups, facilitate peer learning and extend their reach globally. The Network's goal articulated in 2013 was to have a membership of 100 chapters by 2020.

From its early beginnings to formalising as a network of affiliates, SVP has demonstrated a strong commitment to documenting its learning as a pioneer in collective philanthropy and offering evidence for the impact of its approach. In 2003 SVP Seattle published an independent, commissioned review of its first five years of operations (Guthrie, Preston & Bernholtz, 2003). At the peak of the technology boom in 2000 SVP Seattle had 282 partners, mostly drawn from that sector. During its first five years the giving circle has distributed \$5.3 million to 34 non-profits together with 340 'volunteer assignments' (active skills-based engagements by members

to the non-profits being supported). SVP's model sat in the venture philanthropy space, which viewed hands-on advice to non-profits as an essential complement to funding. For SVP this consulting resource would come from the group's partners, rather than from staff, strategic partnerships or consultants – typical delivery channels found in most venture philanthropy funds (John, 2007). This high level personal engagement by the partners fostered the two key objectives of the SVP model: To provide intelligent support to non-profits and for partners to be educated through a 'rich, practical training ground where new philanthropists get hands-on experience in the mechanics of grantmaking and in the culture of non-profits'. The five-year review of SVP noted that the network brought 'hundreds of new people into the formal philanthropic community' — 75% of partners had not been connected to organised philanthropy before joining SVP. SVP partners make a minimum \$5,000 annual commitment for two years and choose from a raft of activities such as volunteering with non-profits, sitting on an investment committee or working group, or simply receiving newsletters and attending seminars.

As the network grew many of the member groups would publish their own annual reports and contribute to aggregated data and surveys published by the network office. An evaluation of the whole network is now carried out every two years and published on the network office website. The Philanthropy Development Outcomes reports measure the impact on SVP members of belonging to a giving circle. An academic study of 'donor socialisation' across the SVP network provided the framework for bi-annual reporting (Moody, 2009). Moody, a cultural sociologist, describes donor socialisation in the context of a giving circle as including formal donor training and the experiential immersing of donors into the culture of the group. The desired outcome is continued viability of the group and helping donors become more effective philanthropists.

The results from SVP's independent studies mirror closely those of Eikenberry and Bearman (2009) who surveyed other giving circle models.

SVP's 2011 report<sup>12</sup> summarises the impact on partners:

**Partners' giving increases because of SVP.** 65 percent of respondents indicated that their giving has increased since joining SVP, and 80 percent credited SVP with at least some impact on their giving. 36 percent cited involvement with SVP as the leading factor.

**Partners give more strategically because of SVP.** Respondents' use of each ten giving criterion has increased anywhere between 61 percent and 163 percent since joining SVP. 96 percent cited SVP as impacting the way they give, with 53 percent citing it as the leading factor.

**Partners are more involved in the community because of SVP.** Respondents reported increases in all nine defined areas of community involvement, including a 66 percent increase in volunteering. 91 percent credited SVP in increasing their community involvement, with 51 percent citing SVP as the leading factor in influencing the change.

**The longer a partner is involved in SVP, the greater the changes in all three above mentioned outcomes.** Nearly 50 percent more long-term partners (77 percent) reported an increase in their giving than new partners (54 percent). One in four long-term partners has increased their giving by more than 100 percent. Also, long-term partners use seven of the ten giving criteria at a higher rate. Similarly, long-term partners reported larger increases in eight of the nine areas of community involvement, particularly volunteering (77 percent), leveraging resources (70 percent) and community problem solving (66 percent).

The following two projects exemplify support by SVP chapters. They resemble the kind of projects that a community or private foundation would fund in a locality, with the added dimension of non-financial consulting support being offered in addition to project and capacity building grants.

**Serendipity Center (Portland, OR chapter):** The Center serves up to 250 vulnerable children and young adults annually in the Portland area — those managing mental illness or other behavioural disorders that interfere with learning and school

participation. The chapter provided a grant and capacity strengthening support to the organisation in strategic planning, outcomes measurement, leadership coaching, website overhaul and fund development. Some of this assistance was provided by SVP's 'encore fellows', who are experienced private-sector retiring professionals sponsored by their companies (including Hewlett-Packard and Intel) and communities for their skills or expertise.

**LA Diaper Drive (Los Angeles, CA chapter):** Government assistance programmes do not provide diapers (nappies), leaving one in three American mothers struggling to provide them. LA Diaper Drive meets this need by distributing diapers to low-income families through 22 non-profit organisations that use the free diapers as an incentive to draw parents to their parenting, life skills, high school certificates and other life-improvement classes, meeting an immediate need and helping to end the cycle of poverty. The Los Angeles chapter donated \$40,000 of 'flexible funding' to the initiative. Upon receiving a grant, the non-profit's senior management team self-assesses its capacity building needs using the Organizational Capacity Assessment Tool. The results are used as a basis for discussion between SVP and the organisation.

SVP Network regularly collects data on 'capacity building outcomes' such as the satisfaction that non-profits have with their interaction with SVP partners and the 'time, money and connections' brought to them by the partners. SVP acknowledges the bias inherent in surveys administered by donors, but even so the 2012 report on capacity building outcomes from a sample of 17 North American chapters and 63 non-profits supports a very positive relationship between a chapter's partners and the non-profits they support with finance and direct personal engagement. The partners score consistently high on metrics such as value of time and talent, approachability, responsiveness and knowledge. The SVP partners' assistance with 'mission, vision, strategy and planning' and senior leadership development were offerings most highly rated by the non-profit recipients of capacity building support. This is very much in line with surveys that measure the added value beyond funding of the venture philanthropy model (for example, see John, 2007).

<sup>12</sup> All SVP reports are available online at [www.socialventurepartners.org](http://www.socialventurepartners.org)



The direct engagement of volunteer donors with strong corporate or entrepreneurial backgrounds is a clear strength of SVP's model. An extension of this personal engagement by partners is Encore Fellows, a collaboration between Civic Ventures and SVP's Portland chapter. Encore fellows are retiring individuals taking paid assignments of 1,000 or more hours of consulting service over a six to 12 months period.

In time individual chapters develop the depth of experience and quality of networks to evolve from isolated interventions to more sophisticated and collaborative efforts that address the complexity of local issues. This iteration of venture philanthropy centres on the convening power that a donor exercises in bringing together a variety of stakeholders (other donors, non-profits, private sector and government) in an effort to find and source for solutions to complex social or environmental problems<sup>13</sup>. SVP Seattle has embraced the notion that collaboration enhances impact by launching two 'collective action teams' that focus on education and environment. EduCAT fosters the collaboration of seven former and current chapter investees with a local education collective, providing grants and cultivating relationships. EnviroCAT is comprised of Seattle chapter partners with a particular passion for environmental issues who fund local environmental initiatives founded on strong partnerships and collaborations.

Since its inception in 1997 SVP has largely grown domestically — in U.S. and Canadian cities. An outlying Tokyo chapter, formed from a group of young professionals two years earlier, was formally affiliated to SVP in 2005, as we shall see in the next chapter. A number of other collective philanthropy initiatives in Asia were influenced by the SVP directly or indirectly and had developed similarities to the classical SVP model — e.g. in Singapore, Korea and Hong Kong — but did not seek to become formal affiliates of SVP Network.

In 2013 SVP Network began a rapid expansion beyond North America and Japan with chapters initiated in China, India, Australia and Ireland.

## Impact 100 US

The premise of the Impact 100 women's giving circle is straightforward — that at least 100 women would each commit to donating US\$1,000 annually and the combined funds would be donated to selected non-profits in the local community. The sums involved would be large enough to help bring 'transformative change to local charitable initiatives'. In 2013 the 293 members of Impact 100's founding chapter in Cincinnati awarded two grants of \$108,000 each.

Wendy Steele, an entrepreneur with a 20-year banking career, wanted to bring philanthropy to more women in the community and in 2001 set up Impact 100 Cincinnati to give women the opportunity to collectively support charitable activity in their own community. As Sue Baggott, a founding member and Past President of the Cincinnati chapter, explains, 'Wendy had been involved in a number of philanthropy initiatives, but she felt there was something missing for women who wanted to participate in philanthropy, who had the financial means but were not super-wealthy.' Steele realised that if such women could 'pool their resources, they would become empowered in philanthropy', explains Baggott. Steele gathered a small circle of friends to form initial trustees and a sounding board for the idea. The tragedy of 9/11 gave the group further impetus to bring the idea to reality. The founders focused on five key social areas to and grew the circle to 123 members through a campaign of personal invitations.

Sue Baggott states that early on the group needed the discipline to remain committed to grants large enough to make a difference to a non-profit: 'We invited organisations to apply for the annual grant and by the time we got down to the finalists that we had carefully evaluated, we found all to be really worthy organisations and we wished we could give each of them a grant. But the non-profit leaders told us that larger grants were transformational for their programmes so we were stuck with this approach.' The unsuccessful non-profits did not usually walk away empty handed, however, as the selection process 'raised their profile', says Baggott, 'and oftentimes individual members

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<sup>13</sup> A development of this collaborative model is the Collective Impact thesis of Kania and Kramer (2011).

or others would fund them privately as a kind of “ripple effect”.

Impact 100 was conceived from the start as a vehicle for women to give, explains Baggott, ‘Wendy felt there was a gap in the giving culture in Cincinnati, which typically had been men who gave money and women who volunteered time to local causes’. This new giving circle would offer women the opportunity to give financially while allowing the flexibility to volunteer as time permitted. ‘Some members write a cheque and vote, while others have the time to be very involved, for example sitting on the grant review committees and making site visits to local non-profits’, says Baggott. Members who review grant applications are given training which is all part of their ‘on the job’ philanthropy education. Impact 100 encourages all its members to be engaged in the circle’s activities, such as voting for grant selection, but it is not a venture philanthropy model that requires members to offer their time and skills to a grant-receiving non-profit. Some members do give additional financial support or professional advice to shortlisted non-profits in a personal capacity and not through the giving circle formally.

All of the chapter’s membership pledges are donated to non-profits, requiring additional funds raised to cover administrative and grant management costs. An initiative learned from some of the expansion chapters encourages ‘110 percent giving’ — a \$100 to be paid to administration for every \$1,000 annual membership fee. Other individuals and businesses in Cincinnati donate money or in-kind to help cover overheads. For its first five years the circle relied entirely on member volunteers to handle the administration but later paid for part-time administrative support. More recently the circle outsources much of its day-to-day administration work to a local service provider, without significantly reducing the volunteerism of the board and member committees.

In order to be as inclusive as possible Impact 100 has experimented with ‘syndicating’ the membership pledge down to groups of two to four individuals, thereby lowering the entry fee, and giving them the opportunity to grow into full-fee members over time. Each syndicate has one vote in

the circle’s decision making. Baggott, whose role is to advise new chapters on launching, generally does not encourage syndication for new groups, but favours other strategies for inclusiveness.

Impact 100 Cincinnati is registered as a 501(c)(3) organisation so that member contributions and grants are tax deductible. Even though there wasn’t a need for a fiscal partnership with its local community foundation and other local grantmakers, the giving circle has developed strong informal working relationships with them. The Greater Cincinnati Foundation and Impact 100 share information about local non-profits and knowledge about grantmaking in the community.

The influence that membership of Impact 100 has on the philanthropic ‘journey’ of individual women is well reflected by Baggott’s own life. ‘The experience of joining Impact 100 has changed the way I think about and participate in philanthropy,’ says Baggott. ‘I was a successful businesswoman and regularly gave through United Way, but due to my commitments, I did not have time to be directly involved with the work of local non-profits. As I sought to get more directly engaged, Impact 100 came along at the right time for me.’ By participating in the grant review process Baggott says she ‘was inspired to know how many amazing non-profits and volunteers we had in the community, and the more I got involved in Impact 100 the deeper my knowledge became.’ Meeting other like-minded women was also an important facet of joining the giving circle. Baggott was already well networked professionally, as a longstanding employee of Procter & Gamble, but she admits that getting to meet other women outside of work was difficult in a busy life. She says, ‘Impact 100 enabled me to easily meet likeminded individuals who were also looking at how to best give back to the community — I really clicked with the shared experience of philanthropy.’ The giving circle experience gives its members the opportunity to learn about giving and the community they share. Baggott, like other members, has engaged more deeply in community issues, and has given more time and money to charitable work outside of the circle including joining the boards of

other non-profits she came to know through Impact 100.

Impact 100 has a flexible approach to local adaptation of the core model. While it does not operate within any formal branding or licensing framework, those wanting to set up a new chapter in the U.S. or abroad will be briefed about the core values and practices and flexibility to tweak the model for local conditions. Impact Austin in Texas is a typical chapter in the network. In 2012 the chapter distributed five grants of US\$103,600 to local non-profits for a diverse set of projects including a theatre project working with juvenile offenders, an environmental initiative to compost local restaurant food waste, and a programme for mentoring and financial literacy for at risk young people.

The Impact 100 model created by Wendy Steele in Cincinnati has replicated in 16 other U.S. cities and three cities in Australia.

## The Awesome Foundation for the Arts & Sciences

It's not easy to place Tim Hwang in a box labelled 'career'. He's a highly energetic individual who, as a director of the Web Ecology Project, is 'building a science around measuring the system-wide flows of content and patterns of community formation online'. He founded ROFLCon, a series of conferences celebrating and examining Internet culture and celebrity. He is an analyst with online marketing firm, The Barbarian Group and a partner at Robot, Robot and Hwang, a faux 'legal firm' whose partners are 'two computers and himself'. He tweets, blogs, challenges conventional wisdom and four years ago created The Awesome Foundation in Boston.

At the time, Hwang knew some friends who were applying to traditional foundations for grants and although the sums needed were very small, he recounts 'they found the whole business very bureaucratic'. Because transaction costs in grantmaking are high, Hwang saw his friends 'living in an universe

where it's easier to get \$100,000 than \$1,000 — even if you only need \$1,000!' So Hwang and a few friends decided they would experiment with a new way of funding good ideas: 'Ten of us got together and we'd give out money to any 'awesome' project that comes along; we'd set up a website and just see what happens'. In the first round Hwang says 'a couple of hundred' applications were received online. In August 2009 the first grant of \$1,000 was awarded to an academic who wanted 'to bring people together through design of public art and objects'. The grant funded the building of a giant hammock in a Boston park, which turned out to be a popular and imaginative idea that gained the attention of local media. News spread of an unconventional giving circle and soon Hwang was hearing from people around the U.S. who wanted to start their own local Awesome Foundation chapter. Hwang's initiative was conceived only as a Boston project but it soon snowballed as interesting and unconventional ideas were funded and publicised. The organic growth was partly fuelled by a mobile community of trustees who upon moving to a new job and city would start a new chapter. The barriers to starting up a new chapter are low and growth has been rapid. Awesome Foundation now has 54 chapters in the U.S. and Canada, and 27 in Asia Pacific, Latin America and Europe. A further seven chapters are described on the website as 'worldwide', meaning they are not limited to funding only in their local community.

Awesome Foundation's pitch for ideas, found on its homepage, is straightforward:

Have a crazy, brilliant idea that needs funding? We award \$1,000 grants every month. It couldn't be simpler! Your idea is yours alone. We don't want a stake in it. We just want to help you make it happen!

Awesome is a network with highly diffused decision making; chapters are self-managed and autonomous and each decides for itself what constitutes 'a crazy brilliant idea'. The chapter community, while dispersed geographically, is connected online where ideas can be bounced around and chapters can share what works and doesn't. The flat, self-policing community structure has no real centre, hierarchy or formal legal identity. A 'New Chapter Handbook' and the community's discussion board provide knowledge and advice. The handbook provides a core model

for chapters that they can adapt into: 'A group of ten to twenty (sometimes more!) micro trustees who make all the decisions and are responsible for guiding the organisation'. When they join, chapter trustees commit to donating \$100 a month to form a single grant of \$1,000 and to participate fully in the monthly selection process. Most chapters appoint a 'Dean of Awesome' who does not have to make financial contributions but contributes time for the administrative needs of the chapter. The chapter size is capped, as the handbook states 'to make it easier for the chapter to build a tight-knit community and reach consensus around funding a project each month.' Once the basics are in place the chapter launches and offers connections into the wider Awesome community through a common infrastructure:

**Website and Grant System:** A centralised system available to all chapters, with application management, customisable chapter page and blog.

**Social Media:** Awesome Foundation maintains global Twitter and Facebook accounts, and chapters are encouraged to build their own online presence. An additional private Facebook page is available to the Deans and trustees for internal sharing and discussion.

**The Global Discussion List:** The chapter Deans and many of the trustees subscribe to the list to stay in touch with what is happening globally.

**Logos and Visual Assets:** Online resources are available to help chapters design posters and other materials.

**The Institute on Higher Awesome Studies:** In 2011 the Awesome Foundation spun out a formal non-profit called the Institute on Higher Awesome Studies, which experiments with innovative community-driven ways to incubate, fund and promote people and projects<sup>14</sup>. The Institute provides a common infrastructure for chapters who wish to partner with traditional institutions or organise cross-chapter activities.

Awesome is not restricted to funding projects that are commonly understood as

'charitable', but has a much wider scope of public benefit. Chapters do not seek a form of charitable status (which would restrict their mandate, but offer charity tax advantages in some jurisdictions). The Awesome chapter in Kingston, Ontario publishes this advice to grant seekers:

We're looking for awesome ideas — whether they come from companies, organizations, teams or individuals. The project should be something new, exciting and unique; not an existing, ongoing or recurring project. It should have an impact on the local Kingston community, and the more people it involves or affects, the better!

We're not looking to fund fundraisers, long-term established projects, overhead, marketing or administration. We're looking for small, agile undertakings where \$1,000 is all that's needed, or at least the majority of it — not a drop in the bucket of a massive budget. \$1,000 is not a huge sum of money, but it's a decent amount, and we want it to have direct impact and application on the project!

Be audacious, agile and ambitious — we're looking for inventive, innovative and inspiring ideas.

Awesome in neighbouring Toronto offers nine indicators of 'awesomeness' to capture the spirit they are looking for in an idea:

- Newness – Is this idea totally new?
- Niceness – Is this idea one that makes people happy or helps people?
- Bigness/Inclusion – Potential to reach many people – Can anybody join?
- Hilarity – Does it make us laugh?
- Wow-ness – Does it make us say 'holy crap, that's awesome'?
- Utility – Does the \$1,000 make the difference between the project happening or not?
- Value – Is the Awesome Foundation getting real 'bang for its buck'?
- Staying Power – Can the project endure? Will

<sup>14</sup> <http://blog.awesomestudies.org/>



it start a movement or annual event?

- Environmental Impact – Needless waste is not awesome.

Most chapters post details of what they have funded on the Awesome website or on individual Facebook pages, for example:

**A Good Book Drive (Vancouver chapter):**

Families choose their favourite children's book and donate a copy, with personal inscription, to local children in need.

**Trenton Hustle (Boston chapter):**

A community clean-up campaign in one of Boston's most run-down suburbs combined with an initiative to provide individuals seeking work with a peddler's permit to sell produce from a bicycle cart.

**Co-op Image's Pop Up BBQ Café (Food chapter):** Providing inner-city youth from Chicago's Humboldt Park community with support in the business of food using a mobile barbecue trailer.

Hwang sees the 'vagueness' of what is funded as important for chapter autonomy and encourages applicants 'to be honest and excited about what they are doing, without the song and dance of traditional foundation funding.' He believes that chapters can support ideas that fall outside the normal scope of charitable funding and also be more nimble and risk-taking. Sometimes, when an idea funded by a chapter become a reality, Hwang says it can 'attract bigger funding from elsewhere.' While what chapters fund is not controlled formally, Hwang says that 'they influence each other by posting grant details and using the discussion board'. What to do in 'the unlikely event of a chapter going rogue', as Hwang puts it, is embedded in chapter formation and the influence of a wider community. He believes that a group of ten diverse trustees is a 'moderating force' in decision-making and that the Awesome community 'would kick in, someone would voice a complaint and be guided by how community wants to deal with it.' Hwang admits that these dynamics are still experimental and that the foundation is 'still generating a common law of how chapters should organise what shouldn't be funded' which is being codified in the handbook.

Hwang senses that 'the longer we can avoid being organised along the lines of a traditional non-profit, the longer we will keep the vibrancy of the organisation going.' There are no employees throughout the entire global network of chapters. The Deans and trustees volunteer their time for the entire running of the chapters and community architecture. Perhaps surprisingly for such a light-touch approach that 'does not want a stake' in people's ideas, Hwang believes that 'the most successful chapters are those who do more than just give money to an initiative ... when they open up their networks, offer legal advice or help with promoting the project to potential donors. The \$1,000 gets the grantee to commit to the project but it also gets the trustees to commit too.' Being a trustee changes the way people think about giving. Hwang says that 'trustees tell us they now give more to non-profits, their view of what money can be used for is changed by the Awesome Foundation experience, and they are more engaged in their local community. We also find that other trustees from the traditional non-profit world use their membership of the group to test approaches that they wouldn't otherwise be able to apply in work life.'

## The Funding Network (TFN)

The Funding Network was launched in 2002 by four London-based individuals who shared a vision for 'a new way of giving together'. During its first 10 years TFN grew to other U.K. cities and internationally, and has diversified its model to attract new constituencies of donors.

When Fredrick Mulder and three friends held the first TFN meeting March 2002 he says they 'wanted primarily to have a peer group to give with, and to make what we were able to give go further'. He felt intuitively that others were also looking for a form of collective philanthropy, and that the key to others joining was a 'culture of giving that was open, transparent and respectful both of givers and those working on the frontlines who sought funding.'

A typical TFN event is open to anyone to attend: formal members and those who are curious about giving collectively. Central to a TFN event are presentations or 'pitches' from a handful of non-profits who are each seeking project funding of £6,000 (US\$10,000). Project pitches are strictly timed at six minutes with another six minutes for questions from the floor. This 'Dragon's Den' approach creates a buzz to the evening; the networking and socialisation maximise interaction between donors and the non-profit representatives. Each organisation making a presentation is proposed by a TFN member, and is screened to ensure that key social change criteria for funding are met. Following the presentations, the project representatives leave and guests take part in a pledging session beginning with a one-minute statement by the member who proposed the project. Sponsors must make a minimum £250 (US\$430) pledge, and while the organisers avoid any pressure to give, most projects exceed the funding target.

TFN favours organisations with a turnover of less than £1million (US\$1.7 million), and very often they are much smaller — early stage ventures requiring seed funding, where relatively small amounts can make a big difference. Organisations successful in being funded report on progress and impact after one year. Reports are passed to TFN members who provided the funds and details are posted on TFN's website.

Two years after the inaugural event, TFN opened in Bristol and Scotland, both in partnership with local community foundations. In 2005 TFN launched its first group outside of the U.K. — in Toronto — Fredrick Mulder, one of the original founders, is a Canadian working in London. After 4 years the TFN network had raised a landmark £1 million (US\$1.6 million). By 2012, its 10th year of operation, TFN groups had been established in nine U.K. cities or regions, and overseas — Canada, Romania and Bulgaria. The total in grants paid out to 590 charitable projects was a little more than £4 million, raised from 111 events in the U.K. and abroad.

A survey of recipient charities by TFN reported that 62 percent were able to leverage additional funding from other sources as a result of TFN's grants. More than half of the members continue to support

projects privately as a result of meeting them at events, and TFN reported that 66 percent 'give more to charity as a result of participation in TFN'. The founders' principal value of transparency is evidenced by TFN's website, which exceeds the practice of many giving circles by publishing full details on the funds raised in events, its own administrative expenses and a summary of all projects funded, together with information on social impact.

As TFN London recognised both the strengths and limitations of providing small grants to young organisations, in 2009, it launched the Strategic Funding Group comprised of TFN members who provide second-stage grants of £25,000 (US\$42,000) for a small number of non-profits looking to make a significant step or change in their operations. TFN attracts younger members through its Youth TFN events, which have been hosted by TFN in London and Oxford. The £10 (US\$17) entry ticket is the minimum donation made by anyone attending. Events are open to all and held in pubs or other similar venues. Small, early-stage non-profits pitch to the audience and can receive grants of £1,000 (US\$1,700), which can be doubled by the matching donation of one of TFN's older members. These events attract people in their 20's and 30's, including students, and those working in non-profit, media or finance sectors. TFN estimates that around 40 percent continue to support the organisations they have met at these events with donations or volunteer time.

One TFN initiative to reach new constituencies, which may have particular relevance for replication in Asia, is the City Funding Network, which targets young potential philanthropists working in the financial district of London. City Bridge Trust supports this under its philanthropy initiative in the financial services industry — 'City Philanthropy: A Wealth of Opportunity'<sup>15</sup>.

The majority of TFN groups in the U.K. (and internationally) are linked to local community foundations, which can provide logistical support to the TFN group, and

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<sup>15</sup> This City of London's initiative on philanthropy in the London financial services sector is underpinned by research carried out by the author (John, Davies & Mitchell, 2007).

engage community level non-profits and donors.

TFN's giving circle model has evolved over 10 years both domestically and internationally. TFN is willing to share what it has learned with interested parties outside the U.K., beyond the already established groups in Canada, Romania, Bulgaria and Australia. The CS Mott Foundation was instrumental in TFN seeding its network in Eastern Europe, providing funds and connections in a region where the foundation had long supported civil society development, including philanthropy. Eugenie Harvey, project director for TFN's international expansion, is clear that much of the model outside the U.K. 'is still being tested and refined' in Eastern Europe, as well as South Africa and the U.S., where TFN chapters have recently opened. From her office in London, Eugenie responds to enquiries about TFN from many parts of the world, and in early 2014 had a pipeline of six or seven potential new network members in Europe and Asia.

TFN uses a licence agreement with new network members, which sets out the obligations a new group has in adhering to the core values and principles of TFN — the use of the TFN brand, the number and structure of events and the maximum levy on donations taken for administrative expenses. If a local network organisation works extensively with community foundations, as for example in Bulgaria, the TFN branch can offer a secondary licence to the community foundation. Eugenie admits that TFN is still experimenting with corporate branding and operating licences to ensure both strong local ownership and a recognisable 'TFN brand' across territories. Eugenie explains that TFN affiliates in Australia (starting up in 2014) and Canada 'have applied the core TFN model more or less entirely, except perhaps for the U.K. practice of having at least one international project amongst the non-profits pitching for funding.' TFN recognises that local adaptation is important as long as core values such as transparency and open events form part of the culture of local groups.

During this pilot stage of international expansion TFN charges no affiliation fee to new network organisations, having secured grant funding for this, but recognises that for long term sustainability, network membership may require a charge.

## 2. Collective Philanthropy in Asia (Part I): Imported Models

### Philanthropy in Asia

Any discussion of philanthropy in Asia remains largely anecdotal, reflecting the difficulties of collecting reliable quantitative data in a region so diverse and dispersed where most organised philanthropy practice is still relatively new. A significant proportion of giving in Asia is informal and private, even for large donations, and tax and regulatory regimes vary widely making it difficult to use tax deductibility data as a useful proxy for overall giving. In Singapore, for example, a contained city-state considered a regulated and relatively mature philanthropic market, only about a quarter of estimated charitable donations are given to organisations that give the benefit of tax deductibility; so that most giving by individuals is not recorded through tax receipts and has to be estimated through surveys. In most other Asian countries, data is even more elusive and description of trends and comparisons between countries often fanciful.

Giving in Asia is strongly influenced by faith concepts of merit-making, almsgiving and performing charitable acts in a region that is home to the great religions of Islam, Hinduism, Buddhism and Christianity (Quebral & Terol, 2002). We know that the family unit in Asia has a key role in the development of philanthropy; legacy, tradition, family values, educating the next generation and strengthening family bonds are all drivers that shape giving in Asia (Mahmood & Santos, 2011).

Credible comparative research on giving in Asia is lacking but one recent report (The

Economist, 2011) suggests a number of interesting trends<sup>16</sup>:

**Philanthropic giving in Asia is low compared with the West, but is rising rapidly with growing wealth:** In 2009, China's 50 biggest philanthropists donated US\$1.2 billion, compared to US\$4.1 billion donated by the 50 biggest U.S. philanthropists.

**Cultural and systemic factors have restrained the growth of philanthropy in Asia:** Giving is informal, often inspired by clan or religious affiliation, and made anonymously. Under-development, corruption and ignorance about philanthropy all impact the level of giving.

**Strategic philanthropy is now making its mark in Asia:** Leading Asian philanthropists are pursuing good practices in strategic philanthropy — scale, execution and impact.

**New philanthropists must coordinate efforts with other stakeholders:** Learning from mistakes made elsewhere, Asian philanthropists must magnify the impact of their giving by coordinating with others.

**Despite challenges ahead, Asian philanthropists have an enormous opportunity to make an impact:** Rising wealth give the potential for considerable philanthropy in Asia, if cultivated and channelled.

Today a new generation of widely travelled, overseas educated and mobile professionals is fusing such traditional approaches with their experiences of giving gleaned from the U.S. or Europe. In today's globalised world wealth creators and professionals are easily exposed to modern thinking about philanthropy,

16 The Economist 2011 report was restricted to philanthropy data in China, Indonesia, the Philippines, Singapore and Hong Kong.



where topics such as social outcome, impact investing and collective impact are widely debated. High profile events such as the Skoll World Forum, initiatives like the Giving Pledge or The ImPACT, countless conferences held by wealth advisors and peer networks like those for venture philanthropy and impact investing, expose a new generation of philanthropists to information, analysis and giving opportunities.

## Two Caveats in this Study

In the introduction we noted two limitations in the scope of this study. The first concerns the historical precedents of collective philanthropy in Asia. What defines a giving circle cannot be argued to be new. As Eikenberry points out (2009), people have collaborated to give time and money throughout history. In Asia there is little doubt that informal or organised giving circles, formed around ethnic or clan affiliations, have probably existed for centuries. A hundred years ago, in Singapore, a dozen or so socially-concerned women formed the Chinese Ladies Association to pool their charitable giving for medical and educational causes.

The second caveat concerns visibility, which is a major problem in quantifying giving circle activity. We assume that many giving circles are small and informal and do not advertise their existence through websites. Such 'known unknowns' may even constitute the majority of giving circles. Their existence may be discovered only by word of mouth or serendipitously. Focus India Fund is one such low-key giving circle that we profile in the next chapter, uncovered not through public records but through conversations during the research process. Our background research on giving circles in Europe was limited to Internet searches and direct enquiries of known giving circles and a sample of philanthropy leaders. This methodology yielded no additional examples of giving circle activity, but we acknowledge it was not rigorous or extensive. However, in a personal communication with the author, unpublished research by Eikenberry and

Breeze suggests 'up to 80 giving circles in the U.K. and Republic of Ireland', whereas our own enquiry led to identifying a handful.

This study, believed to be the first on giving circles in Asia, is therefore limited to examples of collective philanthropy that are contemporary and visible. The following section highlights examples of giving circles that are imported from outside of Asia. In the next chapter we will look at indigenous giving circles.

## Giving Circles Imported into Asia

We identified four Western giving circle networks that are actively extending into Asia — **Social Venture Partners (SVP)**, **Impact 100** and the **Awesome Foundation** are U.S.-based, and **The Funding Network (TFN)** originated in the U.K. The domestic operations of these networks are profiled in the previous chapter. All four have replicated their models in Australia. Additionally, SVP has affiliates in Japan, India and China and its model has encouraged the formation of non-affiliated giving circles in Singapore and Korea. Awesome Foundation has Asian chapters in New Zealand, Australia and Mongolia.

Global Women — Partners in Philanthropy is a collaborative of the giving circle **Washington Women's Foundation (WWF)**, Seattle International Foundation and the University of Washington that promotes collective giving internationally. Using exchange visits in 2013 between China and the U.S. West Coast it has actively advised philanthropy organisations in China. It is likely that giving circle initiatives will be established in China as a result of this activity, but it is not yet known if they will be based on the WWF model.

**Social Venture Partners:** SVP is the largest and most established of the western networks replicating its model in Asia. Since its foundation in 1997 in Seattle, SVP has been a predominantly North American network,

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with development outside of the U.S. limited to Canada. The adding of a Tokyo chapter appears to be serendipitous rather than a conscious strategy to expand internationally. Hideyuki Inoue created Tokyo Social Ventures in 2003, inspired by the SVP model he had seen while living in the U.S. Tokyo Social Ventures evolved from an initiative to raise awareness about social issues amongst young professionals into a giving circle, and in 2005 the link with SVP was formalised when the organisation rebranded as SVP Tokyo and became a full affiliate of the network (See SVP Tokyo Profile).

Japan has a poorly developed domestic philanthropy culture relative to the U.S., or even other parts of Asia, and for an economy and population of its size, there are few corporate, family or community foundations. Through high taxation the Japanese government plays a dominant role in social welfare provision, so creating a giving circle in such a climate was a bold initiative. When the Japanese economic bubble of the 1990s burst, a new generation of professionals sought to rebalance life goals to include a greater awareness of social responsibility. SVP's core American model had to be adapted to local context from the start. Professionals aged 20 to 40, younger than typical in a North American chapter, were targeted as SVP Tokyo partners, and the annual pledge lowered from US\$5,000 to US\$1,300.

During 2012–2013, SVP Network embarked on a more deliberate expansion strategy beyond North America. Board members and staff travelled to Asia and visits by Asian delegates were made to Seattle and other U.S. chapters. This intense period of 'shuttle philanthropy' resulted in initiatives being established in India, China and Australia (as well as an SVP initiative in the Republic of Ireland), although with differing initiation paths: A member of SVP's Boston chapter who also lived in Melbourne initiated SVP in Australia. A former chairman of Microsoft India with strong connections in Seattle took the lead in bringing SVP to India. A social entrepreneur in China researched the giving circle model and consequently made contact with SVP Network. Once these connections were made, SVP Network and its chapters hosted visits and offered knowledge and support in helping these initiatives start up,

listing all information on the SVP Network website.

India and China have very large populations, with growing middle class and high net worth (HNW) segments, which are potentially significant philanthropy 'markets'. India has an established modern history of philanthropy, whereas in China even the concept of a private philanthropic foundation is barely two decades old. An adaptation of the SVP core model in both of these countries was to establish an umbrella organisation that would give a legal identity in India and a strategic partnership in China. City chapters could then be formed under the patronage of the parent organisation. SVP India was registered as a Section 25 non-profit company with its board of directors to comprise the chair of each city chapter as it rolls out (See SVP India Profile). By early 2014 the first chapter in Bangalore was established, with other chapters in Mumbai, Chennai and Pune in the pipeline. This close integration of SVP India and its component chapters allows an interesting innovation in the SVP model — national social themes, common to all chapters, to work alongside local themes that reflect each chapter's own priorities. For example, 'livelihood' is one overarching national theme that all chapters would build into their grant selection; Bangalore has chosen 'waste management' as its local sector priority. For any intervention that seeks to address social and environmental challenges in India, scale of impact is a fundamental assumption. SVP India's principal, a former chairman of Microsoft India, has a commercial understanding of the need to operate at scale in such a large market, and he is certain that SVP India will 'start small and insignificant, but [become] one of the largest and most influential organisations on the Indian philanthropy landscape'. Learning from the Indian context will potentially benefit and influence the wider global network of SVP chapters.

SVP China also chose an umbrella structure but rather than seeking its own registration, was launched under the auspices of an existing non-profit — the Leping Foundation (SEE SVP China Profile). Leping is a family of Chinese non-profit foundations that support social innovation through research and investment, including the

Fuping Development Institute and the Leping Social Entrepreneurs Foundation. Through this partnership Leping and SVP Network aim to create 10 city chapters by 2020 with a combined membership of 2,000 partners. The first chapter, in Beijing, was formally launched in November 2013 with 25 donors committing to an annual pledge of RMB 30,000 (US\$5,000). At the time of writing, SVP China is still establishing policies and growing its partners and it is too early to know how the core SVP methodology developed in the U.S. will adapt to the different philanthropy context of China.

The impetus for an SVP chapter in Melbourne, Australia, came from a member of SVP Boston who regularly shuttled between the two cities (See SVP Melbourne Profile). The chapter began formation in 2013 and early on, a group of 10 founding partners carefully planned the appropriate legal structure for the circle's long-term ambitions. As in most of Asia, the social enterprise sector is gaining ground in Australia and offers alternatives to more traditional charitable approaches to addressing social issues. The founding partners of SVP Melbourne wanted a structure that permitted them to invest in social businesses with a full spectrum of financial tools, and to use grants for the risky start up non-profits. At the time of writing SVP Melbourne has applied for a dual legal status — a charitable fund for tax-deductible grantmaking and an incorporated company for investment. This 'dual purpose' approach to legal structure was pioneered in Asia by Social Ventures Hong Kong<sup>17</sup> and is an innovation applicable to giving circles that gives the flexibility to meet the financing needs of social entrepreneurs. SVP Melbourne is in strategic partnership with ten20 Foundation, which takes an institutional position in the chapter's membership. Under its former name of GordonCare, the ten20 Foundation has a long history of serving vulnerable young people in Australia, and today is focused on advocacy and grantmaking, including investing in collective impact projects.

Staff from SVP Network travelled to Asia and promoted their particular model of collective philanthropy after SVP Tokyo was established, but there was no further, formal growth of the network in Asia until 2013. SVP's

<sup>17</sup> Social Ventures Hong Kong (SVhk) is a venture philanthropy fund in Hong Kong that originated from a social awareness forum of young professionals, but is not linked to SVP (for a profile see John, Tan & Ito, 2013).

franchise model requires a formal affiliation before all the resources of the network are freely shared with a new chapter. Affiliation is a process that requires an annual fee paid in order to fully access network services. A number of SVP-like initiatives have materialised in Asia with only a tangential connection with the SVP Network. In 2012, 30 professionals, all volunteers with the Hope Institute in South Korea, established SVP Seoul (See SVP Seoul Profile) based on their own research of giving circles and visits to SVP Tokyo. They established policies that draw heavily from the experiences of SVP Tokyo, rather than SVP Network's, and have adapted them to suit what they see as the particular context of South Korea.

In Singapore, the Lien Centre for Social Innovation convened a seminar for philanthropists in November 2008 at which the CEO of SVP Network, Ruth Jones, spoke about venture philanthropy. In the audience were individuals with private sector careers who were looking for models of giving that aligned with their business experience and skill set. A group of these, including entrepreneurs, private equity and consulting professionals, set up Social Venture Partners Singapore in response to what they had learned at the seminar, with the giving circle becoming legally registered in 2011. Although SVP Singapore is not affiliated with SVP Network, it has adopted some of the network's core principles while also developing its own methodology<sup>18</sup>. SVP Singapore does not have a website but relies on its own network of contacts to invite social entrepreneurs to present their ideas to circle members. Such private circles operate 'below the waterline', and have no need or desire for public recognition. While the group sets a benchmark of S\$5,000 (US\$4,000) annual contribution to the collective fund, it is flexible about drawing down and distributing from it. At times the circle has supported a project by offering business advice only or leveraging third party funds — rather than from its own pool — for financial support.

**Impact 100:** This women's giving circle network operates in 17 American city chapters, and since 2011, in Australia. The US chapters can reach a size of several hundred members with each individual

<sup>18</sup> SVP Singapore does not have a website nor does it publicise its existence widely. The organisation was mentioned in an online article by an author in March 2013, see [www.salt.org.sg](http://www.salt.org.sg), a publication of the National Volunteering and Philanthropy Centre in Singapore.

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required to donate US\$1,000 over the course of a year. A grant of US\$100,000 is awarded annually to a local non-profit, with larger chapters having the ability to give multiple grants. The network views its role educating its women donors as essential, although individual members seldom engage with the non-profits in terms of business planning or mentoring. Impact 100 is not a venture philanthropy model, but some members do informally volunteer their time to non-profits being supported by the group. The Impact 100 network is not as tightly structured as SVP, but rather a loosely affiliated group of like-minded organisations sharing a common brand and basic operating model. Impact 100 is domestically focused with extension to Asia coming about opportunistically rather than through an intentional strategy.

Impact 100 Western Australia materialised when a non-profit fundraising professional undertook a study tour of giving circles to the U.S. (See Impact 100 Western Australia Profile). During his tour James Boyd visited chapters of SVP and Impact 100 and was particularly struck (as a fundraiser would be) by the elegantly simple proposition of a giving circle where 100 people donate a \$1,000 each in a tax efficient way. James took his findings back to Perth and the circle formed in 2011 and has now completed two grant rounds. By the end of 2013 the group had 106 members, each committing a minimum of AU\$1,000 (US\$900) annually. Impact 100 groups are now established in Western Australia, Fremantle and Melbourne — and in a departure from the U.S. model — are of mixed gender, with approximately 70 percent of the membership being women.

Impact 100 chapters have established in Australia without any formal affiliation agreement with their U.S. counterparts, using only what James calls 'extraordinary international goodwill'. This lack of formality about branding and model appears to be unique to Impact 100, whereas other imported models in this study all have agreements of varying formality in place. Each of the three chapters in Australia is partnered with community foundations giving it tax deductibility advantages, with a fee paid to the community foundation for this administrative support. The Fremantle chapter is more than a partnership but in

fact was conceived as a sub-fund with the Fremantle Foundation, fitting the typology of 'community foundation initiated' giving circle. Donor education is an important objective of Impact 100's Australian chapters, which is manifested through the broad involvement of members in the grantmaking process. Members also volunteer their time to non-profits selected for the group's support, although it does not appear to be 'technical' advice in areas like business strategy or operations, but practical activity such as preparing meals in one non-profit's kitchens.

**Awesome Foundation:** The Awesome Foundation model is perhaps the easiest to replicate and therefore unsurprising that it has grown rapidly in the U.S. and internationally. An Awesome chapter is typically formed of 10 individuals, although it can be much smaller, but seldom bigger. The financial commitment of each member is relatively modest at US\$100 per month; supported projects do not need to be formally 'charitable' so there is no mechanism for tax deductibility; the group solicits applications online; and non-financial support is minimal. The chapters' minimal organisational requirements and use of Facebook and Twitter as communication media create a low barrier to formation and are appealing to people in their 20s and 30s. Awesome chapters have launched in New Zealand, Mongolia, India, Thailand and Australia since 2011 (See Awesome in Asia Profile). One chapter, named Awesome Southeast Asia, is located in Australia and appears to fund projects regionally, but is marked as 'inactive' and did not respond to enquiries for information. Awesome chapters are encouraged to post details of the awards they make on their Facebook page and in the blog section of the main Awesome website.

At the time of writing, the website describes 18 of the 88 chapters as 'inactive' defined as a group not having made a donation for six months. Four of the chapters in Asia are currently marked as inactive. The downside of an informal structure with few members is the risk of reducing momentum and decline, which appears to be a significant problem for the Asia chapters. One factor of decline in Mongolia may attribute to the role of expatriates in setting up initiatives that are not sufficiently anchored in local people. Given the ease of setting up a chapter, the



strengths of an increasingly recognised global brand, the connectedness of its dispersed chapters and the support from established U.S. chapters, it is surprising that not more have sprung up in Asia. There is scope for growth in cities such as Singapore, Hong Kong, Shanghai, Taipei and Tokyo, but only if Awesome Foundation can manage the short-lived nature of its Asian chapters.

**The Funding Network:** As mentioned in Chapter 1, The Funding Network (TFN) is an 'open' giving circle launched in the U.K. 11 years ago, whose methodology is centred on events where three or four screened charities pitch to an audience of donors. There are nine TFN groups now in the U.K. and three overseas, in Canada, Bulgaria and Romania, with chapters in other countries in the pipeline. The impetus for bringing TFN's model to Australia came from the late Steve Lawrence, a social innovator widely described as the 'father of Australian social enterprise'. Before his death in 2011 he collaborated with Lisa Cotton, a fundraising consultant who had previously worked with Australia's first venture philanthropy fund. The plans for TFN Australia have had a long gestation period and have been methodically executed. Considerable effort was made building a platform of 21 individuals, foundations and companies that would provide funding and in-kind support for the pilot phase.

Pilot events were held in Sydney, Melbourne and Perth during 2013 to test the Australian appetite for giving circles. For each of the pilot events, four local non-profits were pre-screened by the founding members of TFN Australia. Following TFN's standard 'pitch' model, each of the non-profits made a brief presentation at an evening 'open' event hosted by a corporate partner. At each event the minimum target of AU\$10,000 (US\$9,000) to be raised for each organisation was exceeded. Pledges for each organisation made on the night ranged from AU\$10,800 (US\$9,700) to AU\$25,300 (US\$23,000). Two projects received additional donations from family foundations that attended the events in Sydney and Melbourne — AU\$150,000 (US\$135,000) and AU\$10,000 (US\$9,000). One non-profit received the offer of pro bono website development assistance in addition to the funds pledged during the evening. The total funds pledged and leveraged in the three pilots, AU\$365,500 (US\$328,000), augurs well for TFN Australia's proposed

formal launch during 2014. The first event of 2014, advertised on the giving circle's website, is a 'private' session hosted by the wealth management arm of an Australian bank. This is an example of how strategic partnerships with corporates, including private banks, provide additional delivery channels for the TFN event model. In a sense the TFN model is commoditised for use across a variety of public and private events. The Australian Communities Foundation acts as a fiscal agent for TFN Australia, so that pledged donations can be processed as tax deductible.

Although the giving circle is only in start up phase, the current strategic focus reflects the background of the two founders — social enterprise and venture philanthropy. 'Social enterprises lack the capital to grow to scale, and so we would like TFN to fill the gap for start up and early stage funding', says Lisa Cotton. She views the potential of TFN as an enabler that could help provide a pipeline of social enterprises ready for venture philanthropy investment. This approach resembles the model of 'enterprise philanthropy' that addresses what is called 'pioneer gap' where early stage social enterprises require grants before being ready for growth funding by impact investors (Koh, Karanchandaria, & Katz, 2012).

In this chapter we have briefly explored the several initiatives to start up giving circles in Asia based upon existing models in the U.S. or U.K. After two decades of expansion in the U.S. and Canada, Social Ventures Partners is bringing its experiences to India, China and Australia, nine years after establishing a Tokyo chapter. Impact 100 is a domestically focused U.S. network that has informally expanded to Australia. The Funding Network has a history of opening non-U.K. chapters that continues with a pan-Australian initiative. Awesome Foundation has expanded rapidly in Asia, including countries not touched by other giving circle models, but has some difficulty sustaining the activity of several chapters.

In the next chapter we will detail giving circles in Asia that do not have strong links to Western organisations.

**TABLE 4:** Summary of Imported Models of Giving Circle in Asia

<b>Best Figures available at March 2014</b>	<b>Affiliation</b>	<b>City/Country</b>	<b>Year Formed</b>	<b>Strategic Partnerships</b>
<b>SVP Bangalore</b>	SVP Network Affiliate & SVP India	Bangalore, India	2013	
<b>SVP Mumbai</b>	SVP Network Affiliate & SVP India	Mumbai, India	2014	
<b>SVP Pune</b>	SVP Network Affiliate & SVP India	Pune, India	2014	
<b>SVP Beijing</b>	SVP Network Affiliate & SVP China	Beijing, China	2013	Leping Foundation
<b>SVP Melbourne</b>	SVP Network Affiliate	Melbourne, Australia	2013	ten20 Foundation (institutional member)
<b>SVP Tokyo</b>	SVP Network Affiliate	Tokyo, Japan	2005 (formed from Tokyo Social Ventures, founded in 2003)	
<b>SVP Seoul</b>	None	Seoul, South Korea	2012	
<b>SVP Singapore</b>	None	Singapore	2010	
<b>Impact 100 Western Australia</b>	Impact 100	Perth, Australia	2011	Australian Communities Foundation
<b>Impact 100 Melbourne</b>	Impact 100	Melbourne, Australia	2012	Australian Communities Foundation
<b>Impact 100 Fremantle</b>	Impact 100	Fremantle, Australia	2013	Fremantle Foundation
<b>TFN Australia</b>	The Funding Network	Pilots in Sydney, Melbourne and Perth, Australia	Forming 2014	

**TABLE 4** (Continued)

<b>Best Figures available at March 2014</b>	<b>Affiliation</b>	<b>City/Country</b>	<b>Year Formed</b>	<b>Strategic Partnerships</b>
<b>Awesome Southeast Asia (Inactive)</b>	Awesome Foundation	Melbourne, Australia	Unknown	
<b>Awesome Delhi</b>	Awesome Foundation	Delhi, India	2014	
<b>Awesome Sükhbaatar (Inactive)</b>	Awesome Foundation	Sükhbaatar, Mongolia	2012	
<b>Awesome Ulaanbaatar (Inactive)</b>	Awesome Foundation	Ulaanbaatar, Mongolia	2012	
<b>Awesome Whangarei</b>	Awesome Foundation	Whangarei, New Zealand	2011	
<b>Awesome Bangkok (Inactive)</b>	Awesome Foundation	Bangkok, Thailand	Unknown	
<b>Awesome Sydney</b>	Awesome Foundation	Sydney, Australia	2011	
<b>Awesome Melbourne</b>	Awesome Foundation	Melbourne, Australia	2011	@Pozible (crowd funding platform) TEDx Melbourne
<b>Awesome Maldon</b>	Awesome Foundation	Maldon, Australia	2011	Maldon Community Bank

# Chapter 2 Profiles

## Social Venture Partners Tokyo<sup>19</sup>

After completing his MBA in America in 2001, Ken Ito returned to a corporate finance position with GE Capital in Japan. 'At that time I was looking for a volunteer opportunity that would utilise my business skill set,' says Ken, who is today a research fellow at Tokyo's Keio University. 'I came across a group called Tokyo Social Ventures (TSV), and was excited by the motivation of a group of passionate and talented young professionals, who likewise wanted to find meaningful volunteering opportunities that leveraged their commercial skills.' Without hesitation Ken paid his 100,000 Yen (\$1,300) annual contribution and signed up. Ken and his fellow TSV members shared a belief that 'innovative non-profit and social enterprises could be a driving force to bring solutions to the Japan's social issues,' in a way that traditional charities, with their strong link to government, could not.

TSV was established in 2003 by a group of young professionals including Hideyuki (Hide) Inoue, a visiting associate professor at Keio University. After completing his Master's degree in Washington D.C., Hide worked for a consulting company before entering the field of non-profits, including helping out at a disaster relief project at Okushiri Island in Hokkaido in Japan. Hide became the recognised champion of social entrepreneurship in Japan, organising a series of social business plan competitions called 'Style' from 2003 to 2007 at ETIC, a Japanese non-profit intermediary in Tokyo. Hide's exposure to the social innovation culture of the U.S. inspired him to pioneer TSV as a venture philanthropy fund for Japan. He had been particularly inspired by the Social

Venture Partner International (since renamed SVP Network) model he had witnessed in the U.S. and saw this as the basis for developing an initiative in Japan. Under the auspices of the Japan Foundation, Hide spent six months at SVP Seattle as a visiting fellow, where he was involved in the daily operations of the organisation. This was exactly what he needed to do to bring the model into Japan.

Before becoming a formal affiliate of the SVP Network in 2005, and changing its name to SVP Tokyo, TSV did not begin active investment, but focused initially on awareness raising and education, through a regular event called Network Meeting. At these monthly events, start-up social entrepreneurs were invited to share their experiences and challenges, and they attracted up to 100 young professionals who were interested in knowing more about innovative non-profit and social enterprises in Japan.

Ken Ito joined as a member of SVP Tokyo just at the time when the group began active financial support to Japanese social enterprises. 'I was assigned as the primary contact for a potential investee organisation, and to conduct due diligence appraisal on them,' recalls Ken, 'It was a non-profit organisation that provided education for hearing impaired children using sign language as the teaching medium.' The experience was informative for Ken, who began to realise what a significant change in policy the organisation's new model represented. 'Sign language was not permitted to be used in state-funded schools for the deaf', says Ken, 'because the government believed spoken Japanese to be the first priority of our education.' Ken says he was 'so shocked to be exposed to the hidden reality of this social issue, yet at the same time, I was so thrilled with the potential help SVP Tokyo could offer them, particularly with our skills and knowledge.'

The non-profit organisation was finally granted permission to set up its own school, but they found the regulatory bureaucracy and fundraising hurdles daunting. Ken was joined by another SVP Tokyo volunteer-member to help the non-profit organisation through this critical stage in its development. Ken recalls, 'We helped them create a budget plan to be submitted to the local government; we worked with the organisation on its

<sup>19</sup> This is an updated version of the profile published in John, Tan & Ito (2013).



ambitious fundraising plan; and through our networks, we introduced journalists to the new project.' Ken says, 'We spent an intensive 10-15 hours a week at meetings or creating documents and budget plans, but we enjoyed it very much. Personally I was able to utilise all my skills acquired from GE Capital — budget planning, financial forecasting and government reporting — to the project.' After six months, the school was successfully launched, its funding targets were exceeded and the initiative was given widespread publicity in major newspapers and television. SVP Tokyo remained engaged for another two years in the school project, while Ken and a colleague continued to support the organisation when invited to be board members. It was a hugely positive experience for Ken who says the involvement gave him 'strong confidence to know I can contribute to social change even as a part-time volunteer, utilising the skills from my day job.' Later on Ken was able to devote more time to helping SVP Tokyo develop, by assisting on strategy and operations for the fund itself, talking to potential donors and speaking at conferences around Asia.

The differences in philanthropy culture between the U.S. and Japan required SVP Tokyo to modify the core SVP Network model for the local context. Japan has a comparatively underdeveloped charity market, which is estimated at \$12 billion in annual donations. This is around only 3 to 4 percent of charitable giving in the U.S., estimated to be \$300 billion per year. This big difference reflects the major role government plays in spending on social welfare. SVP affiliates in the U.S. typically consist of successful business people and wealthy individuals close to retirement age. By contrast, SVP Tokyo attracted young professionals in the age range of 20 to 40. One key adaptation was to set annual membership contributions in Tokyo to \$1,300, compared to \$5,500 in the U.S.

Ken believes that a key factor in SVP's successful adaptation in Japan was the change in social attitudes by young professionals after the economic bubble burst in the 1990s. He says, 'The young generation in Japan realised they could no longer bask in the promise of economic growth and job security after the downturn — many shifted their life goals towards making contributions to the society.' In this regard, SVP partners

in the U.S. and Japan share a similar passion in contributing to social change — but at different stages of their life. In Japan, the relatively youthful membership did cause a high turnover of partners as individuals got married, started families or made a big career change, making it difficult to maintain high levels of involvement with SVP Tokyo. Typically, after several years of contribution, they left the organisation as 'graduated' partners.

Another key adaptation of SVP to the Japan market was its greater focus on support to trading-based social enterprises rather than non-profits with a grant-based revenue model. It appears that the small charity sector in Japan has forced non-profits to develop earned income as a strategy for growth in the relative absence of donations and grant making. After seven years of activity, SVP Tokyo has today approximately 100 members and has supported 27 social enterprise ventures, five of which have 'graduated' or exited from active support. Most of these investees remain in the portfolio for two years, during which they receive hands-on advice and grants that are typically 1 million Yen (\$13,000) per year. SVP Tokyo has made only one equity investment so far. There will be 'teams' of five to ten partners providing a range of general business advice, with each partner spending up to 10 hours of volunteer time each month, despite most having very demanding employment obligations. Decisions about new investments are very democratic, with every partner invited to a 'pitch' session of a half dozen prospects. Following presentations and discussions, a vote is taken and two or three new investees are chosen on merit and potential. From the first Network Meeting until today, the flow of potential social ventures to support continues to generate a healthy pipeline for SVP Tokyo. In 2009 the fund hired a full-time employee for the first time, to enhance its administrative capacity.

One of the earliest ventures supported by SVP Tokyo was Florence, a social enterprise providing nursery facilities for infants with fever or other mild illnesses, who would normally be excluded from regular day care because of infection risk. This has since grown to a well-known and popular service for Tokyo working parents with a multimillion-dollar turnover. Another successful investment was Multicultural Center Tokyo, a non-profit

organisation that provides services to newly arrived immigrants. SVP Tokyo's investment allowed the organisation to expand into tutoring immigrant children, plugging a gap in the public school system which had no capacity for teaching in foreign languages. The fee-based service quickly hit break-even.

From 2009, SVP Tokyo made a strategic decision to slow down its pace of growth, largely made because of a concern that rapid growth might be a risk to maintaining community ties among SVP partners. Newly joined partners are now required to have two recommendations from existing members who agree to mentor them. In its first four years, SVP Tokyo recorded very high renewal rates for its partners but after 2009, many, including founding members, started to leave. Ken interprets this as a consequence of local circumstances. 'In the U.S., SVP is thought of as a 'church' model', says Ken, 'where like-minded people who share similar beliefs and goals meet on weekends and evenings to create social change, utilising their time and money.' He believes that in Japan, with its younger membership, 'SVP transformed to a 'university' model which people join the organisation, learn from the projects how to do social investment and then 'graduate' after three or four years for a new journey of life with a feeling of accomplishment.' This turnover is not viewed as negative, despite the added pressures to recruit new members. A key aspect of SVP is to cultivate a generation of informed and engaged donors. Several of those who do leave SVP Tokyo do, in fact, switch to new careers in the social enterprise sector.

As a formal affiliate of SVP Network, the Tokyo group pays an annual fee to the U.S. organisation of \$5,000–\$6,000 (depending on the number of partners), and in return receives a licence for using SVP Network's logo and brand name, a package of operational manuals and guidelines, as well as strategic advice based on SVP Network's experience in the U.S. and Canada. Until recently, SVP Tokyo was the only affiliate outside of North America, and it has been a pioneering advocate for the venture philanthropy giving circle model in Japan and other Asian countries. Ken believes that SVP Tokyo's success 'has triggered several other followers to join in this movement of social innovation.'

Social Ventures Shikoku is an intermediary organisation in Takamatsu prefecture, started in 2010 with inspirations from SVP Tokyo activities. SV Shikoku organises seminars and workshops on social innovation and social change in the Takamatsu area. Outside of Japan, SVP Tokyo has been instrumental in promoting the model at conferences in Singapore, Hong Kong, Taiwan, Korea and China, 'which resulted in formation of similar initiatives in Hong Kong, Singapore and Seoul,' says Ken. While none of these has yet become formally affiliated with SVP Network, Ken believes they have all adapted the SVP Tokyo model of venture philanthropy in a way that best serves their local contexts.

## SVP India

Ravi Venkatesan knows how to 'conquer the chaos' of doing business in India. Under his leadership between 2004–2011, India became Microsoft's second-largest market. His recent book<sup>20</sup> argues that if you can 'win in India', you can 'win everywhere' and while giving fascinating insights into the complexities and opportunities of the giant Indian marketplace, it is clearly guided by a strong ethical compass. 'A company doesn't endure unless it lives in harmony with all its stakeholders', he says, quoting J. Irwin Miller, the founder of engineering corporation Cummins. Ravi admits that his business values were shaped at Cummins, where he spent the bulk of his professional career before joining Microsoft India. 'At Cummins, a manager was held responsible for the creative ways in which he or she engaged employees in community service. We grew up in that ethos.' The move to Microsoft was a natural progression, confirmed in his job interview with Bill Gates who, he recalls, told him 'Ravi, you're now 40; if you ever dream of a platform to change the world and certainly change India, you won't find anything better than Microsoft.' As chairman of Microsoft India, it was Ravi's responsibility to improve the Indian public's perceptions of Microsoft

20 Ravi Venkatesan, *Conquering the Chaos*, Harvard Business Review Press, 2013.

and to 'do well by doing good' through technology. Looking back over his seven-year tenure he is particularly proud of Microsoft's computer literacy programme that has so far trained 735,000 government school teachers, who in turn have taught IT skills to 35 million students.

Working for Microsoft has brought Ravi into close contact with a unique community of technologists and philanthropists, and specifically SVP's Seattle chapter. Will Poole, a senior Microsoft employee, and his wife Janet Levinger are active members of SVP Seattle, and through friendship with Ravi, they suggested that the collective giving model pioneered by SVP could be relevant for the burgeoning professional class in India's own 'silicon valley'. The couple, together with SVP partner and technologist, Pradeep Singh, did more than making a suggestion: they raised a significant grant to help get SVP in India off the ground. 'Without that generosity and a lot of hand-holding, it's unlikely anything would have materialised,' admits Ravi.

In the middle of 2012, an SVP chapter in India started to take shape, with ambitions from the start to be a significant force in philanthropy, rather than an isolated local effort. 'You start small and insignificant,' says Ravi, 'but particularly after my experience of Microsoft, I knew we had to plan for scale — to be one of the largest and most influential organisations on the Indian philanthropy landscape'. Ravi wanted an opportunity that offered, in technology-speak, a 'Plug & Play' platform for anybody with socially transformative ideas. 'We needed to be entrepreneurial in our DNA, so if someone came along with a transforming healthcare idea, for example, they could come to SVP, call up the five partners, use our brand and collective ability to raise resources and do something'.

While SVP is a proven and well-articulated model of collective giving, Ravi does not feel constrained by a blueprint. He is confident that SVP is a global network of talented individuals that has developed a model that stood the test of time, but is convinced 'we have to figure out what makes sense for us here in India'. The SVP Network was supportive of this "flexible franchise" approach to finding the right Indian identity for its newest chapter.

One key flexibility lies with its organisational structure. SVP chapters in North America are normally independent entities, each paying a membership support fee to SVP Network. Ravi says that with Indian regulatory bureaucracy requiring at least six to nine months for each registration, it makes little sense to set up city chapters as independent legal entities. Instead, SVP India is an umbrella for each new chapter, and the primary entry point for the network's support.

This novel structure is being led by SVP India's CEO Arathi Laxman, a veteran IT entrepreneur, who like Ravi is looking to use the skills and connections of a private sector career to serve the cause of philanthropy in India. Arathi's mission is to create a secure foundation from which SVP India can grow at a pace that keeps its partners engaged and motivated in an initiative that has the ambition to make a significant impact in a country of 1.2 billion people. While Arathi was leading SVP at the national level, she was responsible for setting up and making the first chapter in Bangalore operational. With the Bangalore chapter functioning, she is now focused on the India strategy and assisting with chapter formation in Mumbai, Delhi, Chennai and Pune. She is conscious of the significant human and financial resources that are required as the chapters grow, and the challenges partners face when dealing with the very different culture of non-profits.

Before starting SVP in India, Arathi worked on a project funded by the World Bank over a two-year period, helping a rag picker community build a business selling recycled paper products and create the necessary market linkages to ensure its sustainability. She says, 'When I started that project, I thought, "I have been a part of four successful start-up organisations and have advised numerous others, how difficult can this be?"' She believes the 'realities of translating leadership and capacity building from the corporate world requires co-creation of solutions, it requires a deep understanding of the environment and a different set of resources and capabilities are at play. You learn humility; you learn to participate in creating. The rag picker experience was invaluable for me to understand organisational capacity building, which is the cornerstone of every SVP chapter and critical to creating impact and ensuring

sustainability. This is part of the learning journey for all of us at SVP in India.'

Ravi believes it will take time to get many of the high value partners, such as company CEOs, to engage directly with non-profits but he is already seeing that many of their partners' spouses 'rolling up their sleeves and working with NGOs', which indeed reflects SVP's practice in the U.S., where membership of a chapter is very much a family affair. Ravi sees the proven core model of SVP as a starting point for India rather than an end point. He says, 'There is a core grantmaking model but we also need to be entrepreneurially opportunistic. We need to run lots of experiments and from them figure out what's worth pursuing.'

Ravi admits that social enterprise is a big trend in India which SVP India needs to explore: 'Already we have a number of partners keen to support social enterprises, for example, we have one partner who could donate land for an enterprise accelerator, and there are social investment funds willing to offer us grants if we move in that direction and are clear about the role we could play.'

In July 2013, SVP India gained legal registration as a Section 25 non-profit company under which individual city-based circles will be local chapters. The chairman of each chapter will sit on the SVP India board to help steer countrywide strategy. Livelihood, including job creation and vocational training, will be an overarching national focus area for all chapters. Each group will then choose additional localised social and environmental challenges that particularly touch on the well-being of their communities.

Bangalore, the first of SVP India's chapters, has chosen waste management as its local issue. The rapid expansion of Bangalore as India's 'Silicon Valley' has placed much of its post-colonial infrastructure under stress. The problem of sorting, collecting and disposing of domestic waste in a city of approaching 10 million people has vexed Bangalore for decades. The municipality's 'zero waste' programme is being piloted in 22 of the city's 198 wards by private sector contractors. SVP Bangalore's partner, V. Ravichandar, a corporate consultant who is passionate about civic engagement, is offended by the city's

growing mountain of untreated waste. He is leading the chapter's efforts in finding an effective entry point and strategy for SVP to engage in waste management, by harnessing the resources and skill set of the chapter's partners.

Something of an existential crisis affects many highly driven and successful business people contemplating life priorities beyond the pivot age of 50. This was true of Ravi Venkatesan, who has written about shaping his life priorities after a 30-year working life and the prospect of another 30 years yet to be lived out. Similarly, Bangalore's chapter chair, Akila Krishankumar, spent six months in reflection after retiring from a Fortune 500 technology company in 2013, resisting what she says is 'the natural temptation to accept board positions and to take on jobs.' She soon found that SVP would give her the opportunity to use her skills and networks while making a social impact on Bangalore and India. She feels that in India, wealth creation is still a new experience for many people and this 'helps people not to forget where they have come from.' Akila uses speaking engagements at business conferences to share her passion for the potential of SVP and is delighted that the chapter has been 'growing at a rapid rate' to 65 partners by the end of 2013. She says that the 'concept of venture philanthropy is interesting to many business people, who have been chequebook philanthropists but want to be more involved in giving, who want to know how their gifts are spent.' Akila believes such people are willing to give SVP membership a try, but need to know that working in collective model offers them the flexibility to engage at a level of time commitment that does not compromise work and family.

The combined experience of SVP's U.S. chapters has helped Bangalore set expectations about commitment levels and refine their pitch to prospective members. 'In U.S. chapters, we know that at any one time a chapter will have a range of partners who write a cheque and might not actively participate to those that are highly engaged and driving the chapter's agenda based on their availability of time,' says Arathi Laxman, SVP India's CEO. 'Educating partners [about philanthropy and Indian non-profit culture]

will be much harder than recruiting them,' says Akila, 'but it is a key priority.'

A rapidly growing network of SVP Indian chapters is important for the formation of the subcontinent's philanthropy culture, especially amongst a large number of highly talented, internationally experienced business people. It will also have an impact on SVP Network, which in 2013 has focused on global expansion with India being a key player. There is little doubt that as India adapts a core model suitable for the Indian context, where scale of impact is a given, that its learning and experience will shape the future of the global network.

## SVP China

Ms Wang Gan is a serial education entrepreneur. Educated at Peking University and Yale University, she founded Little Oak Children's House in 2001 — a progressive, experimental preschool in Beijing. Ten years later she extended her educational model to serve low-income families and migrant workers through the non-profit Qianqianshu Equal Education Partners, which she founded and manages today. Through her role serving on the boards of the Leping Foundation and its associated research arm, Fuping Development Institute, Gan began a dialogue about the potential value giving circles could bring to philanthropy and non-profit capacity building in China. She and her colleagues began reaching out to SVP Network in Seattle to find out more. Early on, Gan co-opted Xing Yan, the mother of a child attending Little Oak Children's House, who would become SVP China's co-CEO. Xing Yan returned to China in 1997 with an MBA from the University of Massachusetts at Amherst, working in a variety of corporate roles before setting up her own business in 2010.

In 2013 Yan joined Gan and other delegates from Leping Foundation on a study tour to SVP chapters in Silicon Valley and Phoenix in the U.S. Seeing how the SVP chapters corralled resources, educated their partners and focused on strengthening non-profits, Yan quickly realised 'this is a model that

would fit into the current environment in China.' Philanthropy in China is in a state of flux. 'There are many social imbalances,' says Yan, 'and there is quite a lot of negative feeling among people, and a lack of trust towards big philanthropic organisations.' Yan feels that the SVP model gives ordinary professional people a platform to give, which is 'small enough for people to know and trust each other, yet big enough to have an impact for non-profits.'

The Leping Social Entrepreneur Foundation and SVP's international board of directors have formed a strategic partnership to create SVP chapters in 10 of China's cities with the potential of 2,000 partners by 2020. SVP China will be a special project of the Leping Foundation and the umbrella for city-based chapters. The decision to launch SVP in China under the auspices of the Leping Foundation reflects both the regulatory hurdles in registering new non-profit philanthropy entities, and the benefits of being linked with one of China's most established and respected foundations. Yan says the partnership with Leping 'will benefit SVP in terms of credibility and giving us the ability to screen potential non-profits we will invest in.' The first chapter was launched in Beijing in November 2013, with plans to open the second, probably in Chengdu, in 2014. Yan and Mary Guo act as co-CEOs of both SVP China and the Beijing chapter. SVP Beijing already has some 50 partners, including spouses, giving it 25 committed donors. The annual pledge is set at RMB 30,000 (US\$5,000, as it is for most U.S. chapters) and so far the chapter has attracted a variety of partners from business professionals to full-time homemakers. Yan wants the partner base to be as wide as possible 'so that when we begin supporting non-profits we will have many different skills and expertise to offer.'

Like the corporate structure for SVP India, SVP China will act as the single entry point for relationship with the Network Office in Seattle, and will handle communications and promotional work for SVP nationally, paying a single affiliate fee to the network. While SVP is setting up and has not yet made any grant investments, Yan believes that priority sectors for the chapters will include provision of care for elderly, the environment and education. Yan readily acknowledges that the philanthropic cultures of the U.S. and China are very different, so while SVP China is



committed to ‘learning from the successes of the U.S. experience,’ she says, ‘we will adapt to the particular local needs of China.’ The strategic goal of 2,000 partners over the next six years is ambitious, but Yan is confident that the first chapter in Beijing will grow to more than 60 partners during 2014. The chapter is preparing for its first investments by holding regular monthly meetings with its partners to discuss the group’s governance and learn about the non-profit community in Beijing.

## SVP Melbourne

The idea to set up a Social Venture Partners (SVP) chapter in Australia came from Margi Olson, a business consultant who divides her time between Boston, U.S. and Melbourne, Australia. Margi was formerly Dean of Business at the McCallum Graduate School at Bentley University in Boston, who had joined SVP’s Boston chapter. During a period in her consulting career when she worked with non-profits in Melbourne, it became clear how much could be achieved in Australia’s non-profit sector if SVP was established there.

By early 2013 Margi had gathered a critical mass of individuals committed to launching SVP in Melbourne — one of them was Catherina Toh, a lawyer with her own legal and regulatory compliance consulting practice working principally for the financial services industry, who became the chapter’s founding chair. The venture philanthropy approach, which is at the heart of SVP practice, appealed to Catherina whose knowledge of private equity investments and fund management enabled her to make sense of an approach to philanthropy that ‘values due diligence and an active contribution in kind, rather than just giving money.’ Before she came across the SVP model, Catherina says her giving had been ‘ad hoc rather than strategic’, but SVP offered the ‘opportunity to get involved with non-profits in a much more meaningful way, way beyond writing a

cheque and not knowing what happened to the money.’

Catherina was joined by nine other founding members, drawn from the private and non-profit sectors. Robert Broadbent was winding back from a full-time career that had spanned science, education and health policy when he agreed to act as SVP Melbourne’s executive director during the critical establishment phase. SVP set a target of recruiting 30 partners by the end of its first year of operation (growing to 80 in three years), with each partner pledging an annual donation of AU\$5,000 (US\$4,400), which is more or less on par with the U.S. chapter’s practice.

The founders thought strategically about the kind of legal identity that would best fit the long-term goals of the chapter. They wanted the flexibility, once established, to set aside loan and equity capital for investing in social enterprises and giving grants to seed riskier, start-up non-profits. For these reasons the board are applying for a dual legal status — a public ancillary fund for tax deductible charitable donations, and to incorporate an operating company, without charitable tax deduction status, for investment. This requirement for investment and grant flexibility lies behind the decision not to operate SVP as a sub-fund within a community foundation, for as Catherina puts it, ‘it’s easy to get your money into a community foundation [in Australia] and get a tax deduction but it’s very difficult to get it out given the strict rules about who you can give the funds to and how much you must disperse each year.’ The partners intend to ‘start small with just one investment in 2014’, says Catherina, ‘and ensure that we get as many of the partners involved as possible in the investment committee and our first shortlist of non-profits.’

One of SVP Melbourne’s partners is ten20 Foundation, represented by CEO Seri Rankin. ten20 Foundation is a grantmaking trust with a 125-year history of serving Australia’s most vulnerable young people<sup>21</sup>. Seri knows the venture philanthropy model well, having spent nine years with Social Venture Australia,

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21 ten20 Foundation was created in 2008 from GordonCare, a long-established operating foundation, when it refocused its mission from service delivery to prevention.

Australia's first institutional venture philanthropy fund. ten20 has been a strong advocate of SVP from the start, seeing a complementary fit in their missions. Seriviews SVP as 'a great way of mobilising resources from a range of people with the ability to give AU\$5,000, volunteer their professional skills, and who want to work with others for the benefit of their community.' Part of ten20's new mission focus is to fund the capacity of groups to collaborate in addressing complex social issues — sometimes called 'collective impact'. SVP Melbourne will focus initially on non-profits working with children and families in underserved sectors and communities, a decision influenced by its strategic partnership with ten20.

## SVP Seoul

SVP Seoul traces its origins to South Korea's Hope Institute, an independent think tank that fosters social innovation at community and national level, one of several philanthropic initiatives of The Beautiful Foundation. A lawyer and human rights activist, Park Won-soon, who was elected Mayor of Seoul in 2011, created the foundation, which promotes giving, volunteerism and community service. In 2012 some 30 young professionals who had volunteered for the Hope Institute's programmes launched SVP Seoul, which is modelled on Social Venture Partners but not formally affiliated with the U.S. network. SVP Seoul's Executive Director Steven Heo believes that the SVP model is 'one that we in Korea can learn from and adapt to our own particular circumstances.' SVP Seoul's founders had researched new models of philanthropy and were already familiar with SVP when several of them visited Japan to see the Tokyo chapter for themselves and understand its operation in detail. That visit greatly influenced the way SVP Seoul works and Steven is 'keen to see all the SVP organisations in Asia meet to share and learn together.'

By the end of 2013, SVP Seoul had grown to 40 members and has plans to reach 100 in 2014. Partners come from a range of professional backgrounds — the

group comprises lawyers, accountants, entrepreneurs and non-profit executives — mostly in mid career. Each partner commits to donating a minimum of US\$500 annually (board members are expected to give at least twice of that), although many give much more, up to US\$10,000. 'Regardless of how much a person gives,' says Steven, 'each has one vote to decide how the pooled donations are spent.'

The pooled funds are supplemented by a donation from a grantmaking foundation, and Steven foresees that the circle will raise further funding from the Corporate Social Responsibility (CSR) budgets of corporate businesses. SVP Seoul advertises its mission through a website and Facebook page and encourages applications from social entrepreneurs with good ideas. A team of eight partners initially screen applications based on a five-point checklist: quality and motivation of the social entrepreneur; credibility of the business plan; the potential for expansion; social impact; and alignment with the value and policies of SVP Seoul. In 2013, eight socially focused organisations were shortlisted from 37 applications. After each of the eight finalists gave a presentation to partners, three were selected to receive a grant of US\$10,000 and the active, continuing support of the circle's members over 12 months. Steven notes that the partners have been impressed with the passion of individual entrepreneurs and the quality of their ideas, and in recognition, he would like all the organisations to receive some benefit from applying.

In 2013 the 29 organisations not shortlisted were divided by sector and each group invited to attend a networking seminar facilitated by a partner. All the shortlisted organisations received a package of mentoring and advisory support from the partners who volunteered their time and skills. The organisations that applied to SVP Seoul may be already established or just starting up. While the majority of applicants are in their 20s and 30s, some have been high school students or near retirement age. As SVP Seoul gains momentum and recognition, Steven is convinced that many apply, not for funding but 'the value of the advice and networking that the partners can offer.' While successful organisations get funding and business advisory support for a year (sometime extended to two), Steven is

keen that SVP Seoul 'creates an ecosystem of innovative organisations and partners that are committed to ongoing mutual learning and support.' The three organisations selected in 2013 were an eco-tourism enterprise, a recycling initiative for building materials and an organisation that trains women disconnected from the workforce to teach English to disadvantaged students.

SVP Seoul was established without any formal connection with SVP in Seattle, U.S. Its founding partners had clearly researched giving circles and viewed the SVP model to be appropriate and adaptable for Korea. A working relationship was quickly established with SVP Tokyo (a formal affiliate of SVP Network), which allowed the Korean initiative to shape its policies and become operational in a short period of time. Since formation, SVP Seoul has made contact with SVP Network and is in discussion about becoming a member and thus facilitate sharing and learning with SVP members in China, India, Australia and Japan.

## Impact 100 Western Australia

Around the dinner table one evening, James Boyd and guests chatted about the changing face of philanthropy in Australia. James' wife wondered if a small group of committed individuals could achieve more in philanthropy by working together. James, a professional fundraiser in Australian arts and culture, was intrigued with the idea and followed up with Internet research. James recalls that he found 'an enormous depth of giving circles in the U.S. and I quickly realised this was something that wasn't happening in Australia; it wasn't even being talked about.' He was determined to change that, and in 2011, through a scholarship took a research visit to the U.S. West Coast, meeting giving circles from San Francisco to Seattle.

During his interviews with 15 founders of giving circles, James was struck by the impression that 'every single group was different, each had a unique make-up.' During

the fact-finding trip James visited giving circle chapters such as those linked to SVP and Impact 100 and a donor circle that raised funds for a specific non-profit. He was also inspired by Retired Academics, a small giving circle of 12 women in Portland who pooled their US\$500 donations to provide one annual scholarship to help one local woman 'rise out of poverty through education'. It was a formative experience for James, who felt that any of the models he witnessed could be effectively introduced to Australia. He felt that the simple proposition of Impact 100 — 100 people donating \$1,000 each — was particularly powerful, and the donation, if could be made with tax deductibility, 'was at a level that was accessible and would catch people's attention.'

Returning to Australia, James shared his experiences and pitched the concept of Impact 100 to Sophie Chamberlain and Simon Bedbrook, who went on to found Impact 100 Western Australia (WA) in late 2011. Sophie's family charitable trust and Simon's work as an investment manager gave them a good feel for the potential benefits of people coming together in a giving circle to support organisations in their local community. By end of 2013, Impact 100 WA had around 106 donors, with most of them donating AU\$1,000 (US\$900) annually and 10 percent giving more. The circle is embarking on its third grant cycle in 2014. The chapter sets a guiding theme — disadvantaged youth and children — and seeks application from non-profits in Western Australia with projects in a number of areas:

- Education & opportunity
- Health & well-being
- Arts & culture
- Strengthening families

In 2013 the circle reviewed 27 applications that met their basic programme and organisational criteria; eight were shortlisted out of which four finalists made their presentations at a members' evening. Non-profits must have three years' operational experience and charity taxation status. The group selected adventures, a local charity that runs programmes in

leadership and personal development for young people, whom they would give a grant of AUS\$100,000 (US\$88,000) to. The circle's first grant, in 2012, was given to Manna Inc., whose Winter School Uniform Program leads to improvement in school attendance and student behaviour. Manna's CEO, Lynnette Synder, was struck by the grant application process, which she found quite distinctive compared to other grantmakers or individual donors: 'Impact 100 members visited us and the other shortlisted candidates; they came to some of our meetings and encouraged us in the bid. We and the three other finalists were assigned one member as a coach to help with our pitch to the whole group.' After Manna was successful in winning the 2012 grant, members of Impact 100 have volunteered in practical ways, like helping put together the school uniform packs, or working in the charity's kitchens that provide 2,000 meals a week to children from low income families. Lynnette says that Impact 100's members have remained helpful and involved, 'staying in touch, offering help, and connecting us with potential donors.'

Impact 100 believes the "1000 x 100" formula works well for both the circle and the non-profits that are awarded the primary grant. AUS\$1,000 (US\$900) is an affordable entry fee for individuals and families that are attracted to the circle, and the costs of administrating 100 donors are reasonable (more so than 1,000 donors each giving \$100). Impact 100 also believes that non-profits receive a relatively large grant with little administrative burden. The giving circle is committed to all of a member's donation going directly to the selected non-profit, with grant administration costs being met by committee members or through special donations (as happens with Impact 100 chapters in the U.S.) The administrative costs are estimated at around 3 percent, a figure that is kept low by volunteer labour and in kind gifts.

Impact 100 WA launched without any formal licence from the U.S. chapters — with what James calls 'extraordinary international goodwill.' Aware that other giving circle networks operate a more formalised relationship, James feels that Impact 100 is about 'cause-driven donors who are interested in community building' and that at this stage of expansion, a franchise formula does not seem necessary. From its start up,

Impact 100 WA worked in partnership with the Australian Communities Foundation, a Melbourne-based non-profit philanthropy intermediary that provided the giving circle members with regulatory tax deductibility and associated back office support<sup>22</sup>. James and the founders saw such an arrangement as perfect for a giving circle that relies on voluntary labour, rather than executive staff, while making the most of tax relief.

Impact 100 WA has already encouraged the formation of two additional chapters — in Fremantle and Melbourne. Impact 100 Melbourne was initiated in 2012 and made its first round of grants in 2013 under the theme 'Making it to Melbourne: Supporting Melbourne's Migrants'. The pipeline started with 17 applications, leading to seven shortlisted candidates and four finalists. The River Nile Learning Centre, which educates young African refugees in Melbourne, was awarded the primary grant of AU\$100,000 (US\$88,000) with the three other finalists receiving small cash grants, a fundraising resources package and a short film produced pro bono about their work. Like Impact 100 WA, the Melbourne chapter partners with the Australian Communities Foundation for tax deductibility administration, under a 2.5 percent fee arrangement. The giving circle limits its grantmaking to the Melbourne areas, although it has members from New South Wales and Western Australia. It offers opportunities for members to engage beyond cheque writing by serving on the group's steering committee or participating in grant application evaluations, but such engagement is not mandatory. Impact 100 Melbourne uses Facebook, Twitter and LinkedIn social media as well as e-newsletters to keep members engaged and informed.

A third chapter, in Fremantle (within the same state as Impact 100 WA), was launched in May 2013 as a fund with the Fremantle Foundation, a community foundation with a very localised mandate. The circle already completed its first funding round in 2013 distributing a total of AU\$115,000 (US\$100,000) to "dismantle", a community bicycle workshop, and three runners-up. Notably, individuals closely associated with the community foundation initiated Impact 100 Fremantle, after recognising the success

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<sup>22</sup> The Australian Communities Foundation originated in 1997 as the Melbourne Community Foundation, but rebranded in 2011 with a wider geographical mandate (see page 78, John, Tan & Ito, 2013).

of Impact 100 WA. Fremantle Foundation's CEO Dylan Smith explains that launching a giving circle within the foundation 'would be a great way to make significant contributions to the community, increase public awareness of local issues and organisations, and inspire philanthropic giving in Fremantle through an exciting new format.' The community foundation would benefit from building relationships with 100 or so donors and from 'an enhanced profile and credibility.' The Fremantle chapter gained informal support, through sharing of resources, from Impact 100 WA, whom they share some donors with. In the absence of formal licensing arrangements with Impact 100 in the U.S., the Fremantle initiative 'gave assurances to Cincinnati they would stick to core elements of the Impact 100 model,' says Dylan.

James Boyd estimates that up to 70 percent of Impact 100 members in Australia are women (the membership in the U.S. is entirely female). The membership is comprised of 'successful professionals with a certain level of disposable income, typically aged between 30 to 45,' he says, 'with some 10 percent of Impact 100 members also operating a personal family trust.' James believes that such members, while already engaged in formal philanthropy, 'are attracted to the learning opportunities that a giving circle offers'. This observation fits well with the donor education objective of giving circles in general. James says he would not be disappointed if individuals remain members of Impact 100 for only 'a year or two, if it helps them find the focus for their philanthropic interests' beyond the giving circle. It's still early days for Impact 100 in Australia, adapting a U.S. core model to local philanthropy culture and expanding to other cities. James is clear that in the coming years the Impact 100 chapters 'will need to further develop member engagement with the charities that apply, enrich the members' experience of giving together, expand our donor base and measure the impact of what we are achieving.'

## Awesome in Asia

Since 2011, The Awesome Foundation has grown chapters in Australia, New Zealand, Thailand, India and Mongolia, although several appear to be short lived and fall into inactivity. Awesome Sydney has 10 trustees, who each contributes AU\$100 (US\$90) per month, and two volunteer 'Deans' responsible for the group's administration. In the three years since the group has been active, high turnover on the trustee board means that only two of the founding members are trustees today. The mixed gender group comprises 'social entrepreneurs, CEOs and founding partners of advertising agencies, all in their 30s to 40s,' says Melina Garcia, one of the co-Deans. The chapter is small, informal and socially orientated. For Melinda, being involved with the other trustees and the grant applicants has been 'an opportunity to meet amazing, creative, ambitious and intelligent people I'd never have met socially.' Applications are made online and the trustees meet each month to select the grant recipient, an energetic and fast moving process which Melinda describes as 'loads of fun'. She admits that the process of discussing projects is an important component of donor education, saying, 'I often go into meetings convinced that I know which project will get the grant but I am usually convinced otherwise after some great debate'.

The chapter is looking for projects that 'display creativity, benefits the community in Sydney, has the potential to grow, and demonstrates a clever use of AU\$1,000 (US\$900)'. In February 2014 Awesome Sydney funded the development of a roof garden for refugees who are waiting for their asylum applications to be processed, while they are unable to work or study. The garden gives an opportunity for asylum seekers to meet, interact with others in their community, and grow food used in the soup kitchen below. A project funded in October 2013 supported a free 'geo-tagging' mapping service for 'foragers'—people in the community who look for seasonal wild foods, such as dandelions, nettles, mulberries, pine mushrooms and bamboo shoots as well as safe traditional medicines.



Despite being a small group, Awesome Sydney multiplies its impact through creative 'pitch events' in collaboration with like-minded organisations and groups. 'Pitch the Future' is an evening event jointly produced by organisations supporting social and creative entrepreneurs — Vivid Ideas Festival, Vibewire, The Awesome Foundation Sydney, StartSomeGood.com and the Foundation for Young Australians — at which six young social entrepreneurs in Sydney pitch their projects for support. The audience chooses the winning project, which receives AU\$2,000 (US\$1,800) and office space at the Vibewire Innovation Lab to help them launch their project.

Partnerships are also a key element of the other two Australian chapters. In 2012 two board members of Maldon and District Community Bank set up Awesome Foundation Maldon, Victoria. The bank is part of Australia's network of 300 community-based financial service providers, and the first to become, in effect, a chapter of The Awesome Foundation, providing the funds that dispersed as grants. Awesome Maldon has funded projects that include a storytelling and craft activity at Maldon's junior library, and the launch of a new farmers' market. One of Awesome's Melbourne chapter 'trustees' is @Pozible, a local web based crowdfunding platform. The chapter also partners with TEDx Melbourne in an arrangement where an Awesome grant winner is given the opportunity to be coached on presenting his or her ideas at TEDx events.

Whangarei is the northernmost city in New Zealand with a population of 53,000; its natural harbour was visited by the explorer James Cook in 1769. Awesome Whangarei was launched in 2012 following a visit to the city by Peter Kagayamas, an internationally recognised champion of community development and grassroots engagement. The chapter follows standard practice with 10 individuals contributing NZ\$100 (US\$83) each month and a 'Dean' contributing her time to organise the group, promote its activities, and process applications. The group has made three funding rounds, limiting their scope to the Whangarei area. The chapter's Dean, Andrea Beazley, says 'we can help get ideas off the ground easily and quickly because there is no bureaucratic funding hassle; it's a perfect example of the community supporting the community.' Projects funded so far include community gardens, pop-up

furniture in town and graffiti gardening (gardens randomly appearing around town). Andrea believes that such 'community-minded, visible, fun projects do not fit the criteria of large funding bodies', and fill a gap in the giving spectrum. Like other Awesome chapters, Whangarei communicates to the community through its own Facebook page. The page has 132 'friends' and is an easy way to post photographs of funded projects, and call for applications.

Awesome chapters started up in the Mongolian cities of Sükhbaatar and Ulaanbaatar in 2012, following contact with Awesome's founder by Peace Corps volunteers working in Mongolia. While being expatriate initiated, it appears that the chapters are a mix of Mongolian nationals and expatriates. Bonnie Nelson, one of the Peace Corps volunteers instrumental in setting up the Sükhbaatar chapter, explains that the core Awesome model needed adaptation for a local context where salaries are low. Members each commit 20,000 MNT (US\$11) monthly and grants of 200,000–400,000 MNT (US\$110–220) are dispersed every one to two months. Successfully funded projects in Mongolia, not surprisingly, have a strong social and environment bias health awareness, recycling bins, and repair of a library's book stock. Both Mongolian chapters are currently inactive.

The Awesome chapter in Delhi, India started up in 2014 but has not yet posted any grant activity. The chapter in Thailand is already marked as inactive on the global website. Maintaining chapter momentum is clearly a challenge for the global Awesome Foundation network.

# 3. Collective Philanthropy in Asia (Part II): Indigenous Models

## Indigenous Giving Circles in Asia

In the previous chapter we saw examples of giving circles in Asia whose origins lie with organisations and models from the U.S. and U.K. These were formally affiliated, loosely connected or informally inspired adaptations of foreign models to the Asian context. Equally important for the future development of collective philanthropy are giving circles that have originated in Asia without any obvious direct relationship to an external model. If collective philanthropy develops and organises in Asia over the next decade, the current distinction between 'imported' and 'indigenous' will become increasingly blurred. Giving circle 'know how' will flow more equally between Asia and the West. As Social Venture Partners (SVP) chapters in Asia contextualise a model pioneered in the U.S. to an Indian or Chinese context, for example, learning will begin to flow back to SVP's U.S. network and potentially influence their future development.

The model of collective philanthropy developed indigenously by Dasra in India (as we will see below) may provide a good starting point for giving circles starting up in non-Asian geographies targeting high net worth individuals. As new circles start up in Asia there will be opportunities for their promoters to draw from the experiences and good practices in the West, as well as from imported and indigenous models in Asia. Increasingly these initiatives will be synthesised from a global body of experience in collective philanthropy as long as mechanisms for learning exist.

The 'iceberg principle' (also known as the 'theory of omission') means that there are likely to be far more giving circles across Asia than our study has revealed. Groups may be 'invisible' because they are informally organised within an existing community and have no need to publicise their existence; others may prefer anonymity because they are a closed group of individuals with their own internal financial resources. In the examples that follow we will see:

- Giving circles that emerged from existing venture philanthropy funds (Dasra, India and Social Ventures Australia).
- A large giving circle aimed at expatriate business professionals in Hong Kong (New Day Asia).
- A giving circle linked to a businesswomen's networking organisation (First Seed Funds, Australia).
- A diasporic giving circle for Indian professionals living in Singapore (Focus India Forum).
- A loose network for brokering relationships between members of the business community in Mumbai and rural NGOs (Caring Friends).
- Extensions of the giving circle model into impact investing (ARUN, Tokyo) and pro bono consulting for non-profits (Toolbox India).

**Dasra Giving Circles:** Dasra is a pioneer on the modern Indian philanthropy landscape, which emerged out of India's first venture philanthropy fund, Impact Partners, in 2003. Its founders, Neera Nundy and Deval Sanghavi, grew up in North America of Indian heritage, were committed to using their investment banking skills to serve the non-profit sector in India. Dasra supported

non-profits in their ambitions to scale up, but recognised the deficiencies of the ecosystem that brought organisations and capital together. Pioneers must also be system builders, so Dasra developed programmes that developed the capabilities of social entrepreneurs and social investors. In 2010 Dasra launched the India Philanthropy Forum to provide a new and unique platform for Indian philanthropists to learn together and to showcase non-profits screened by Dasra's team. From this platform Dasra launched India's most ambitious experiment in collective philanthropy (See Dasra Giving Circles Profile).

Dasra Giving Circles depart from a 'typical' model in several, significant ways (TABLE 5). At first sight they appear to be a fundraising tool for a venture philanthropy fund — engaging high net worth donors and grantmaking foundations to provide resources for the fund's portfolio organisations. In reality the Dasra model is an innovative hybrid of an institutional venture philanthropy fund and a giving circle. Ten donors are convened into a giving circle only after an extensive sector analysis of a particular social problem has been carried out. The circle members are provided with a short list of high-potential non-profits that Dasra's research has

revealed to be best in class organisations addressing the social issue. The decision of which organisation to support for an intensive three-year investment period rests with the circle members guided by Dasra's research and analysis. Typical for a venture philanthropy fund approach, Dasra selects non-profits which they determine to have a proven intervention model, credible growth plans, a capable management team and a track record. A package of financial and non-financial support is designed against a business plan with progress milestones and performance metrics agreed by Dasra and the non-profit. The non-financial, capacity building services are provided formally by Dasra's executive team and informally by the circle members on a best effort basis. The pooled capital of members' pledges typically totals US\$600,000 over the three-year lifetime of a circle, and from this a 15 percent levy is taken to fund the professional consulting support of Dasra's team.

By the end of 2013, Dasra had initiated seven giving circles based on its sector research and analysis, including Girls Education, Child Malnutrition in Slums and anti-sex trafficking. New circles, including Domestic Violence, Child Marriage and Menstrual Hygiene, are planned for launch

**TABLE 5:** Comparison of Dasra Giving Circles and a Typical Model

	Typical Giving Circle	Dasra Giving Circle
Promoter	An individual or several individuals	An existing venture philanthropy fund
Longevity	Open-ended	Closed three-year funding cycle
Organisations supported	Several at any one time	A single organisation by each circle
Basis for sector supported	May have sector priorities; applications from non-profits	Extensive sector research and shortlisting of best in class interventions
Individual annual donation size	Range from US\$1,000–US\$6,000	US\$20,000 May be syndicated to smaller amounts
Composition	Individuals, families	Individuals, families and institutional philanthropies (private and corporate foundations)
Delivery of non-financial support	By circles members	By Dasra executive staff and by circle members
Reporting regime	Annual report	Quarterly scorecard based on Balanced Scorecard methodology

### 3. Collective Philanthropy in Asia (Part II): Indigenous Models

in 2014. The seven active circles have engaged 87 donors, including individuals, family foundations and other grantmaking foundations and pledged funds amounting approximately US\$4.2 million.

By creating India's only donor platform for philanthropy learning, Dasra has attracted a number of well-known individual philanthropists, family offices and grantmaking foundations as circle members. Dasra's internal research capability and existing capacity building programme for social entrepreneurs strengthen the proposition it offers as a hybrid venture philanthropy/giving circle. Dasra's team manages the burden of sector research, identifying high-potential non-profits, post investment services and reporting. But within this venture philanthropy model Dasra has incorporated the basic elements of collective philanthropy: pooling resources, joint decision-making, member education, opportunity for personal engagement and socialisation.

Unlike a typical donor circle, members decide on which non-profit to support from a short list of pre-qualified organisations, thus maintaining a strong element of independence. The giving circles do not appear to be mere fundraising devices for Dasra's venture philanthropy investments. Many individual philanthropists use the vehicle of a private foundation to implement their charitable giving, so it is not surprising to see foundations as institutional members of a Dasra giving circle, but Dasra does go further in admitting professionally managed grantmaking foundations to full membership (including European foundations active in India). Additionally, Dasra has extended membership to the Indian Diaspora in Singapore, exploiting the availability of a professional group located relatively nearby looking for philanthropic opportunities in India.

The substantial financial pledges required for the Dasra circles membership are restrictive and clearly reflect the particular market segment of philanthropy being targeted. It is noteworthy that giving circle members in Singapore have experimented with a syndication model to enable a more affordable membership for some individuals.

A lead member underwrites the full pledge of a single place on the giving circle and then syndicates that downwards to six or seven individuals who make pro rata donations. The burden of managing a syndicate rather than a single member lies with the lead member and not with Dasra, who acts as a focus point, organises local activities and collects pledges. The advantage of the syndicate model is that it develops a much larger pool of supporters for Dasra, particularly in a location distant from Mumbai, where Dasra cannot easily service the relationships directly. Lowering the barrier to entry has resulted in at least one syndicate member 'graduating' to become a full member of another Dasra circle — a reward to Dasra for its educational and personal engagement aspects.

Dasra has adapted the Balanced Scorecard™ (BSC) performance measurement tool to provide quarterly reporting to its giving circles, offering them regular insight into a non-profit's progress against impact and financial targets and an early warning of issues that might affect the business plan. Kaplan and Norton (2001) developed BSC to help complex commercial and public sector organisations set targets and measure performance across a matrix of financial and non-financial metrics. The tool was adapted and developed by New Profit Inc, a Boston-based venture philanthropy fund, for managing the organisational performance of the non-profits it supported, and a number of other venture philanthropy funds have used it as the basis for portfolio performance.

Dasra was committed to providing the giving circle members with a quarterly reporting tool that gave financial, organisational and social impact data in a format that was visually attractive, concise and which built up an overall picture of the successes and challenges of the organisation during a period of intense growth. A sample quarterly scorecard for Society for Nutrition, Education and Health Action (SNEHA), the non-profit supported by the 'Child Health and Malnutrition in Mumbai Slums' giving circle is appended in this report. The scorecard summarises the project and gives detailed reporting on finance, project outputs and outcomes as well as capacity development objectives for the quarter. The scorecard is discussed during the quarterly conference

calls attended by SNEHA and Dasra staff and giving circle members. This level of reporting is unusual for a giving circle but appropriate for Dasra's hybrid venture philanthropy / giving circle model and the large size of pooled funds for each project.

Dasra's experience of sector research and investing in capable non-profits has underscored the values of collaboration in a supportive ecosystem of players when addressing large, complex social problems in India. As the organisation developed, Dasra became a catalytic member of the philanthropy community in India, as well as a builder of the philanthropy ecosystem. During its Philanthropy Week in 2014, Dasra launched an ambitious five-year, US\$14 million initiative to stimulate an effective ecosystem that addresses the healthcare needs of mothers and children and empowers adolescent girls in India. Its giving circles will play one key role in assembling the resources and interventions in a collaborative approach to empowering females in India.

**Social Ventures Australia Angel Network (Disbanded):** An earlier initiative by an Australian venture philanthropy fund, Social Ventures Australia (SVA), to create an internal giving circle was short-lived, and is no longer operational. SVA Angel Network was initiated by SVA in 2004, in response to what the fund perceived as an untapped donor segment. SVA became aware of women philanthropists who were strongly motivated to solve social problems, but for whom the standard pledged donation of A\$25,000 (US\$22,000) to be an SVA donor was too high. These were also individuals who wanted to be more personally engaged in giving than making passive donations. SVA Angel Network offered women a giving circle that would support non-profits within SVA's portfolio and give members the opportunity to learn about non-profits and collectively decide which to support from the pre-approved shortlist. Members committed A\$5,000 (US\$4,500) annually for three years into a pooled fund. Groups were formed in Sydney and Melbourne comprising women from a variety of backgrounds — corporate professionals, entrepreneurs and homemakers.

The Melbourne group was managed by SVA staff member Seri Rankin (now CEO of ten20 Foundation and currently a member of SVP

Melbourne), who recalls that 'the initiative was successful in building learning around social issues and helping women become more astute social investors, but it needed a huge effort to service the groups, to meet their demands and high expectations.' SVA levied a fee of 1 or 2 percent of the pooled funds but this was not enough to provide for the resources required to manage the groups comprehensively. The SVA Angel Network was disbanded after a three-year trial period when SVA concluded that 'it was more cost-effective to recruit one high net worth individual than serve a large group of smaller donors,' says Seri. One of the groups 'outgrew SVA and went independent, not wanting to be constrained by the venture philanthropy model,' she adds. Ten years ago both venture philanthropy and giving circles were new concepts in Australia, but it is likely that the SVA Angels experiment has sown seeds in collective philanthropy that would germinate a decade later.

Unlike these two examples of giving circles that are housed within the institutional setting of a venture philanthropy fund, the indigenous examples that follow are better characterised as citizen initiatives, comprising individuals acting independently or connected to communities of interest.

**New Day Asia:** Hong Kong, like other commercial centres around Asia, has a large population of professional expatriates and permanent residents, many of whom bring with them experiences of philanthropy from home. Liza Green had participated in giving circles in her native South Africa and when she and her husband settled in Hong Kong, it seemed appropriate to set up a new group to engage her friends and professional contacts in philanthropy. New Day Asia was launched in 2007 around an informal dinner party for friends (See New Day Asia Profile). The Greens felt that the giving circle should be accessible and volunteer-run. Today there are 86 members who each pledges a minimum of only HK\$500 (US\$65) per month, although many give much more and contribute their time to manage the projects they support.

Members are both men and women drawn largely from Hong Kong's expatriate community. In six years the circle has raised more than US\$563,000 in member donations and foundation grants for girl-centred projects in Cambodia, India, China and Nepal.



### 3. Collective Philanthropy in Asia (Part II): Indigenous Models

Many of the members work for multinational firms that become strategic partners of the giving circle, leveraging additional funds and professional expertise that can be useful for the non-profits being supported. More than a quarter of the circle's members have made non-financial contributions in project management, including giving professional advice to non-profits. New Day Asia has developed relationships with grantmakers in Hong Kong, sharing information on the sex-trafficking sector and co-funding projects. These elements of volunteerism and collaboration contribute to the personal growth of New Day Asia's members in philanthropy.

**First Seeds Fund:** Little Black Dress Group is an Australian network for businesswomen, founded and run by Janine Garner. Janine always had a sense of responsibility for those without the 'lucky breaks in life' that she and other successful women enjoyed. She was also frustrated with what she calls 'the passivity of writing a charity cheque and not knowing how the money was spent or what impact it had'. In 2011, Little Black Dress offered a ready-made platform on which to build the First Seeds Fund giving circle, whose members were drawn from the business network.

The circle gains tax deductibility and back office support from the Sydney Community Foundation, leaving its advisory board of seven women to focus on grant making decisions. First Seeds Fund is supporting charities working amongst girls in Warwick Farms, a highly deprived suburb of Sydney. One programme on the estate encourages entrepreneurship and this provides an opportunity for some of the circle's 25 members to volunteer their time to mentor young women. First Seeds Fund has started modestly but has ambitions to grow in scale and influence. (See First Seeds Fund, Australia Profile)

**Focus India Forum:** Unlike the giving circles above, Focus India Forum (FIF) is effectively 'invisible', not having a website or actively promoting its presence beyond the community of Indian professionals living and working in Singapore (See Focus India Forum Profile). FIF started in 2002 when 16 Indian expatriates decided to collect just US\$16 each

month for charities back in India, particularly for those not supported directly by any of the members. Today there are more than 180 regular donors, and in 2013, the circle collected US\$32,000. Most disbursements are made to Indian non-profits but the circle has given to cases of hardship amongst migrant South Asian workers in Singapore. Given the distance between Singapore and projects in India, the group cannot be highly engaged with the non-profits in a meaningful way. Over time, however, relationships are built and members do visit projects when travelling back to India. Educating members about NGO issues in India is an important objective of the circle's founder, Ramya Nageswaran, and this is done through seminars, e-mail and an online Yahoo Group. Several FIF members are also involved with Dasra's Singapore-based giving circles as institutional, syndicated members — a circle within a circle. This has enabled FIF members to experience a contrasting model of collective philanthropy and graduate from small donations to much larger ones.

**Caring Friends:** Caring Friends was founded in 2002 as an informal, loose network of business people in Mumbai, which has grown to 350 individuals (See Caring Friends Profile). A small number of Caring Friends' volunteers are proactive in contacting NGOs whose work has attracted their attention. The NGOs receive an evaluation visit and if successful, this leads to a 'core group' of members making substantial personal donations to the NGO. If this group believes that their grant has been well used and the NGO has proved itself, then fundraising is opened to the wider membership at regular events held in Mumbai throughout the year. Caring Friends does not directly accept any donations from members — and so does not require any formal, legal registration, or even a bank account. Individuals donate directly to the screened NGOs. The group is a hybrid between a giving circle and a brokerage platform for connecting donors with charitable organisations. As Caring Friends focuses on the rural social sector, it makes it difficult for members to volunteer their time to NGOs — even a short on-site visit might demand 24 hours of arduous travel.

## Extending the Circle

The previous examples of giving circles are diverse in terms of scale, volunteer/professional management and visibility. But each adheres to a basic set of core attributes that define what is an act of collective philanthropy: the pooling of donations into a common fund; a decision-making process amongst members that leads to a grant being given to a non-profit organisation; some measure of value-adding engagement with the non-profit beyond finance; and education of members about the social sector and philanthropy.

The following two examples of collective philanthropic action, while not strictly giving circles as defined above, offer resources to non-profits and have an educational impact on their members. The first is a circle whose members invest in social enterprises, using loans and equity rather than grants. Second, we see a collective of professionals who give management consulting expertise to charitable organisations. If we understand philanthropy in its broadest sense as deploying human and financial resources for primarily social purpose, then such examples are an extension of the giving circle model. New opportunities to create social value through social businesses, using a full box of financial tools, will encourage 'investment circles'. The pool of professional talent in Asian cities holds significant potential resources for the region's non-profits and social businesses; and while many corporates have volunteering programmes for staff, there is also opportunity for intermediaries who mobilise and manage human talent.

**ARUN:** Arun was established in Japan in 2009 as an investment fund focused on supporting social enterprises in Cambodia (See ARUN Profile). It was initially capitalised as a limited liability company with 16 million yen (US\$206,000) contributed by 11 partners. As social investors, the partners' primary motivation is to create social value rather than personal profit, by investing in small to medium companies in Cambodia that have strong social or environmental objectives. Funding is structured as loan capital, although ARUN has started to experiment with equity more recently. The partners are

actively involved in investment decisions, and as far as possible, in business advice to the social enterprises during the investment period. By the end of 2013, ARUN had invested US\$645,000 in four social enterprises.

Strictly speaking ARUN is not a giving circle since members pool their capital to be dispersed as loans not grants. But, the primary motivation is creating social value by investing in the 'missing middle' of small enterprises in a developing economy — and indeed a commercial investor would view this as philanthropy! The members' motivation is not personal gain from investment since their capital is at high risk with the likelihood of only modest upside gains. Initiatives like ARUN, likened to angel investing, are important in the spectrum of entrepreneurial social finance for social impact. We will explore this activity further in a forthcoming working paper on 'impact angels'<sup>23</sup>.

**Toolbox India (TBI):** All of the collective models explored above encourage the active participation of their members in the grant management process. This engagement may be in both pre-investment (policy, search, evaluation and selection) and post-investment (monitoring and non-financial support), as well as the day-to-day administration of the circle. Engagement contributes to the donor education objective of collective philanthropy, enhances personal motivation and can hone skills that can be useful to the non-profit. The depth of active participation of giving circle members in advising the supported non-profits can be relatively strong (e.g. SVP or Dasra) or weak (e.g. Impact 100 or Caring Friends). Practices where members are engaged in consulting activity with financially supported non-profits is within the domain called venture philanthropy. Indeed, some research has shown that social entrepreneurs often value such non-financial advice more than finance (John, 2007). When a group of individuals offer their skills and time collectively to non-profits, we can see some characteristics of a giving circle. Many corporates have pro bono programmes for employees who offer professional advice to non-profit organisations. In the U.K., Pilotlight pools the talent of senior business people who work as a team alongside the

23 During research for this paper on giving circles we noted several examples of collective impact investing in social businesses, analogous to the angel investing of business startups. It would have been confusing to include these in this paper so we intend to write about them in a following report.

### 3. Collective Philanthropy in Asia (Part II): Indigenous Models

management of a non-profit to offer business advice<sup>24</sup>.

TBI developed a similar approach in Belgium, and in 2009 it seeded the start-up of a sister organisation in India. Mumbai, like many other commercial cities throughout Asia, has considerable human capital tied up in its workforce. TBI (see Toolbox India Profile) offers business skills from the corporate community to non-profits with the appetite for management consulting advice normally beyond their financial reach. TBI's roster of volunteers comprises senior executives with many years of technical and general business experience. TBI places the volunteers into small teams (circles) that work intensively with a non-profit typically over a period of one year, giving business-planning advice in areas such as marketing, communications and financial management. Volunteers commit eight hours of their time each month, and in 2012–13 they collectively contributed more than 3,000 hours of consulting time. TBI has 45 volunteers providing 18 organisations with regular consulting support. Such pro bono consulting is not new to the corporate sector and is commonplace in legal and management consulting practices. Toolbox volunteers come from a variety of companies and are placed in teams in a managed process that ensures a good fit with the non-profit's needs, as well as quality control. Pro bono consulting projects can be highly variable in quality, with inexperienced, junior staff too often having to juggle pro bono and fee-paying projects<sup>25</sup>. The strength of the Toolbox model is that it starts with motivated individuals who have senior management experience and places them in a managed and accountable environment.

Pilotlight in the U.K. measures the impact of its volunteering programme on both the charities and volunteers it works with. The 2012 Evaluation Report<sup>26</sup> shows a 80 percent increase in income for the charities two years after the consulting intervention, and for 93

percent of the charities, an increase in five key skills areas within their executive team. Pilotlight's volunteers were also positively impacted by working as a team to deliver consulting advice: 74 percent said they 'appreciate the work of the voluntary sector more'; 37 percent increased their financial giving to charities; and 92 percent saw their volunteering as an 'opportunity for personal development'. Such changes in knowledge, attitude and practice mirror the outcomes of being associated with a giving circle, as we saw in Chapter 1.

<sup>24</sup> See [www.pilotlight.org.uk](http://www.pilotlight.org.uk) Pilotlight's Founder and CEO made a workshop tour of several Asian cities in 2013, under the auspices of the Asian Venture Philanthropy Association, to promote the volunteering model.

<sup>25</sup> The author has been the recipient of several pro bono consulting assignments, and while personal experience is not statistically meaningful, it is likely that such corporate volunteering is highly variable in quality. An industry-wide code of conduct for pro bono consulting would go a long way to ensuring a higher quality of outcome.

<sup>26</sup> The report can be downloaded at <http://www.pilotlight.org.uk/results/report-2012>

**TABLE 6:** Summary of Indigenous Asian Giving Circles

<b>Best Figures available at March 2014</b>	<b>City/Country</b>	<b>Year Formed</b>	<b>Strategic Partnerships</b>
<b>First Seeds Fund</b>	Sydney, Australia	2011	Little Black Dress Group
<b>Dasra Giving Circles</b> <ol style="list-style-type: none"> <li>1. Education of girls</li> <li>2. Improving Mumbai's public schools</li> <li>3. Child malnutrition in urban slums</li> <li>4. Empowering adolescent girls</li> <li>5. Urban sanitation</li> <li>6. Youth development through sports</li> <li>7. Anti-sex trafficking</li> </ol>	Mumbai, India	2011	USAID, DFID, Kiawah Trust
<b>New Day Asia</b>	Hong Kong, SAR China	2007	Linklaters
<b>Focus India Forum</b>	Singapore	2002	
<b>Social Ventures Australia Angel Network</b>	Melbourne and Sydney, Australia	2004 (Disbanded 2007)	
<b>Caring Friends</b>	Mumbai, India	2002	

# Chapter 3 Profiles

## Dasra Giving Circles, India<sup>27</sup>

In Sanskrit, Dasra means ‘enlightened giving’. Few individuals have done more to transform the modern face of enlightened giving in India than married couple Neera Nundy and Deval Sanghavi, founders of Mumbai-based Dasra. Neera and Deval, whose families originated from India, were brought up and educated in North America. After university, each began careers in investment banking. Meeting at the New York offices of Morgan Stanley, and linked by a common heritage, they often thought about how their business skills could be used in the Indian charitable sector.

In 1999, Deval put his banking career on hold and moved to India to volunteer with a number of Indian grassroots organisations. This was a formative period in Deval’s understanding of how organisational weaknesses held back non-profits from fully delivering their social mission sustainably and to scale. A year later, Deval, with backing from some Indian investment professionals, launched the country’s first venture philanthropy fund — Impact Partners, providing a blend of consulting advice and growth capital to a small cohort of promising non-profits. Realising that investment banking was a great background but not their long-term ambition, Deval teamed up with Neera in 2003 to launch Dasra. ‘We saw our mission as building on what was learned at Impact Partners,’ recalls Deval, ‘we saw the need to provide capacity building support and managerial assistance to enable organisations to reach scale. But we knew too that the issues were broader than just working with individual organisations. The ecosystem for matching capital and the best non-profits needed to be developed, otherwise our efforts would just be a drop in

the bucket.’ That was farsighted, for in 2009, Dasra built on its reputation and experience as a provider of technical skills to launch Dasra Social-Impact, an executive education programme for a new generation of India’s non-profit and social business leaders. ‘For five years we’d done much of our capacity building activity as contractors to small and medium donor agencies, which at times was frustrating,’ recalls Deval, ‘because they often underestimated the amount of consulting time we needed with an NGO to affect significant organisational development.’ Deval adds, ‘At the same time we saw the need to mobilise a much broader group of Indian philanthropists than the few we were working with — making it exciting for them to give with impact.’ Over the next two years the groundwork was laid for what was to become a powerful initiative of Dasra — the Indian Philanthropy Forum, launched in 2010. The Forum has grown to become a community of strategically-minded givers, who through thought leadership and research-based action are creating a platform for the development of modern philanthropy in India.

Dasra Giving Circles emerged out of the Forum to become India’s largest collaborative giving effort. A circle generally comprises 10 individuals, to date each committing to donate 1 million Indian rupees (US\$20,000) per year for three years. For the initially formed circles this created a pool of up to 30 million Rupees (\$600,000) in each circle. Eighty-five per cent of this pool is deployed as expansion grant capital to the NGO. The remaining 15 percent is used to cover the cost of Dasra delivering 250 days of non-financial support, through mentoring and technical advice, to each investee over the three-year funding cycle. This model probably ensures the largest ticket size and pool of capital available to individual non-profits of any giving circle globally. Dasra has plans to increase either the time or the group size in future circles, and believes that there is an encouraging number of Indian philanthropists willing to sign up to future circles.

The search and selection of investees is a rigorous, research-based process. It starts with Dasra’s advisory research team performing a comprehensive mapping of a particular social sector. These are published as leading market analysis documents, which alone contribute to sector knowledge. A giving circle is then formed around each

27 This profile is an updated and expanded version of what was first published by John, Tan & Ito (2013).



sector analysis, together with a shortlist of three non-profits which research has shown are making innovative efforts to address the chosen social issue and have a scalable business model. The initial task of the circle is to choose one of the three shortlisted investees for a three-year intensive support.

Dasra has published sector research on nine issues and created giving circles based on seven of these concerns:

- Education of girls
- Improving Mumbai's public schools
- Child malnutrition in urban slums
- Empowering adolescent girls
- Urban sanitation
- Youth development through sports
- Anti-sex trafficking
- Improving artisans' livelihoods<sup>28</sup>
- Enhancing youth employability<sup>29</sup>

At the time of writing Dasra is mobilising support from philanthropists on the following issues:

- Domestic Violence
- Child Marriage
- Menstrual Hygiene
- Governance

### **Dasra Giving Circles II – Making the Grade: Improving Mumbai's Public Schools**

The underpinning for every Dasra Giving Circle is a thorough research study on the topic of potential interest. To investigate how private philanthropy could contribute to a systemic improvement in the educational outcomes of Mumbai's public schools, Dasra committed six months to conduct detailed interviews with academics, non-profits and the city's municipal authority. Without any guarantee that the research findings would lead to a philanthropic initiative, Dasra found a strategically-minded funding organisation to sponsor the upfront cost of a rigorous research study — Godrej Industries, an Indian industrial conglomerate. Twenty-five percent of shares in Godrej Group's holding company are held in charitable trust and each component company has an active Corporate Social Responsibility (CSR) programme. Forty percent of Mumbai's one million children

<sup>28</sup> Dasra was unable to find enough support to create a giving circle around this subject.

<sup>29</sup> A giving circle was not convened around youth employability, but Dasra did mobilise some financial support from corporate donors for one shortlisted NGO and provided capacity building inputs.

attend private, fee-paying schools because of the perception of a better education and access to teaching in the English medium. Consequently the city's public schools educate the most marginalised children from poor homes, incentivised by a free midday meal and the low cost of attending.

In Mumbai there is a 40-year history of private-public partnership where independent, non-governmental organisations (NGOs) collaborate with MCGM (the municipal authority responsible for education). Dasra's research team found that 117 NGOs had active partnerships with MCGM, but only nine stood out as having high quality, innovative models. The team went on to map the programmes of these high-potential NGOs in terms of scalability and quality of educational outcome, and recommended the critical factors most likely to create a robust, urban school system. Dasra's published report — 'Making the Grade' — focused on how the quality of educational outcome could be improved through enhanced private-public partnerships, and recommended a clear role for strategic philanthropy by investing in the most effective NGO to develop a scalable, institutionalised model adopted by the municipality.

Based on evidence from research, Dasra now had an understanding of the sector, the preferred intervention pathway (private-public partnership) and a shortlist of pre-screened, high-potential NGOs. Philanthropists known to Dasra were invited to participate in a giving circle that would aim to improve Mumbai's public school system. Attracted by a passion for the sector and the rigour of Dasra's research, 12 individuals (including three couples) formed the 'Making the Grade' Giving Circle in 2011. Each of them was embarking on a personal philanthropic journey. Half of them had commercial investment or industry-building backgrounds. Others represented the charitable side of well-established family offices. One seat in the giving circle was taken by a charitable foundation with technical expertise in the education sector. The majority of the giving circle members were Indian nationals.

With a circle established around a researched issue and a shortlist of screened NGOs, Dasra facilitated discussions with the group members to select one NGO to support. In January 2011 the Group decided

to back Muktangan, an NGO that had successfully incubated an integrated teacher education programme that enables women from low-income communities to provide high quality English-medium education. Dasra and the circle members worked with Muktangan's senior management to set out mutually agreed vision for growth and key performance indicators, together with the resources Dasra and the giving circle would commit to the partnership. The goal is for Muktangan to become an accredited teacher training institute that will provide sustainable careers to women and consequentially improve the education outcomes for thousands of Mumbai's poorest children. After one year of support, Dasra had disbursed \$140,000 in grant aid against performance milestones, coupled with 80 days of active consulting support. Individual members of the circle also contributed their personal time and skills, and opened up their networks to the NGO.

'The contribution of giving circle members was important for us,' says Suman Dasgupta, Muktangan's head of Planning, 'by building relationships with important people and government officers, it helped our advocacy and networking efforts become visible.' Dasra's consulting inputs have also been valued by 'helping us become stronger in key areas like human resource practice and impact assessment,' adds Suman, 'Dasra staff and giving circle members became our "friends and champions", something we valued most of all.'

Luis Miranda is a private equity professional. He and his wife, Fiona, were eager to join the circle because 'we got the chance to interact with other donors and discuss issues in a group, as opposed to doing it alone.' The couple was able to engage directly with the Muktangan team in supporting the NGO's operations. 'I have been helping them get the teacher training programme registered and connecting them to schools,' says Luis, 'and my wife has developed a sex education curriculum with the programme team.'

Luis and Fiona feel that participating in the giving circle is an efficient and intelligent use of their time, talent and money: 'The Dasra team sends us updates and facilitate

meetings. Working in private equity, I relate well to this high engagement model of supporting an organisation.'

Another 'Making the Grade' circle member, Nakul Toshnival, manages the family's scientific instrumentation company. Nakul says he has a 'higher comfort level' funding an NGO, 'because it has been evaluated by Dasra in terms of quality of the management team, the potential to scale up and potential social impact.' Nakul readily admits he is at the early stages of his own philanthropy journey and values the circle in providing 'a networking opportunity to help me understand a broader range of issues and how other donors look at their philanthropy.'

Muktangan's co-founder, Sunil Mehta, has experienced the value of giving circles from both sides. While Muktangan was being actively supported by the Dasra giving circle, he decided to join another circle that was just being formed, as a philanthropist: 'Having seen the quality and diligence of Dasra's work offered me the confidence level I needed to allay my own anxieties of making larger donations than I had given in the past,' says Sunil. 'I learned a lot more about philanthropic assessment of programmes from the group discussions, and felt I could equally contribute from my ten years' experience of working in the social sector.' Sunil adds a note of caution though: 'Without the strengths and competency that Dasra brings to coordinating the Circles, I feel collaborative giving could end up with many problems.' Clearly this is a model that must be implemented well, or not at all.

Harish and Bina Shah are typical members of Dasra's giving circles. Based in Mumbai, they own the largest pharmaceutical formulation company in India and are active members of two giving circles. Harish traces the responsibilities that come with wealth back to his parents and the culture of generosity he grew up with. As their business grew Harish and Bina donated to charitable causes including an educational project in Mumbai where they had more direct involvement as significant donors.

Having built a company over 28 years Harish feels that his skill set as an entrepreneur could be a resource for non-profits, but he

is realistic about having the time to engage too deeply while still running his company. The Shahs were attracted to a model where research, due diligence and project support were carried out by Dasra, but which offered them the opportunity of personal engagement. The Shahs have taken two seats on four different Dasra Circles — one place taken by their family foundation and the other in their own names. Harish explains the importance of doing more than writing a cheque: 'From our side, it's not a hands-off thing; we are involved with Dasra and the NGOs. It's not just to police them but I think to express solidarity. We make it a point to take part in every opportunity that links the NGO with the giving circle.' This has even extended to the Shahs' children who have attended project visits. The Shahs have also opened their home for social evenings that bring together giving circle members and those curious about the model that Dasra has pioneered in India.

Dasra has opened its giving circle membership to Non-Resident Indians (NRI), one of the largest diaspora communities in Asia. Indian professionals in Singapore have found a channel for their philanthropy by joining Dasra's giving circles. Jay Ganapathy is a career banking professional working in Singapore's financial district. Jay applies the same analytical rigour to his giving as he does in his day job, looking for high impact with appropriately low administrative costs. Through his involvement with an informal NRI giving circle in Singapore (See Focus India Forum Profile), he was referred to Dasra.

Jay was attracted to Dasra's investment minded approach and their commitment to supporting non-profits with the potential to effect systemic change in widespread social problems through scalable solutions. He saw the opportunity to engage NRI's in Singapore in Dasra Giving Circles by syndicating one membership place down to several individual sub-members. Jay then underwrote the pledge for one place in the Adolescent Girls Empowerment giving circle, with seven NRI's each contributing 1 Lakh Indian rupees (US\$1,600).

The marginal costs and effort of servicing a syndicate did not fall on Dasra but were met by Jay personally. This innovation brought new donors into Dasra at a donation cost that was relatively modest for the individuals,

but which offered the potential for them to 'graduate' into greater levels of generosity as they experienced the impact of collective giving. So far a total of 13 NRI's, from financial services, media and technology industries, have participated in the syndicate, and at least one has progressed to becoming a full member in one of Dasra's circles.

Jay believes that Dasra's strength is in mitigating risk of project failure by the high degree of pre-investment due diligence and the quality of post-investment consulting support to non-profits. Introducing a circle of individual donors into this model multiplies resources and encourages a new generation of philanthropists to work collaboratively.

Dasra has broadened the base of circle membership to institutional members — grantmaking foundations who, like individual members, have one vote. Dalyan Foundation is a Swiss-registered grantmaker founded in 2008 by an entrepreneurial couple, whose companies include health care and private equity. The foundation takes a broadly venture philanthropy approach, engaging with a small number of non-profits over a three to five year period, advising their management on strategy and operations and providing grants for scaling up impact. Dalyan Foundation is an active member of the Empowering Adolescent Girls giving circle. One of the founders' companies is an independent private equity firm focused on investments in India, giving the foundation a longstanding charitable interest in the country. 'We wanted to leverage our presence in India,' says Susanne Grossmann, a Zurich-based private equity advisor who volunteers her time to the foundation. Susanne explains that Dalyan was attracted to Dasra's research-based approach and commitment to finding and supporting non-profits: 'We felt that joining a giving circle gave us the opportunity to participate in a bigger project without shouldering all the day-to-day management support, and like the club deals we do commercially, the circle helped us build relationships with other funders.' Like individual members who are members of this giving circle, Dalyan Foundation participates as fully as possible, through Susanne and a colleague based in India. They attend quarterly conference calls that review progress and have follow-up calls or meetings with Dasra if necessary. Dalyan has a 'side letter' agreement with Dasra in

addition to the standard giving circle contract, which gives them the level of accountability necessary for a publicly registered Swiss charitable trust.

Dasra has adapted the Balanced Scorecard™ (BSC) performance measurement tool to provide quarterly reporting to its giving circles, offering them regular insight into a non-profit's progress against targets and an early warning of issues that might affect the business plan. SNEHA is the non-profit that has implemented the programme of child health and nutrition for the Dasra giving circle, Nourishing our Future, since 2011. Quarterly scorecards are distributed to giving circle members and they are informed of the circle's quarterly conference calls. A sample scorecard, for the quarter April–June 2013, is appended in this report.

Safeena Husain is the founding CEO of Educate Girls, the non-profit supported by the first Dasra giving circle, Girl Education. With a long international career in child education and health, she was already familiar with giving circles when Dasra approached her in 2009 following the publication of their sector report "Girl Power", but she admits venture philanthropy was a new concept, explaining that 'before Dasra, we'd had only one seed funder and they were very hands-off; I was not really prepared for the Dasra Giving Circle relationship.' Now, towards the end of her first experience with a highly engaged donor, Safeena has found it to be a positive experience, saying 'overall, the team found Dasra staff to be professional, friendly and always willing to help. They take an active approach to supporting our growth and staying involved with new initiatives as they develop.' Safeena notes that the giving circle's support was particularly valuable in financing early growth, and now that Educate Girls is embarking on a major expansion, she believes 'Dasra can help introduce our model to key funders.' The three-year partnership gave Safeena direct access to members of the giving circle, as well as participating in Dasra's capacity building programme for social entrepreneurs.

## New Day Asia, Hong Kong

While an HR professional in her native South Africa, Liza Green gained her first experience of giving circles, recalling 'we all gave money every month which was distributed in the townships to charities that worked with young people; it was very small but I always thought that it was an amazing concept.' After relocating to Hong Kong in 2002, she met her partner-to-be, Chris, an American working with Citibank, who is now HSBC's head of Export Finance for Asia Pacific. Liza and Chris started a family in Hong Kong and she readily acknowledges that as a couple they have done well professionally: 'We've been very lucky and we have a good life, but we knew of a dark undercurrent of poverty in Asia, and wanted to respond by giving intelligently.' The couple were particularly troubled by the sex trafficking industry that blights so many of Asia's poorest countries. Liza spent time researching the issue and the idea of a giving circle, which became New Day Asia, crystallised over a period of time in which the couple set up a working proposal that they presented at an informal dinner with eight friends in March 2007. With the help of one of the members, a lawyer, the initiative was incorporated as a private company with tax-exempt status in Hong Kong. In preparation Liza had already contacted the local office of the Asia Foundation, asking them to recommend a project the circle could support with a US\$10,000 donation. Membership grew organically, through dinner parties, word of mouth and the occasional article in the island's financial press.

Members pledge a minimum monthly contribution of HK\$500 (US\$65) each, although many members exceed this amount. The relatively low entry fee for members, however, keeps the circle accessible to any salaried professional in Hong Kong, and the regular pledges help manage cash flow and forward grant commitments. In five years the group has grown to 86 members accounting for 59 active monthly contributions. New Day members are generally expatriate professionals but many are Hong Kong permanent residents who will remain in the territory long term. In 2013 the members

raised US\$56,256, which was donated to projects in Cambodia, India, China and Nepal. The total of pooled funds since inception to Aug. 31, 2013, was US\$425,040, supplemented by US\$137,657 in co-funding from corporate businesses. These partners included law firms Linklaters and Norton Rose.

New Day Asia has also managed to increase its giving impact through generous co-funding from corporates. 'Two Hong Kong legal firms, with ties to circle members, give or have given generous annual donations,' says Liza, 'their donations have almost doubled our membership contributions for a given project, and we provide for them a philanthropy service that they don't have in-house.' New Day Asia provides such corporate donors with project site visits for their staff in addition to progress reports. In addition, individual members and non-members make one-off donations raised through birthday parties and percentage contributions of their income from small businesses.

Twice each year, members gather to decide what new projects to support, although Chris and Liza remain the legally responsible decision makers on the disbursement of pooled funds. Liza explains, 'If we fund anything new then a member must take that project on as a champion. Ideally we want to support no more than three or four projects because that's what we can comfortably manage as volunteers. But if a member feels very strongly about something and comes to us saying, "Look this is what I've done, I'm ready to lead the project, do the reporting and go there once a year" then we'll strongly consider that.' New Day Asia relies entirely on its members volunteering their time for its day-to-day running. Deciding not to pay for any professional administration or project management support clearly places limitations on what the giving circle can achieve, but Liza is adamant that leveraging the time and enthusiasm of the circle's members is a key value of the initiative. 'The volunteers who are giving their time find it very fulfilling,' says Liza, adding, 'it's easier for people who are not working in full-time jobs, so they have the time to do it. For me it's the most fulfilling thing I've done apart from having children; I don't think you can get this kind of satisfaction in a job.' Liza is confident that the model works 'because we have no costs, we don't have to make a

certain amount of money and we don't have to worry about covering anything. Of course we're limited in what we can do but we're not bound by any financial targets that have to be met or costs that have to be covered.'

The project management burden rests largely on Liza, but recently she has been joined by two other members who actively contribute to running the circle's day-to-day operations. A recent site visit to Cambodia took place without either Liza or Chris being directly involved, an encouraging sign that the group can be sustained without reliance on one or two individuals. Liza is pragmatic about the extent of involvement individual members can have in the supported projects with the hectic lives of Hong Kong's professionals, even though such personal engagement was a core aspiration when New Day Asia launched. 'We have always emphasised member involvement; for example, we've had help with our website, one of our members made project visit videos that went online, we have volunteers arranging site visits and now we have two members overseeing a specific project each. So they found the project, came back to the group, completed the necessary in due diligence, and we are now funding it. We have a member in charge of accounting, and a legal person doing all our company reporting'.

Apart from the four members who actively manage administration and projects, 23 of New Day Asia's 86 members have made non-financial contributions in project management, fundraising, site visits, media development or legal advice. Liza is reluctant for New Day Asia to hire any professional staff, but sees a core value in keeping costs as low as possible and meeting the organisation's administrative and project management needs through group member volunteerism.

Liza recalls one of the group's earliest donations, which remains a continued relationship. LOVEQTRA Sengchemdrukmo Girl's Home is a registered non-profit organisation in China, remotely situated on the Tibetan plateau. The home offers protection to young girls rescued from domestic slavery and abuse. One of New Day Asia's members had a personal connection with the home's founder and recommended the home as a potential project to the group. After an evaluation, New Day Asia offered an initial grant of HK\$98,000 (US\$12,600)



for refurbishment work at the home, with follow-up grants being given for other capital expenditure in subsequent years. Recently, one member collected a large quantity of winter clothing from her children's school to be donated to the school, and more recently, New Day Asia has financed a truck for the home. As Liza notes, 'It's an ongoing relationship, where we've been helping a very small non-profit with little access to funding, but the relationship remains strong and we are a critical component of their fundraising requirement — it's very fulfilling on both sides.' Recently, Liza and Chris, along with their children, met with several girls who have graduated from LOVEQTRA in Shenzhen where they are studying.

New Day Asia is a small fund with relatively modest resources, but leverages skills and money through its members and carefully chosen co-funding partnerships. Funding for the Tibetan girl's home was matched by a grant from Silvercrest Foundation, the philanthropic arm of a Hong Kong-based family office. 'Silvercrest Foundation was just launching,' says Liza, 'and were looking for some projects.' Liza views their projects as highly relational, and while non-profits are liable to account for the grants, there is a flexibility that comes from being a small and un-bureaucratic grant maker. 'There is often an expectation of extensive reporting from funders, but once you begin to work with these grassroots NGOs and visit them, you understand the challenges they face from a manpower perspective. The sensitivity of the LOVEQTRA project and the very real communications challenges of its location were factors we had to consider. Because of our longstanding relationship with the home, we could help Silvercrest understand the reporting context.' Says a pragmatic Liza, 'we expect a high level of reporting but when you go there and meet the people and see what they do, you become a lot more patient.'

In 2008, ADM Capital Foundation, a Hong Kong-based venture philanthropy fund, seed funded the launch of Kalki Welfare Society in Pondicherry, India — a child protection initiative for street living children in the city. Liza explains that with ADMCF taking a lead on the drop-in centre, 'it was a perfect match for us to fund a night shelter for the girls who were sleeping on the floor of the centre

because they couldn't go home.' Additional financial support came through the Hong Kong offices of Linklaters, a multinational law firm. In 2010, New Day Asia organised a visit for nine of the law firm's staff together with five members. 'We spent a day and a half repainting the night shelter, and took time to see how our grant was used. We did a lot of activities and games with the girls there. It was a very rewarding experience for the team from Linklaters and New Day,' says Liza who acknowledges that painting is not a core transferrable skill of corporate lawyers, but the point was to help them connect very tangibly with the work they had funded.

Liza believes active membership contributes to the philanthropic journeys of individual members: 'Involvement gives organic growth for individuals'. Shannon Rogers became a member of New Day Asia in 2011 and is today one of its most active members as the circle's volunteer project manager. While living in Hong Kong, Shannon and her husband were looking for ways to support organisations that addressed sex trafficking in Asia, and was keen to find an alternative to just writing cheques to big NGOs. A meeting with Liza left her in no doubt that by joining the giving circle, she could 'learn about the issues and contribute to grassroots initiatives.' Over time Shannon joined Liza in the day-to-day running of the giving circle — managing grantee relationships, communicating with the membership, organising site visits to Cambodia, Nepal and India, and helping launch a new project in Hong Kong. She believes 'the beauty of the New Day model is that you are welcomed and encouraged use skills and efforts on behalf of New Day Asia and its partner projects'. Shannon admits that the positive experience of being an active member of the giving circle has aided her personal philanthropy journey:

'Prior to joining New Day we would make a few donations a year to organisations, but contact was restricted to a "thank you" in the form of a tax reporting receipt. Now I spend time with non-profits, reviewing their programmes, listening to their strengths and challenges, going through their financial reports, and learning about the other initiatives in the same field — I can no longer give 'blindly'. I now feel I need to do much more research and engage more with the

organisations I consider supporting. I will never give again without looking through the financial statements! I am also much more interested in grassroots NGOs — it has been very exciting to be part of their work.'

Shannon clearly recalls that Liza never positioned New Day Asia as 'doing fundraising or charity events', but as 'a group of people pooling their money to have a greater impact, and a level of engagement [in issues and with non-profits] that would not be possible on their own'.

Liza wants New Day Asia to remain focused on abused women and girls even though they do support a very valuable project that has a broader mandate. She feels the model works well and would like to see it replicated in other Asian cities: 'I'd like to see a New Day Singapore, a New Day Jakarta, and so on; different cells run by people who wanted to do that and working independently from us in Hong Kong, but perhaps using our ideas and guidelines. We've created this structure; we just want people to use it.'

Six years of running Hong Kong's first and only giving circle has been a steep learning curve for Liza and Chris. They view the coming years as a period to consolidate and deepen rather than expand and experiment. With the number of members actively involved in managing day-to-day operations increased to four, and with 23 members volunteering time ad hoc for project management, site visits and media development, the organisation is less dependent on the founders. But Liza and Chris are concerned that the volunteer nature of the circle can easily lead to it becoming overstretched. New Day Asia plans to work with a smaller number of non-profit organisations and to deepen the engagement with them, making fewer but larger grants, and providing more non-financial advice where possible. Chris is convinced that engaging with a non-profit beyond cheque writing brings 'a fresh pair of eyes' and a seasoned business perspective to planning. He recalls conversations with one of the non-profits they fund, who was describing a very ambitious expansion plan: 'We don't pretend to understand their business, but we did feel able to express caution about the best way to execute an aggressive scaling up.' Clearly, New Day Asia is evolving into a more classical venture philanthropy model, and has the quality of relationship with its

portfolio of non-profits to offer advice on strategy and execution.

Action Pour Les Enfants (APLE), one of the organisations supported by New Day Asia, is a non-profit dedicated to combating child sexual abuse and exploitation in Cambodia. Seila Samleang, APLE's executive director, describes how working with New Day Asia differs from other donors:

'We found our initial approach to NDA for funding to be straightforward compared to most other donors. When we contacted Liza Green because of an urgent need for extra funding, she visited us and assessed our project objectives and funding requirements. Our proposal was approved after we submitted a concept note and budget. I was struck that, after their agreement to fund us, the relationship continued. Liza and other NDA members kept in touch to see if we faced any difficulties or to suggest better ways to implement the project. They were also very quick to approve necessary changes to activities or budget. When I visited NDA members in Hong Kong to describe our work in anti-child exploitation, I took away several useful points about improving our services, especially legal aid for victims. The relationship with NDA members, especially those from the legal profession, was quickly established. Some of the lawyers offered to help with legal advice and assistance in prosecuting child offenders from Hong Kong. One member accompanied me to meetings that NDA set up with law firms Linklaters and Norton Rose and helped me raise more funds for my organisation. When NDA members visited our offices in Phnom Penh this year, it was an opportunity to communicate face-to-face about the project's successes and challenges. They asked questions and provided insightful inputs to help me better execute our operations. This kind of visit is more effective than just reading through reports.'

## First Seeds Fund

Janine Garner is a business entrepreneur, mentor and marketing specialist who promoted brands like Ralph Lauren and Jaeger-LeCoultre over an 18-year career. She founded and runs the women's business network, Little Black Dress Group (LBD) — 'a community of successful and results-oriented business women and entrepreneurs working collaboratively to drive continued change and success.' Janine's success has never overshadowed a deep sense of responsibility to those in her community who have never had the lucky breaks of birth or fortune — something she shared with the business entrepreneurs in her network. They also shared a frustration with chequebook giving — as Janine aptly described — 'hacked off with not knowing where donations go or what impact they had.' Janine heard about women's giving circles in the U.S., and after attending a speech delivered by American filmmaker and activist Abigail Disney during her Australian tour, she felt 'called to action'. Janine recalls that in a private meeting, 'Abigail told me that "everyone can be a brick in the wall of change; you just have to decide to be a brick!"' In 2011, Janine founded First Seeds Fund, a women's giving circle comprising members and friends of LBD, admitting that she has 'no idea where it will go', but confident it will 'grow in size and one day influence the government's own priorities for social spending.'

To get it up and running without delay or bureaucracy, the First Seeds Fund was set up under the auspices of the Sydney Women's Fund (itself a sub-fund of the Sydney Community Foundation). This arrangement gives First Seeds Fund tax deductibility advantages on all gifts, and to all practical intents and purposes, leaves grant decision-making to First Seeds Fund's own advisory board of seven women. Although linkage with the Sydney Community Foundation does not restrict First Seeds Fund's geographical mandate, its first project engagement is with a community on the outskirts of Sydney. Warwick Farm estate is as distinct from the urbane and prosperous image of Sydney as one can imagine — it is 'a suburb with a heavy stigma, a place where drug dealers,

gamblers and prostitutes live'. For the 4,500 people living in Warwick Farm, generational unemployment, drugs, crime and domestic abuse are part of daily life. More than half of the population in Warwick Farm has no formal qualifications. In this challenging context, First Seeds Fund is supporting 'Strive', which is a collaboration between the Warwick Farm Neighbourhood Centre, the local police, Warwick Farm Primary School and the four high schools in the area, with a focus on working with girls and their families. The girls receive the support they need to attend school, to graduate and to be mentored by successful businesswomen. The initial funding for Strive was provided by First Seeds Fund, the Sydney Women's Fund and a corporate sponsor. Although the project has started not too long ago, Janine can already see changes happening in the community — higher school enrolment, more parental involvement and improved schoolwork. The project has also introduced 'Club Kidpreneur' to Warwick Farm. Club Kidpreneur Foundation is a national social enterprise that encourages entrepreneurial thinking in primary school children across Australia, by offering school holiday enterprise programmes. The programme is made available to families in Warwick Farm without the usual fees charged to parents. The Club experience is adapted for the particular needs of girls in Warwick Farm. Club Kidpreneur mentors are supplemented by a team of member volunteers from First Seeds Fund who worked with the girls during the week.

First Seeds Fund has 25 regular donors with many others giving occasionally or at events. The sums raised so far are not large, but Janine is convinced that the circle will grow as it communicates the success of funding and personal engagement evidenced in projects like Warwick Farm. Janine believes philanthropy is not about writing cheques — it is 'a 360-degree approach involving money, time and passion.'

## Focus India Forum

Ramya Nageswaran is a typical 'international Indian' — born in India, she is a professional who has lived much of her life outside her home country, including the last 14 years in Singapore. Ramya, like many other South Asians in Singapore, regularly give to charitable causes back home. After being approached many times by Indian charities, Ramya felt it would be more effective to collaborate with others in the diaspora Indian community. She says, 'I could not do justice to all these projects by myself, so I thought why not form a group of people interested in NGOs back in India that would be a pooling mechanism so that we could support more than one cause.' Focus India Forum (FIF) started modestly in 2002 when Ramya and 16 friends decided to each donate S\$20 (US\$16) each month. The amount was deliberately kept small so that individuals would continue to donate to those charities in India they had long supported, but the new, pooled fund would encourage people to step out and investigate unfamiliar NGOs or locations. Ten years later, FIF had grown to more than 250 members, with 180 giving regularly. While the fee remains S\$20, many give lump sum donations, for special occasions or when receiving a salary bonus. In 2013, total funds collected rose to S\$40,507 (US\$32,000).

Over its first ten years FIF has distributed the equivalent of 1 crore Indian rupees (US\$161,000), and much more indirectly and in kind. In 2012, FIF donated US\$11,000 to nine Indian non-profits in four states, the largest gift being US\$2,900. From time to time the circle donates to South Asian causes within Singapore, particularly those that help to abate hardship amongst migrant workers. Members also regularly collect clothing, toys and books, which are shipped to India to charities supported by the giving circle. The circle is run entirely on volunteer labour, and with nothing spent on administration, it is understood that all funds donated by members are dispersed to the end charities. In Singapore there are no tax deductibility incentives for donations to overseas charities, so FIF has never sought to institutionalise with charitable status or partners with a community foundation. Communication among the members is done through e-mail,

a newsletter and a Yahoo Group. Two members operate a joint bank account on behalf of the circle. To ensure transparency, a list of donations and payments to charities are posted on the Yahoo Group, which is accessed by all members.

Ramya firmly believes that FIF is not just about collecting donations and funding non-profits. Educating the Indian diaspora about the non-profit sector back home and the impact of non-profits are important objectives of the group. Ramya also describes FIF as a 'bridge between donors and NGOs'. There is no pressure to make a donation through FIF, even though members are encouraged to connect with and fund non-profits introduced to them through FIF. When non-profit leaders from India pass through Singapore, Ramya will convene a social event for members to learn more about the work of their organisations. FIF is careful to select non-profits that can demonstrate they are coordinating their activities with the government to help ensure sustainability, and take a pragmatic approach that 'looks for sensible interventions where there is a quantifiable or tangible impact for the money we give,' says Ramya.

It is not surprising that the Indian diaspora community is well networked socially and professionally in the small city-state of Singapore. Philanthropic circles also overlap. FIF has joined two of Dasra's Singapore Giving Circles (see DASRA profile), taking one of the six or seven syndicated places on each. Each 'circle within a circle' makes an annual commitment of US\$2,500 to the Dasra project. Participating in a Dasra giving circle gives FIF members an introduction to the venture philanthropy model, as practiced by Dasra in helping scale up the 'best in class' non-profits.

## Caring Friends

Located in India's bustling commercial capital, Mumbai, Caring Friends is a platform that connects a growing circle of individuals with carefully selected rural NGOs. Founded in 2002 by Ramesh Kacholia, Caring Friends

remains an informal association rather than a registered organisation. Ramesh, now 75 years old, is a businessman who devoted his life to social causes after visiting the 'Anandwan' (literally Forest of Joy), a self-sustaining community for the sick in the very centre of India. Caring Friends hosted events where NGOs would talk about their work to an invited audience, including many from the commercial world. When Nimesh Sumati attended one such event in 2005, he was moved by the passion of the NGO speakers. Nimesh had worked more than 30 years in the family stock brokerage and was now managing the family's own investments. 'Welfare and care for nature and the needy was rooted in our family's culture and Jainism practices,' Nimesh says, 'and when I heard the NGOs' presentation, I was struck by their compassionate work and the commitment of individuals.' Over the next three or four years, Nimesh regularly attended the meetings, taking his time to understand the social sector, and realised that only a fraction of India's thousands of NGOs had the desire and skill set to grow their impact to scale. Nimesh has now joined the founder, Ramesh Kacholia, with a small group of other committed members to develop the scope and impact of Caring Friends throughout India.

Growth of Caring Friends has been rapid since Nimesh joined. From a base of a dozen or so supporters in 2005, there are today more than 350 individuals who attend events or support NGOs who make presentations. Nearly 40 NGOs have engaged with Caring Friends during this period, with many of them profiled on the circle's website. Unlike other more formalised giving circles, Caring Friends does not accept and pool the donations of its members, a process that would require registration as a non-profit organisation. Instead, members make tax-deductible donations directly to the supported NGOs. 'We are a platform where pre-selected NGOs can meet with potential donors,' says Nimesh, 'but at these events there is never any pressure to give.' Caring Friends has no bank account, officers or any formal organisational structure. Most of Caring Friends' members are in Mumbai but there are donors in other cities as well as Non Resident Indians living abroad who regularly donate, including the U.S.-based Arpan Foundation — established

to further the work of Caring Friends — which raises US\$500,000 annually. There is no fixed amount for donations by individuals, and giving covers a wide range, from a few hundred to several thousand dollars per month. A small group of members join Nimesh in volunteering their time to promote and organise Caring Friends events.

The group screens potential NGOs before inviting the organisations to events involving donors. 'We are keen to identify up-and-coming young NGOs that will find it difficult to raise money from traditional sources,' says Nimesh. Caring Friends is building a national presence, and already identifies potential NGOs in 11 states, including the poorest such as Bihar. The focus is very much on NGOs which are based in rural areas, which in India presents very great challenges for screening and due diligence — a three-hour meeting might require 24 hours of travel. Such constraints make it difficult for Caring Friends to volunteer their time to advise rural NGOs or mentor their staff, although 10 to 12 members are able to do this regularly. Nimesh is keen to utilise the skills he acquired from volunteering at Caring Friends' supported NGOs to help other NGOs within the Caring Friends' 'family'. Vinayak Lohani is a social entrepreneur who pioneered an innovative education model for highly vulnerable children through the Parivaar School he founded in 2004. Vinayak uses the successes and lessons learned at Parivaar to mentor several of the NGOs associated with Caring Friends.

On its website, Caring Friends describes its engagement with NGOs as a four-stage process:

### 1. Proactive outreach

Caring Friends evaluates proposals received from NGOs, but more often than not, it is proactive in contacting NGOs whose work deserves support and where they know funding is required.

### 2. Detailed preliminary study and visit

After contacting the NGO, Caring Friends requests for its basic documents, and if the criteria are met, a visit to the NGO by an



experienced Caring Friends member will be set up.

### 3. Initial grants during a probationary period

Core members of the Caring Friends will first make substantial donations to the NGOs that they have decided to support. During a probationary period which lasts from a few months to a year or two, the core members assess and evaluate the performance of the NGO after which, if found satisfactory, will be recommended to the other circle donors. Caring Friends describes this initial support to be a fundamental principle, as it gives donors the confidence that an NGO has been tested and evaluated by the core members through their investment of money and time.

### 4. Changed role post 'NGO maturity' — the beneficiary becomes benefactor

NGOs that have been supported by Caring Friends for a while may become a useful resource to other NGOs — giving their peers guidance in strategy and management. They also may introduce their own donors to Caring Friends in order to expand funding potential for other NGOs.

Nimesh believes that Caring Friends is an important innovation on the landscape of Indian philanthropy. The six or seven regular events and a three-day annual celebratory conference provide a unique platform for NGOs to interact informally with potential donors. It offers a learning experience for individuals who are exploring their own personal philanthropy and opportunities to fund NGOs that have been carefully screened and evaluated. For NGOs, the platform provides new funding avenues, donors who are prepared to offer business advice, and an opportunity to offer their peers support in turn.

## ARUN<sup>30</sup>

'The traditional framework of international development assistance, in which wealthy countries support poor countries, is not sustainable, either in a sense of partnership, or concept of ownership. That's why we need social investment in the field of development assistance,' says Satoko Kono, the founding president of ARUN.

ARUN was established as a social investment fund in December 2009 by Satoko Kono and 10 other partners. ARUN, which means 'dawn' in Khmer, started with 16 million yen (US\$206,000) of seed capital, and went on to raise a further 62 million yen (US\$791,000) from corporate and individual investors. By July 2012, it had invested in four Cambodian social enterprises. ARUN is unusual as a social investment fund because of its international development focus, as well as a partnership model that raises small funds from a large number of investors.

Satoko started her career as a researcher in a pharmaceutical company and later she joined Asian Rural Institute, an NGO that cultivates leaders in agricultural and community development in rural Asia and Africa. After that, she worked in Cambodia from 1995 to 2005. 'I initially thought I would be staying in Cambodia for two years, but I ended up staying for 10,' Satoko recalls. She has worked for a number of projects with Japanese NGOs and Japan International Cooperation Agency (JICA) in collaboration with local non-profit leaders, which helped her see the potential of local entrepreneurs in development, as well as the importance of social investment to support them.

At the end of 2008 when she returned to Japan after studying for her Master of Science degree in London, Satoko received an e-mail from Yang Saing Koma, president of CEDAC, the Cambodian non-profit she had known in Cambodia.

CEDAC helps local organic rice farmers by purchasing their produce for sale on the international market. In 2008, however, an investor withdrew a planned investment because of the financial crisis, and CEDAC

30 This profile first appeared in John, Tan & Ito, 2013.

needed to find an alternative funding source to fill the gap in order to purchase organic rice from the farmers. Responding to Koma's request, Satoko established Social Investment Fund for Cambodia (SIFC) in February 2009 and provided him with a loan of 3.4 million yen (US\$44,000), raised from 34 investors. 'Koma is a rather reticent person, however, he has an outstanding capability to execute projects,' says Satoko, 'In my 10 years in the country, I have never seen a person like him among any other Cambodian non-profit leaders.'

SIFC was supported by highly skilled Japanese volunteer members with a wide range of expertise — including consulting, banking, corporate finance, microfinance and the social sector.

SIFC was restructured into ARUN as a limited liability company in December 2009, with the vision to 'creating a society that brings every person's ability into full play regardless where he or she is born'. ARUN's strategic target group is the 'missing middle' of the investment market in developing countries. They believe that investment with social impact most benefits the local economy and people. In Cambodia, large companies and micro enterprises are financed by conventional investors and microfinance organisations respectively. However, there is a lack of financial services available to small and medium-sized companies, which have an unrealised potential to develop socially impactful business models.

ARUN provides investment services to selected social businesses. ARUN screens the investment proposal by assessing its social impact as well as conventional business criteria, such as returns from investment, business models, governance, leadership and financial status. Besides making investments, ARUN holds seminars and workshops in Japan and Cambodia for the general public to learn about social investment, as well as organises study tours to Cambodia.

Partnership is at the heart of ARUN's business model. Each ARUN partner gives 0.5 million yen (US\$6,400) as a unit of investment to join the organisation, in addition to volunteering their time. ARUN has three full-time staff, including Satoko,

in Tokyo and one in Cambodia to support the investees' business operations. 'In this phase of organisational development, we need talented partners who enjoy helping to build new organisations in a challenging environment. The partners' commitment and engagement is critical for ARUN,' says Satoko. 'The more a partner commits, the more he or she can learn from the activities, and enjoy the process of activities as part of a positive cycle. Nothing is more exciting than ARUN's environment, where partners can work on different challenges with the chance to make things better, and with great people who have a common goal,' she adds.

ARUN has four companies in its current portfolio of investees, including CEDAC, Arjuni International Ltd., Perfexcom and Frangipani Villa Co. Ltd.

Arjuni is a fair-trade beauty product enterprise founded by Janice Wilson in 2009 to manufacture and sell hair extensions. Arjuni sources hair from rural women, manufactures them into hair extensions at its factory in Phnom Penh, and then sells the products online to customers in the U.S. and Europe. Arjuni enhances the self-sustainability of vulnerable, low-income women through job creation. Ninety-five percent of its 87 employees are women, many of whom are orphans or victims of human trafficking. By purchasing hair directly from the women themselves at a fair price, Arjuni helps promote the empowerment of Cambodian women. Moreover, Arjuni pledges to donate 10 percent of its profit to local non-profit organisations that work for human trafficking and prostitution issues.

One challenge for ARUN is its own financial sustainability. Today ARUN is supported by more than 80 individuals and one corporate investor. ARUN also receives grants from foundations and income from the Japanese government for research on bottom-of-the-pyramid markets, which cover a part of overhead costs.

However, to make ARUN's business model sustainable from investment, the size of assets needs to be at least 300 million yen (US\$2.5–3.9 million). Based on present membership fees, ARUN would need around 500 partners. It would therefore be

challenging to manage such a large pool of partners using the present membership model.

## Toolbox India

In a successful commercial capital city like Mumbai, there is no shortage of high quality human talent among its many multinational corporations. Yet a few blocks from the corporate headquarters of countless well-known businesses, there are many non-profit organisations without the skills and human capacity to maximise their social mission. Toolbox India (TBI) is one initiative to redress that imbalance. Charles-Antoine Janssen (a Belgian investor and family business owner) and Sandeep Naik (Indian private equity professional and managing director of General Atlantic Pte. Ltd.) started TBI in 2009. Janssen had founded Toolbox Belgium in 2003, a non-profit that pioneered the transfer of skills from the private sector to Belgian non-profits, an approach he thought would transfer well to India during a period working in Mumbai. Toolbox offers the kind of consulting intervention that is well-known and understood in the corporate world, and offered by numerous companies such as McKinsey, KPMG or Bain & Company for fees that are beyond the reach of non-profit organisations. Toolbox Belgium refined its consulting model with the pro bono assistance of McKinsey & Company so that a basic, proprietary method is followed when engaging with a non-profit for the first time.

TBI is registered as a 'Section 25' non-profit organisation and provides NGOs in the Mumbai area with consulting advice from a dedicated team of volunteers with corporate backgrounds. TBI's Executive Director Vijaya Balaji is quite clear that her volunteers 'don't step in to do pieces of work for an organisation, no matter how much they might want them to.' TBI's consulting team only begins to work with a non-profit once it has buy-in from the organisation's trustees and senior management, where expectations on both sides are clearly set and managed. As with a commercial consulting firm, TBI can work with a client on a range

of potential organisational areas: mission and vision, strategy, business planning, human resources, financial management, fundraising, communications, governance and performance measurement.

A lead consultant will work with up to four other volunteers, depending on the scope of the assignment and the complexity of the non-profit. The engagement starts with a 45-day long 'diagnosis phase' followed by a plan for how the volunteer consultants will work with the NGO over the period of a year. Consultants, who are experienced individuals often holding senior positions in multinational companies, pledge to volunteer eight hours each month to help with TBI's work with the NGOs. In the last three years, TBI consultants donated almost 6,500 hours of professional time.

Each One Teach One (EOTO) is an educational charity established in 1983 to encourage and enable academically gifted children from low-income families to continue their education. Over a period of six months, three TBI volunteer consultants worked with EOTO's management in areas of strategy, finance and operations to enable the organisation to grow from an outreach of 8,000 to 40,000 students. TBI volunteers used interviews and focus groups to help the organisation align mission and vision, coached managers in business planning and fundraising, helped develop performance measurement scorecards and to devise a human resource plan geared to expansion.

Vijaya says that volunteers need 'excellent business skills and experience but also humility as they adjust from a well resourced corporate environment to the challenges of a non-profit'. Adjusting for the cultural differences between the private and charity sectors requires the volunteering process to be well managed. The consulting teams meet regularly and TBI staff monitor their assignments to ensure there is an open discussion about progress and problems. TBI aims to grow steadily as volunteers work on long-term engagements with its NGO partners and have increased the number of projects from 12 to 20 in the last two years.

Shireen Mehta admits to her initial reluctance to volunteer for TBI, unsure if she could give the time needed in her busy professional career. Shireen has

decades of experience in senior marketing, communications and customer relations with firms such as J.P. Morgan, Reliance Equities and Credit Suisse. As a favour to a former colleague, she agreed to at least come to a TBI event to test the waters. After an opening talk by TBI founder Sandeep Naik, she admits to being 'hooked', saying 'I understood I had to be involved. I had wanted to "give back" to society for years and had never actually carved out the time. To contribute my skill set to a group of people who were already in the philanthropy business (and on such easy terms) seemed to be a no-brainer. Besides, I met Shweta Chari, the founder of Toybank, whose NGO idea was right up my street: help bring some joy to the lives of slum children through toys.'

In the following two years, Shireen has volunteered for Toybank and another NGO and has several more volunteering opportunities lined up. Shireen is convinced that her communication and project management skills are a good fit with the needs of the NGOs she works alongside. She and the team of fellow volunteers helped Toybank shape its plan to expand from urban slums to rural areas. Shireen believes that teamwork is one of TBI's great strengths, saying 'I am just one of a team that delivers solutions to NGOs. In a client meeting I may be listening to an NGO head talking about what issues she hopes to tackle. While I am processing the information through my experience, another volunteer is thinking of the financial side of it all; and someone else is thinking about the legal ramifications.' Shireen feels richly rewarded by the experience of interacting with talented and passionate NGO leaders, the TBI team and other volunteers. She feels her positive experience is in no small part due to the excellent curating of the NGO/volunteer relationship, saying, 'each project is right up my street due to the magic of the Toolbox staff who seem to know which people would best fit in with each project.'

Impact India Foundation has been working for 30 years to improve the lives of the disabled poor in rural India. TBI provided the NGO with several volunteer resources and introductions, including a team that worked intensively with Impact India Foundation's management on the sustainable replication of a new community health initiative. Zelma

Lazarus, the foundation's CEO, says she was attracted to TBI's volunteers who 'were senior corporate executives with a track record of advising non-profits.' She says that volunteers 'used their core business skills to help improve our strategies, and shape our fundraising approach to corporates.'

TBI now has more than 50 volunteers on its roster with most having heard about the organisation through referrals by friends. TBI's operating costs are largely met through a small group of individual donors and gifts in kind. Over time, Vijaya predicts that TBI will open up in other cities, such as Bangalore and Delhi, where mission-driven non-profits could benefit from the skills of India's talented private sector.

## 4. Collective Philanthropy in Asia: Where It Stands Today; Opportunities and Challenges for Growth

In previous chapters we examined the experience of giving circles in the U.S. and U.K. We illustrated the early growth in giving circles in Asia with examples that are either imported from outside the region or started up indigenously. Both categories are diverse in terms of membership, structure and operations. The total number of giving circles we know of in Asia is very small compared to the U.S., which prevents any quantitative analysis of the sort available for American circles. In this concluding chapter we offer an initial analysis of the embryonic state of giving circles in Asia under the headings: promotion, structure, operations, and impact. Finally we discuss the likely opportunities, challenges and recommendations for the growth and maturing of collective philanthropy in the region.

### Promotion

For all the examples we profiled earlier, the key promoter was an individual or group of individuals in Asia. Even giving circles based on 'imported' models were initiated by individuals in Asia who made contact with the Western organisations. None of the major U.S. or U.K. giving circle networks appears to be expansionist, in terms of having a deliberate strategy to move into new territories. Rather, they reacted positively to expressions of interest by those living in or returning to Asia. Social Venture Partners Network had only extended its model to Canada, even as it was branded as SVP International. SVP's first foray into Asia came in 2005 when Tokyo Social Ventures (TSV) was renamed SVP Tokyo and became an affiliate of the network. TSV's

promoter was a Japanese academic who knew the SVP model from living in the U.S.

Tokyo remained SVP's Asian outlier until 2013–14, when giving circles were initiated in India, China and Australia. SVP's push into Asia was opportunistic, needing the right local promoters to connect with SVP in the U.S.: A former chairman of Microsoft in India knew Microsoft executives in SVP's Seattle chapter; an SVP Boston partner lived part of the year in Melbourne; and a social entrepreneur in Beijing researching giving circles contacted SVP's network office. All led to SVP's expansion into Asia. These opportunities came at a time when SVP had proven the robustness of its model in North America and had a leadership that embraced expansion into the emerging philanthropies of Asia. All four of SVP's chapters in Asia are formal affiliates of the SVP Network, governed by agreements and the payment of a fee that releases the full resources of the network to each country chapter. In addition to such 'formal affiliation', several SVP-like initiatives in Asia are 'informally inspired'. SVP Singapore and SVP Seoul are modelled on SVP but have no formal association with the U.S. network, although SVP Seoul has applied to join SVP network encouraged by the start-up of an affiliate chapter in neighbouring China<sup>31</sup>.

The replication of other 'imported' models — Impact 100, The Funding Network (TFN) and The Awesome Foundation similarly resulted from the initiative of individual promoters based in Asia, at a time when the giving circles in the U.K. and U.S. were receptive to engaging in international expansion. TFN and Awesome chapters in Asia are 'formal affiliates' in the sense that the relationship between the centre and chapters is governed by a written agreement controlling branding,

31 Personal communication to the author by the CEOs of SVP Seoul and SVP Network.



intellectual property and protection of core values and model. Awesome Foundation's unusual organisational culture means that its experiment in being an online community of circles is self-policing rather than codified in formal agreements. The Australian chapters of Impact 100 are 'loosely connected' to the U.S. network by 'extraordinary international goodwill' rather than any kind of licence agreement. This mirrors the lack of formality amongst the Impact 100 U.S. chapters themselves. The three Australian chapters — Impact 100 Western Australia, Impact 100 Fremantle and Impact 100 Melbourne each have websites but no common branding identity. The chapters barely reference each other on their websites leading to the conclusion that this network is a very loose alliance of independent entities.

In summary, giving circles resulting from the importing of a Western model can be described as formally affiliated, loosely connected or informally inspired.

Whether a giving circle is initiated from an imported model or indigenously, the promoter is most likely to be an individual or group of individuals in Asia. Promotion can also be institutional. Dasra is a venture philanthropy fund with other wide-ranging activities — training social entrepreneurs, sector research, and philanthropy promotion. Dasra's giving circles emerged from the platform it had created for Indian high net worth philanthropists — the Dasra Philanthropy Forum. Another organisationally promoted giving circle was initiated by the venture philanthropy fund, Social Ventures Australia (SVA), to specifically target women who had inherited modest wealth. SVA Angel Network was closed after three years since SVA decided it was not cost-effective to service the giving circle.

We noted in Chapter 1 that research on 160 U.S. giving circles indicated that 68 percent were hosted by a non-profit organisation, giving fiscal or administrative advantages to the circle (Bearman, 2007, 2008). More than half of these hosting organisations in the U.S. study are community foundations. Bearman's research explores the potential synergies between giving circles and community foundations, suggesting three initiation models for partnership — by the giving circle, by the community foundation, or jointly. Impact 100's three chapters

in Australia are all linked to community foundations. The Australian Communities Foundation<sup>32</sup> provides back office support and tax deductibility for the chapters in Western Australia and Melbourne in return for a fee. The relationship of these two giving circles with the community foundation is 'giving circle initiated'. By contrast, the Impact 100 Fremantle chapter was started up by the city's community foundation. For a partnership between a giving circle and a community foundation to be a win-win, neither party should feel threatened or undermined in such a way that mission or independence are compromised. SVP Melbourne rejected partnership with a community foundation as it is 'too restrictive' in its mission to provide flexible funding to non-profits and social businesses. Bearman (2007) explores the intensity and challenges of these relationships in the U.S. context, noting that only 16 percent of hosting organisations conflicted with giving circles in core issues like mission or disbursement of funds. Community foundations are thinly spread in Asia and not the 'one on every street corner' phenomenon of the U.S. (John, Tan & Ito, 2013, page 77), but as both giving circles and community foundations grow in number and importance in Asia, the opportunities and risks for partnership will need to be explored further by practitioners and researchers.

Private foundations can also host giving circles in the U.S., as noted in Bearman's research. SVP China was set up under the auspices of Leping Foundation (the giving circle's promoter is a board member of the foundation), providing a legal identity as well as the benefits of association with an established philanthropy organisation. In the context of China where registration of private philanthropies is still cumbersome, such a partnership fast tracks the giving circle to become operational much faster.

For giving circles initiated by individuals, we see a range of personal and professional backgrounds — social entrepreneurs, corporate professionals, philanthropy professionals (including fundraisers) and homemakers with part-time employment. Our previous working paper notes a new entrant on the philanthropy scene in Asia — globally mobile individuals who have risen through

32 The Australian Communities Foundation was founded in 1997 as a Melbourne-based community foundation. Over time its geographic focus widened so that today it has national coverage and is extended to Australian charitable work overseas.

successful corporate careers, have been educated in the U.S. or Europe and exposed to normative philanthropic behaviour in the West. As talented wealth creators, they have to integrate an Asian culture of giving with disruptive models of Philanthrocapitalism to find their own fulfilling model of personal and family philanthropy (John, Tan & Ito, 2013). Some of these individuals exhibit what Schervish (2006) calls 'hyperagency' — the institution- and industry-building capacity of wealth creators. When Ravi Venkatesan was hired by Bill Gates to lead Microsoft in India, he transformed both the profitability and the public's perception of the global software corporation. He brought with him a strong ethical belief that only companies that do good can do well, evidenced by much that Microsoft achieved in corporate responsibility during his tenure. Venkatesan brought the same hyperagency that built Microsoft's market share and profile to craft a vision for SVP India, as the giving circle's founding chairman. Hyperagents from the private equity industry were instrumental in building the venture philanthropy movement in the U.S. (John, 2006, page 7) and Europe (Metz Cummings & Hehenberger, 2011) as they adapted a commercial investment model to the non-profit sector.

## Structure

We saw in TABLE 2 (Chapter 1) that a data set of 176 giving circles in the U.S. permitted Eikenberry to suggest her typology for collective philanthropy — categorised as small groups, loose networks and formal organisations. Eikenberry admits that not all circles in her sample are clearly differentiated and some have blend attributes from all three classes. We have not identified a sufficient number of giving circles in Asia to construct a meaningful categorisation, although Eikenberry's typology is clearly a useful starting point. A few Asian giving circles are categorised easily, for example:

Formal Organisations: SVP Bangalore  
 Loose Networks: Focus India Forum  
 Small Groups: SVP Singapore

Others sit awkwardly in a matrix that reflects the particularities of the U.S. cultural and philanthropic context. As the number of circles in Asia increases, it will become possible and helpful to use a descriptive typology. TABLE 7 gives a non-exhaustive list of variables to form the basis of an Asian typology.

**Size of membership:** The number of members in our sample of giving circles varies widely. Dasra giving circles are constituted with 10 members, although sometimes one place is syndicated to a handful of 'sub-members'. Giving circles affiliated to SVP Network are mostly in their first phase of building membership and currently range from 30 (SVP Melbourne) to 65 (Bangalore). SVP Tokyo, which is long established, has a membership of approximately 100. Impact 100 chapters have around 100 members each, a figure core to their name and model. New Day Asia in Hong Kong has 86 members and First Seeds Fund in Australia has 25 regular donors. Loose networks, such as Caring Friends or Focus India Forum, by their very nature have a large base (350 and 250 respectively), although many of these individuals may attend a meeting or donate funds occasionally. Two 'invisible' giving circles in Singapore each has fewer than five members.

**Membership diversity:** A strong feature of U.S. giving circles is that many have women-only membership. Eikenberry's typology, using a sample of 188 giving circles, places half of 'small groups' as women-only; 'loose networks' were almost entirely composed of women, while 'formal organisations' tended to be gender mixed. The only giving circle in our Asian sample to have only women as members is First Seeds Fund in Australia, which is not surprisingly given it is formed from a business support group for women. Impact 100, which has a women-only membership in its U.S. chapters, is mixed gender in Australia. It is too early in the evolution of Asian giving circles to predict how popular will the notion of gender exclusivity be. As a generalisation, women in Asia may not yet have sufficient control over family finances, or be independently wealthy enough to become giving circle members in their own right.

Some American giving circles are organised on ethnicity — for example Latino or Chinese-

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American membership. In our sample, two giving circles have an ethnic dimension. Focus India Fund's membership comprises several hundred individuals of Indian origin who are residents in Singapore. Dasra has a small group of Indian professionals who jointly or independently are members of its giving circles. Such diaspora collective philanthropy connects modern and historical practice. As Asia's multiple diasporas spread across the region, giving circles along ethnic and religious identification became commonplace.

**Legal identity:** The majority of giving circles in this study have formally incorporated as non-profit organisations in accordance with the local regulations. Charitable status

permitting tax deductibility for members' donations may be a further requirement and leads to many having fiscal partnership with a community foundation. In India and China, where non-profit incorporation can be a lengthy and complex process, SVP has developed local federated structures. SVP India is registered as a 'Section 25' non-profit company, with its chapters in Bangalore, Mumbai and Pune not requiring independent legal registration. SVP China plans to operate a similar umbrella structure under the legal identity of the Leping Foundation, its founding strategic partner. SVP Melbourne took the unusual and progressive decision to create a dual legal structure so that it could fund non-profits and invest in social enterprises. Its status as a public ancillary fund permits

**TABLE 7:** Variable Attributes in Constructing a Typology of Asian Giving Circles

Variable	Description
Promotion	Individual; institutional
Size of membership	Small, medium or large; fixed or variable; core and peripheral members
Membership diversity	Gender-based; mixed gender; clan/ethnicity
Visibility	Public profile; private; external communications
Organisational structure and management	Flat; structured; volunteer; professional staff; independent or federated
Grantmaking process	Application-based (reactive); research-based (proactive); all member- or committee-based decision making; monitoring and evaluation
Non-financial engagement	Low, medium or high engagement by members in volunteering skills to non-profits
Size of individual contribution	Small, medium, large; fixed or variable; syndication
Typical grant size/frequency	Small, medium, large; fixed frequency; variable frequency
Legal/fiscal status	Informal association; non-profit registration; charitable status for tax deductibility; impact investing fund
Strategic partnerships/affiliations	Isolated; network; franchise; community foundation sub-fund; private foundation; corporate partnership; project partnership
Educational activity	Informal; formal
Leveraged funding	Own resources only; co-funding; external grants
Events	Member-only; information and decision making; open to public; fundraising

SVP Melbourne to make tax-deductible charitable donations, while a ringfenced operating company will make investments using loans and equity.

**Management:** While all giving circles want to engage their members as fully as possible in the group's activities, there are a wide variety of approaches to internal management and administration. Volunteerism is a core value for New Day Asia, so that members take on all aspects of managing the circle's day-to-day administration. The founders of New Day are reluctant to hire any executive resources because they see volunteerism as a core principle of their organisational culture. In contrast, SVP chapters hire professional staff even during the start-up phase. TFN in Australia has taken a similar approach by nominating a CEO during the pilot year. The administration of Dasra's giving circles falls to the executive staff of Dasra, a cost offset by the 15 percent management fee levied on each of the circles (most of the fee will be spent on Dasra's capacity building interventions). Awesome, Impact 100, Caring Friends and Focus India Forum all rely on the time donated by members to run the affairs of the circle.

**Membership fee/donation:** The new SVP affiliates in India, China and Australia set an annual membership 'fee' at approximately US\$5,000, close to the benchmark figure for U.S. network chapters. SVP in Tokyo set a much lower figure of US\$1,300. SVP Seoul (not an affiliate) expects members to commit annually to US\$500, with board members giving twice that figure. The lower figures in Tokyo and Seoul reflect the age of a typical member being much lower than in the U.S. Impact 100's model is based on 100 members each giving US\$1,000. In Australia, there is currency exchange rate parity with the US dollar (A\$1,000 equivalent to US\$900), therefore the membership pledge is close in value to the US chapters. New Day Asia sets an accessible monthly fee that amounts to nearly US\$800 for each member. Dasra is an outlier by setting an annual membership fee of US\$20,000 for three years, which reflects that its target membership are high net worth individuals and foundations. Some individuals are members of multiple Dasra giving circles. The smallest fee is US\$16 per month for Focus India Forum members in Singapore. In our small sample, the annual fee bands can be designated as 'small' (less

than US\$1,000), 'medium' (up to US\$5,000) and 'large' (up to US\$20,000).

**Strategic partnerships:** We noted above the role that community or private foundations might play in promoting a giving circle, giving back office support, acting as a fiscal agent or assisting with legal registration. Giving circles based on imported models naturally benefit from partnership with the originating network in the U.S. or U.K., although the formality and intensity of that relationship will vary across networks. We noted in our earlier paper (John, Tan & Ito, 2013, page 106) that philanthropy organisations in Asia are weakly networked compared to U.S. and Europe. There are few platforms for peer learning for grantmakers, although venture philanthropy and impact investing networks are now active in Asia. This weakness in the ecosystem affects giving circles, which have no 'water cooler' gathering place to exchange ideas, compounded by the geographical challenges of such a large and dispersed region.

The social impact that giving circles seek to create will likely depend on whether they operate in isolation or in operational partnerships with other players in their philanthropy ecosystem, which we will explore further below.

**Visibility:** It is only possible to study giving circles that we know exist, and even then access to their members and data may be restricted. The fact that we know of some giving circles lacking any public profile leads us to speculate that a significant number of such 'invisible' circles exist. All the giving circles we have profiled, except one, have a website or are in the process of launching one. Focus India Forum is an 'invisible' giving circle that does not feel the need of a public website to publicise to its diaspora community or the general public. Two other giving circles in Singapore, composed of business professionals, prefer to remain anonymous and are unreported. By contrast, we have been struck by the openness of all the giving circles profiled in this report. Even those at the delicate start-up stage were prepared to speak openly about their plans and policy formation, and made introductions to members for our research interviews. Visibility is about much more than convenience for researchers. A culture of transparency need not conflict with

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donor privacy. The maturing of philanthropy in Asia would be enhanced by openness about operations and impact — in both success and failure stories.

## Operations

In order to function organisationally as a giving circle, the four basic operational building blocks need to be in place: a grant management process (Figure 1); accounting and auditing; internal and external communications; and human resource management.

These internal processes can be enhanced by collaboration through external partnerships. Clearly these functions need to be proportionate with the size and sophistication of the giving circle. A professionally managed, research led circle collecting large membership donations, and a small, volunteer group giving modest grants are two different entities, even if the basic operating principles are similar.

**Grant management:** The starting point for grant management is deciding on what, if any, will be the circle's interest focus. SVP India is developing a strategy based on having national and local priorities and for each city chapter. So while a chapter is encouraged to adopt a pan-Indian theme such as sustainable

livelihoods, it will identify a particular cause of concern to its community, as the Bangalore chapter has done with waste and recycling.

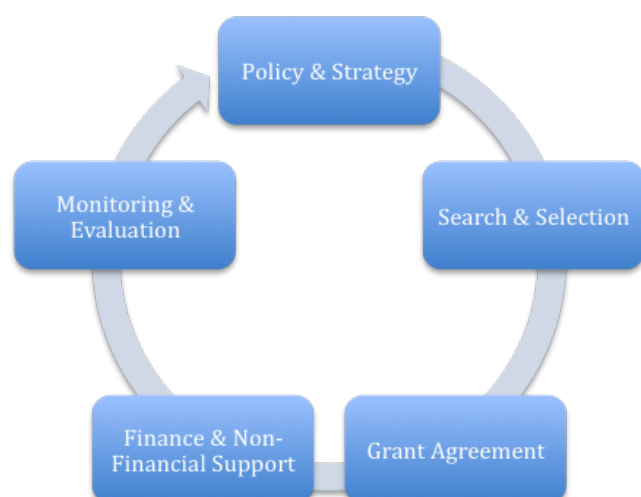
New Day Asia was founded by individuals who are passionate about addressing the problem of sex trafficking in Asia, which then guided the circle's grantmaking priorities. Caring Friends wanted to focus on rural NGOs, while Awesome Foundation chapters will fund 'just about any awesome idea'. Dasra, a venture philanthropy/giving circle hybrid, only initiates a giving circle once rigorous sector research is completed; NGOs are shortlisted when there are enough members to commit to a three-year funding cycle.

Dasra uses its research to draw up a shortlist of high potential NGOs, leaving the circle members to make the final decision about which to select for funding and consultancy. Other giving circles will design their own methodology for search and selection of non-profits to support. Impact 100 Western Australia will publish a list of funding priorities and invite applications from charities; from the shortlist of four which will be presented at a member event, one non-profit will be awarded the major grant.

A small team of member volunteers at New Day Asia screen potential non-profits and bring their recommendations to a meeting of all members held twice a year.

Once a non-profit has been selected, a grant agreement sets out the obligations of the giving circle and the grantee. This might be a simple grant award letter with a request to the non-profit to report back after 12 months. It may, however, be a complex document based on a multi-year business plan, with funding tranches linked to key performance indicators. The sophisticated venture philanthropy model of Dasra will link the agreement to a capacity building plan detailing specific consulting inputs by the Dasra executive team and supplemented by non-financial support of its circle members. The intensity of the non-financial and consulting inputs by Dasra to the non-profits funded by its giving circles is typical for a venture philanthropy model. SVP Network is also a high-engagement model in the U.S., with members encouraged to offer general business and technical advice to non-profits. Most SVP activity in Asia is just starting up at the time of writing and it will be

**FIGURE 1:** Grant Management Process





instructive to see how much chapter members personally engage as consultants and mentors with non-profits. Most giving circles have a far lighter touch in terms of ongoing support during the grant cycle. TFN, Awesome or Impact 100 members may offer advice to organisations being funded by the giving circles, but usually do so in a personal capacity. Business women who are members of First Seeds Fund volunteer their time to mentor and encourage young girls who are part of the Warwick Farm programme funded by the giving circle. Members of New Day Asia are encouraged to make project-monitoring visits, which is part of the grant management process and has an educational function for individual members.

Dasra is the only giving circle to use a balanced scorecard reporting system to provide giving circle members with a graphical overview of organisational performance (see the SNEHA quarterly scorecard appended). This sophisticated monitoring tool is proportionate for Dasra's venture philanthropy model, and would not suit a smaller, less formal giving circle.

**Accounting and audit:** Most of the giving circles are legally registered entities and conform to the financial management requirements stipulated in their particular jurisdiction. Caring Friends avoids any regulatory burden by being an informal, unregistered association without a banking facility. Volunteer-managed circles such as New Day Asia rely on members for routine bookkeeping.

**Communications:** The giving circles use a variety of means for staying in touch with their members. All of them see the value in having member meetings, which promote socialisation within the group more effectively than virtual communication tools. Dasra coordinates quarterly conference calls for each of its circles' giving members, Dasra staff and the non-profit management team, providing an opportunity to discuss the scorecard reports, challenges and any mid-course corrections in implementation. The calls also offer circle members the means to give advice, make connections to their networks and learn about the project.

Awesome Foundation chapters in Asia make extensive use of Facebook and Twitter to communicate externally, as well as posting blogs and project details on Awesome's global website. SVP affiliates in India, China and Australia have pages on the SVP Network's global website but

SVP Tokyo manages its own Japanese language website. Shared brand identity is relatively strong for SVP and Awesome chapters; weak for TFN and non-existent for Impact 100.

**Human resources:** Whether professionally managed or not, a giving circle's strength is the volunteerism of its members. The historical bifurcation of social and non-profit sectors leads to two separate career paths, with little crossover during a working life. Volunteering for charitable work was left to non-working spouses or was limited to activities that engaged heart rather than heart and mind. That is changing. Young people who would have traditionally taken a private sector career path see the non-profit sector as a viable alternative.

Corporate volunteering programmes increasingly leverage core business skills to help non-profits professionalise institutionally rather than, for example, painting a youth centre or reading to children. In the midst of these changing practices, giving circles can be a valuable resource of human talent for non-profits, and an opportunity for members to become better-informed and motivated donors. We mentioned before that grant management involves offering non-financial services in addition to funding — the intensity of this engagement varies from circle to circle. To be effective, such volunteering of technical skills and coaching should be a managed process, which ensures that the right volunteers are given consulting tasks appropriate for their skills and personality. The quality of volunteering should be monitored together with the non-profit.

Volunteering in a team setting is likely to be more rewarding for all parties and enhances accountability through group dynamics. Toolbox India's success as a 'skills only circle' (its impact both on non-profits and on volunteers) is probably attributed to its selection of high calibre volunteers and a well-managed group volunteering process. In the absence of management, accountability and quality control, there is always the risk that volunteering can do more harm than good (John, 2007, page 23).

**Collaboration:** While some giving circles may have enough internal resource to be self sufficient, few would see any benefit from operating in isolation from other philanthropic initiatives. Partnership and collaboration can leverage additional financial, human and intellectual resources to multiply the impact

of the circle's interventions. New Day Asia in Hong Kong has added an additional 32 percent in grants from corporate sponsors to its members' financial contributions. The circle has leveraged human resources when lawyers from an international law firm advised APLE, a Cambodian NGO working on child exploitation. New Day Asia shares information with other Hong Kong-based foundations working in child protection, which has resulted in complementary interventions, e.g. with ADM Capital Foundation's project supporting street children in India.

SVP Melbourne's decision to focus funding on non-profits working with children and families in underserved sectors and communities was a decision influenced by its strategic partnership with ten20 Foundation, which is an institutional partner of the giving circle. ten20 Foundation's mission is to fund the capacity of NGOs and community groups to collaborate in addressing complex social issues. This key partnership ensures that SVP Melbourne does not work in isolation, but has the thread of collective impact woven into its operational culture. SVP's chapter in Bangalore has made waste and recycling its local priority and will work in partnership with the municipal council's 'Zero Waste' pilot programme and social enterprises pioneering street-level initiatives.

Dasra's giving circles have taken collaboration a step further by creating a US\$14 million alliance with USAID and Kiawah Trust to 'empower adolescent girls and improve health outcomes for mothers and children in India'. This is an ambitious research-driven initiative in collective impact over five years that will help build an ecosystem for a more effective use of resources in addressing major social challenges in India.

Not all giving circles that develop in Asia will operate at Dasra's sophisticated level of collaboration, but all will probably and maximise their impact and educational objectives through a willingness to share information and work with others in creative partnerships.

## Impact

The activities of giving circles — mobilising financial, human and intellectual capital, selecting and supporting non-profit organisations — have a dual purpose: primarily to create social value; but also to foster better informed, engaged and generous donors. We saw evidence in Chapter 1 that involvement in a giving circle in the U.S. makes people more generous and strategic in their giving, and better informed about philanthropy, the non-profits and social problems in their community. In Asia there are no published surveys about the effect giving circle membership has on individuals. As the number of circles increases in Asia, surveys will help us build a picture of the contribution that collective philanthropy makes to the knowledge, attitudes and practices of donors. We know from interviews of giving circle members for this study that membership can have a positive impact on an individual's personal philanthropy journey:

*'Prior to joining ... we would make a few donations a year. Now I spend time with non-profits, reviewing their programmes, listening to their strengths and challenges, going through their financial reports, and learning about the other initiatives in the same field — I can no longer give "blindly".'*

*'[Joining a giving circle] offered me the confidence level I needed to allay my own anxieties of making larger donations than I had given in the past.'*

*'[Joining has given] a networking opportunity to help me understand a broader range of issues and how other donors look at their philanthropy.'*

*'We felt that joining a giving circle gave us the opportunity to participate in a bigger project without shouldering all the day-to-day management support, and like the club deals we do commercially, the circle helped us build relationships with other funders.'*  
(Institutional member of a giving circle)

Giving circles have been described as 'democratised philanthropy' since they

offer people of relatively modest means the opportunity to engage in an organised philanthropy normally reserved for wealthy individuals or grantmaking foundations. The giving circles in this study required annual donations seldom exceeding US\$5,000, and sometimes considerably less, sums not beyond the means of most middle-income professionals. Dasra's syndication experiment in Singapore lowered the high entry cost of full membership (US\$60,000 over three years) by four or five times, lowering the barrier to entry considerably. At least one member of a Dasra giving circle syndicate graduated to become a full member in another circle, having first 'tested the water' at a lower price point. Giving circles are easy to join, giving an opportunity for novice donors to work alongside more experienced philanthropists, hear presentations by non-profit executives, and participate in project appraisal and the selection of non-profits to fund. High engagement giving circles go further and encourage members to actively support non-profits with skills from their professional life. A giving circle is a philanthropy 'laboratory' where people can learn by doing in addition to more formalised education through seminars and publications.

To be morally accountable, a giving circle should demonstrate its positive impact on non-profits and their beneficiaries through an efficient and effective use of resources. The professional grantmaking sector, even in the mature markets of U.S. and Europe, has only quite recently upped the quality and intensity of discussion about philanthropy based on outcomes, 'where donors seek to achieve clearly defined goals; where they and their grantees pursue evidence-based strategies for achieving those goals; and where both parties monitor progress toward outcomes and assess their success in achieving them in order to make appropriate course corrections' (Brest, 2012). Few giving circles in our study apply the kind of robust strategic planning even as outcome measurement metrics has become increasingly common (but sadly, not universal) for professional grantmakers, and this is understandable for small organisations with few resources and volunteer labour. Philanthropic capital is precious and limited, so that even the smallest giving circles should hold themselves accountable for 'doing the most with the least'. The non-profit leaders we interviewed in this study were positive

about the support (financial, technical and moral) they have received from giving circles:

***'[The Giving Circle] staff and ... members became our friends and champions, something we valued most of all<sup>33</sup>.'***

***'[Volunteers] used their core business skills to help improve our strategies and shape our fundraising approach to corporates.'***

***'[The giving circle] members visited us and the other shortlisted candidates; they came to some of meetings and encouraged us in the bid. We and the three other finalists were assigned one member as a coach to help us pitch to the whole group.'***

The relationships between giving circle members and non-profit staff appeared to have more of a 'personal touch' than with larger institutional donors, which is probably a general characteristic of collective philanthropy. Dasra's use of a quarterly balanced scorecard is a powerful management tool for the three primary stakeholders — the non-profit's leadership, Dasra consulting staff and giving circle members. A scorecard also validates quality of performance to other potential donors and policy makers who will be attracted to an organisation that is clearly demonstrating growth and social impact. While such an expensive tool cannot be justified by all giving circles, those that take a venture philanthropy approach (investing to bring about significant improvement in a non-profit) should consider such performance tools to be useful in tracking impact, and by proxy, the giving circle's own effectiveness.

## The Future of Collective Philanthropy in Asia

This study of giving circles in Asia is a first contribution to what we believe will be an important component of private philanthropy in the region. The 35 giving circles in eight countries profiled here represent a considerable spread of size and style (See

33 We recognise a bias towards positive statements in such interviews, as non-profits are reliant on the financial support from the giving circles.

TABLE 4). An Awesome Foundation chapter can be easily set up by a handful of citizens who donate a modest amount into a pooled fund. It does not require registering an organisation; the grant management process is little more than making a decision over a drink; there are no complex performance metrics; and Facebook is the primary communication tool. By contrast, Dasra's giving circles are a sophisticated hybrid of managed venture philanthropy fund and collective philanthropy; research driven; targeting high net worth individuals; and employing state-of-the-art performance metrics. Both models equip individuals with tools to demonstrate concern for their communities through a powerful act of collective giving. Giving in a circle is a social act, appealing to our basic human instincts of empathy and collective action. All the circles we studied want to make giving informed, meaningful and fun. Engaging individuals more deeply in the act of giving by volunteering their time and skills is both educational and motivational.

There appear to be very few giving circles in Asia today, although the number may be far bigger than those we discovered during the course of this study. There is potential for a greater number of giving circles across the spectrum of models, so what are the factors that might promote or hold back new circles? None of the suggestions offered here have been tested through a rigorous means of enquiry, such as surveys or focus groups, but they are based on the reflective practice of the author and interviews carried out during the study. A major factor holding back growth in Asia is simply the lack of public understanding about what collective philanthropy is and what it achieves. Many of the promoters in this study had seen giving circles in the U.S. or U.K. (and in one case in South Africa) and were inspired to bring the model back to Asia. Even in the U.S., where giving circles are numerous, where there are multiple giving circle networks and even books written about them, we may still find a group of individuals who 'reinvent the wheel' by setting up a giving circle without reference to the many that already exist. In the U.S. and several European countries, community foundations actively initiate giving circles. Community foundations are still in their infancy in much of Asia so this a limited means of growth for giving circles. There is also some

ambivalence about the relationship between community foundations and giving circles. For a community foundation to provide administrative support and act as a fiscal agency for a giving circle is one thing. It is something else when a community foundation creates a giving circle as a donor development initiative. The dynamics between a giving circle and a hosting organisation, including issues such as legitimacy, independence and ownership have not yet been studied in Asia.

The relative lack of grantmakers' support networks and philanthropy promotion organisations in Asia (John, Tan & Ito, 2013, page 105) means that these avenues are limited as a means of promoting giving circles. We found during this study that giving circles, even in the same country, were not always aware of each other's existence. Our study revealed several giving circles that choose to remain 'invisible', probably because of a desire to keep the philanthropy of their members away from public attention. While this is to some extent understandable, it means that their efforts and learning do not contribute to the overall maturing of the growing community of collective philanthropies.

**We recommend the establishment of an 'Asian giving circles network', with a public website giving information and resources<sup>34</sup>.** This would be a low cost, non-partisan, informal network of giving circles in Asia, not promoting or endorsing any particular model over another. We encourage 'invisible' giving circles to contribute to mutual learning by being active in a regional network, while maintaining the privacy of individuals.

The bursting of the economic bubble in the 1990s was a factor leading to the formation of Tokyo Social Ventures (later becoming SVP Tokyo), as a new generation of young professionals sought a more well-rounded work-life balance. The business districts in Asia's financial capitals are a vast, but untapped philanthropic resource. The city of London's initiative to promote philanthropy alongside wealth creation was attributed to a 'city chapter' of The Funding Network. As

<sup>34</sup> During the period 2005–2009, several websites were set up to promote giving circles and offer online resources, e.g. [www.givingcircles.org](http://www.givingcircles.org) and the online knowledge centre of the Forum of Regional Associations of Grantmakers ([www.givingforum.org/topic/giving-circles](http://www.givingforum.org/topic/giving-circles)), although they appear to have waned in recent years.

a result, the Young Philanthropy initiative is growing rapidly amongst city professionals in London. Pilotlight, a circle that matches skilled volunteer professionals with charities and social enterprises, is also active within the financial services community in London.

**Our larger recommendation (outside the scope of this study, but subject to a later working paper in this series) is for Asia's financial services communities to embrace philanthropy with as much energy as that given to creating wealth. We recommend the promotion of giving circles as a core component of philanthropy development in Asia's financial capitals.**

The age at which people engage in meaningful philanthropy is reducing, aided by with the rise in corporate volunteering opportunities, revised career priorities and the promotion of social entrepreneurship as a new and exciting way to address social problems. The introduction of philanthropy as a topic in high schools and colleges in Asia is also beyond the scope of this study, but it seems intuitive that an early exposure to collective philanthropy would be a strong promoter in later life.

Next Generation philanthropists in Asia have a bigger menu of options than did their forebears. The UBS-INSEAD study on family philanthropy in Asia reveals that the new generation are more concerned with a strategic, outcome orientation for the family's giving (Mahmood & Santos, 2011). They are likely to have been educated in the U.S. or Europe and are members of a highly mobile and socially conscious network of people in their 20s who are set to take on their family's business and charitable responsibilities. Second and third generation family philanthropies are exploring venture philanthropy and impact investing to complement the more traditional 'bricks and mortar' giving of previous generations — rather than building a school they ask 'how can we fix a broken education system'? Our research discovered two current initiatives by 'young philanthropists' to establish giving circles amongst their peers during 2014 — one in Thailand and the other focused on North Asia<sup>35</sup>. There is perhaps no better laboratory for 'next gen' philanthropists than a giving circle of their peers.

**We recommend that organisations and networks that nurture next generation philanthropists promote the giving circle model for its educational potential.**

Published academic analysis of collective philanthropy has been limited so far to the U.S., while research on giving circles in the U.K. and Ireland is currently underway by Eikenberry and Breeze. This working paper is an early attempt to stimulate research interest in the growing phenomenon of giving circles in Asia, which are a component of the highly dynamic philanthropy sector in the region. Giving circles are unique in being able to reach across the spectrum of philanthropy — from people of modest means to young professionals and the wealthy — with a mix of socialised giving, personal engagement and education.

**We recommend that academic researchers of Asian philanthropy engage in rigorous study of the promotion, structure, operation and impact of giving circle models. The body of learning from practitioner reporting and independent research should provide feedback to the design and operations of giving circles, making them more effective at responding to community needs and better equipped to educate a new generation of informed, outcome-orientated and generous philanthropists.**

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<sup>35</sup> Personal communications with the author.



**Table 8: Summary of Asian Giving Circles**

Best Figures available at March 2014	Affiliation	City/Country	Year Formed	Approximate Number of Members	Diversity of Membership	Member Donation (US\$ annual)	Typical Grant Size (US\$)	Strategic Partnerships
<b>SVP Bangalore</b>	SVP Network Affiliate & SVP India	Bangalore, India	2013	65	Mixed	3,500	Unknown	
<b>SVP Mumbai</b>	SVP Network Affiliate & SVP India	Mumbai, India	2014	Forming	Mixed	Unknown	Unknown	
<b>SVP Pune</b>	SVP Network Affiliate & SVP India	Pune, India	2014	Forming	Mixed	Unknown	Unknown	
<b>SVP Beijing</b>	SVP Network Affiliate & SVP China	Beijing, China	2013	50	Mixed	5,000	Unknown	Leping Foundation
<b>SVP Melbourne</b>	SVP Network Affiliate	Melbourne, Australia	2013	Forming	Mixed	4,500	Unknown	ten20 Foundation (institutional member)
<b>SVP Tokyo</b>	SVP Network Affiliate	Tokyo, Japan	2005 (formed from Tokyo Social Ventures, founded 2003)	100	Mixed	1,300	13,000	
<b>SVP Seoul</b>	None	Seoul, South Korea	2012	40	Mixed		10,000	
<b>SVP Singapore</b>	None	Singapore	2010	Unknown	Unknown	4,000	Unknown	
<b>Impact 100 Western Australia</b>	Impact 100	Perth, Australia	2011	106	Mixed		88,000 (primary) 4,500 (secondary)	Australian Communities Foundation
<b>Impact 100 Melbourne</b>	Impact 100	Melbourne, Australia	2012	Unknown	Mixed		88,000 (primary) 4,500 (secondary)	Australian Communities Foundation
<b>Impact 100 Fremantle</b>	Impact 100	Fremantle, Australia	2013	Unknown	Mixed		88,000 (primary) 4,500 (secondary)	Fremantle Foundation
<b>TFN Australia</b>	The Funding Network	Pilots in Sydney, Melbourne and Perth, Australia	Forming 2014	Forming	Forming	Variable	9,000 minimum	

Best Figures available at March 2014	Affiliation	City/Country	Year Formed	Approximate Number of Members	Diversity of Membership	Member Donation (US\$ annual)	Typical Grant Size (US\$)	Strategic Partnerships
Awesome Southeast Asia (Inactive)	Awesome Foundation	Melbourne, Australia	Unknown	Unknown	Mixed			
Awesome Delhi	Awesome Foundation	Delhi, India	2014	12	Mixed		165	
Awesome Sükhbaatar (Inactive)	Awesome Foundation	Sükhbaatar, Mongolia	2012	4	Mixed	180	125	
Awesome Ulaanbaatar (Inactive)	Awesome Foundation	Ulaanbaatar, Mongolia	2012	6	Mixed	Unknown	250	
Awesome Whangarei	Awesome Foundation	Whangarei, New Zealand	2011	11	Mixed	350	850	
Awesome Bangkok (Inactive)	Awesome Foundation	Bangkok, Thailand	Unknown	8	Mixed	Unknown	Unknown	
Awesome Sydney	Awesome Foundation	Sydney, Australia	2011	12	Mixed	1,080	900	
Awesome Melbourne	Awesome Foundation	Melbourne, Australia	2011	9	Mixed	Unknown	900	@Pozible (crowd funding platform), TEDx Melbourne
Awesome Maldon	Awesome Foundation	Maldon, Australia	2011	4	Mixed	Unknown	900	Maldon Community Bank
First Seeds Fund	Little Black Dress Group	Sydney, Australia	2011	25 (plus others who give at events only)	Women			Little Black Dress Group

Best Figures available at March 2014	Affiliation	City/Country	Year Formed	Approximate Number of Members	Diversity of Membership	Member Donation (US\$ annual)	Typical Grant Size (US\$)	Strategic Partnerships
<b>Dasra Giving Circles</b> 1. Education of girls 2. Improving Mumbai's public schools 3. Child malnutrition in urban slums 4. Empowering adolescent girls 5. Urban sanitation 6. Youth development through sports 7. Anti-sex trafficking	None	Mumbai, India	2011	7 Giving Circles, 87 members	Mixed	20,000 (for 3 years)	600,000 (of which approximately 90,000 is a fee to Dasra for consulting inputs and management)	USAID, DFID, Kiawah Trust
	None	Hong Kong, SAR China	2007	86	Mixed	800	13,000	Linklaters
	None	Singapore	2002	250 (180 giving regularly)	Mixed, Indian diaspora	320	Up to 3,000	
	None		2004 (disbanded 2007)	Unknown	Women	4,500	Unknown	
	None	Mumbai, India	2002	350	Mixed	Variable	N/A	
	None	Tokyo, Japan	2009	80	Mixed	6,400 (investment capital)	Variable investments	
	ToolBox Belgium	Mumbai, India	2009	45	Mixed	Volunteer time only	N/A	
<b>New Day Asia</b>								
<b>Focus India Forum</b>								
<b>Social Ventures Australia Angel Network</b>								
<b>Caring Friends</b>								
<b>ARUN</b>								
<b>ToolBox India</b>								

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# Appendix

## List of Interviewees

Name	Organisation	Location
Akila Krishnakumar	SVP India	Bangalore, India
Amanda Clarke	Linklaters	Hong Kong, SAR China
Andrea Bearzley	Awesome Whangarei	Whangarei, New Zealand
Aparna Mittal	Dasra Giving Circle	Singapore
Arathi Laxman	SVP India	Bangalore, India
Bonnie Nelson	Awesome Mongolia	Sukhbaatar, Mongolia
Caterina Toh	SVP Melbourne	Melbourne, Australia
Chris Green	New Day Asia	Hong Kong, SAR China
Colleen Willoughby	Washington Women's Foundation	Seattle, U.S.
Dylan Smith	Impact 100 Fremantle	Fremantle, Australia
Eugenie Harvey	The Funding Network	London, U.K.
Fiona Halton	Pilotlight	London, U.K.
Harish Shah	Dasra Giving Circle	Mumbai, India
Helen Wilde	The Funding Network	Bristol, U.K.
James Boyd	Impact 100 Western Australia	Perth, Australia
Janine Garnier	First Seeds Fund	Sydney, Australia
Jay Ganapathy	Dasra Giving Circle	Singapore
Joanna Shaw	Rosa UK	London, U.K.
Kylie Macintosh	New Day Asia	Hong Kong, SAR China
Lance Fors	SVP Network Board	Seattle, U.S.
Lisa Cotton	The Funding Network Australia	Sydney, Australia
Liza Green	New Day Asia	Hong Kong, SAR China

Name	Organisation	Location
Lynette Snyder	Manna Inc.	Perth, Australia
Nimesh Sumati	Caring Friends	Mumbai, India
Philip Poh	LOVEQTRA	Qinghai, China
Ramya Nageswaran	Focus India Forum	Singapore
Ravi Venkatesan	SVP India	Bangalore, India
Ravichnadar	SVP India	Bangalore, India
Robert Broadbent	SVP Melbourne	Melbourne, Australia
Safeena Husain	Educate Girls	Mumbai, India
Seila Samleang	APLE	Phnom Penh, Cambodia
Seri Renkin	ten20 Foundation	Melbourne, Australia
Shannon Rogers	New Day Asia	U.S.
Shireen Mehta	ToolBox India	Mumbai, India
Steven Hoe	Social Venture Partners Seoul	Seoul, South Korea
Sue Baggott	Impact 100 Cincinnati	Cincinnati, U.S.
Susanne Grossmann	Dalyan Foundation	Zurich, Switzerland
Tan Bien Kiat	Social Venture Partners Singapore	Singapore
Tim Hwang	Awesome Foundation	San Francisco, U.S.
Vijaya Balaji	ToolBox India	Mumbai, India
Wendy Steele	Impact 100 Cincinnati	Cincinnati, U.S.
Xing Yan	SVP China	Beijing, China
Zelam Lazarus	Impact India Foundation	Mumbai, India



# SNEHA

Q6 Report (April'13 – June'13)



**Training on Diarrhea for Aahar Community Organizers (Sakhis)**



**Workshop on Appreciative Inquiry with Sakhis and ICDS Workers (Sevikas)**

<b>Dasra Contact:</b>	Vishal Kapoor, Akshay Mandan	<b>Annual Budget:</b>	INR 2.35 Crore	<b>Funding Commitment (Annual):</b>	INR 85.0 Lakhs
<b>SNEHA Contact</b>	Devika Deshmukh	<b>Website:</b>	<a href="http://www.snehamumbai.org">www.snehamumbai.org</a>	<b>Funding Disbursement (YTD):</b>	INR 85.0 Lakhs
<b>Sector:</b>	Child Health & Nutrition	<b>Investment Date:</b>	November 2011	<b>Time Commitment (Annual):</b>	83 days
<b>Location:</b>	Mumbai	<b>Aahar Staff Size:</b>	78	<b>Time Disbursement (YTD):</b>	47 days

## Quarter Summary

**Apr-Jun'13** marked the **end of Aahar's sixth quarter (6 months of the 2<sup>nd</sup> fiscal year).**

**SNEHA hires a new CEO!** Vanessa D'Souza succeeded Dr. Wasundhara Joshi as Chief Executive Officer. Vanessa has been volunteering with SNEHA for the past two years, has an excellent understanding of the organization and is familiar with the entire team. Before joining SNEHA, Vanessa worked with Citibank India for 21 years, most recently as Director-Citigroup Private Bank. Given her vast managerial experience, SNEHA's leadership and board believe Vanessa is well suited to lead the organization to greater heights. Vanessa holds an MBA (Marketing).

Bearing in mind **impact, sustainability and financial imperatives** of the program, SNEHA and Dasra have decided to move ahead with a '**preferred scenario**' which involves **covering all 10 beats** over the **next three years; extending the program by 1 year; phasing-out** to a supervisory support level **after 21 months in each beat; and limiting roll-out of Day Care Centers to 5.**

The **revised budget** under the preferred scenario is **INR 8.4 Crore for 4 years** against the **PPM budget** of **INR 5.8 crore for 3 years.**

The **key themes** and **challenges** over the past **quarter** are listed below:

- Cumulative number of children screened by **Q6-end** is **9,826** against **6,460** in **Q5**.
- Intervention phase expanded to 50% of Dharavi by rolling-out in beats 4 and 5
- **Drop in monthly weighing coverage from 65% in Q5 to 44% in Q6** as many sakhis and anganwadi workers were on leave
- **Increase in MAM+SAM monthly home visit coverage from 73% in Q5 to 76% in Q6**
- **Reduction in net malnutrition by 33%** (1,407 MAM+SAM at screening to 938 MAM+SAM at Q6-end)
- **Financial utilization** is **INR 43 lakhs** against the **budgeted spend of 57 lakhs (76%)**
- Facilitated **three donor visits (USAID, US Consulate and Gates Foundation)**

## Performance

### Outreach Apr'13 – Jun'13

# Children Screened for Weight & Height	9,826
# Children in current database	6,977
# Children measured monthly	3,087
# Children Enrolled in Day Care Centers	57

### Team

# Training Sessions for Aahar and Govt. Staff	23
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### Financial (INR Lakhs)

Amount spent	43
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### Dasra Support

# Site and office visits	17
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## Financial Health

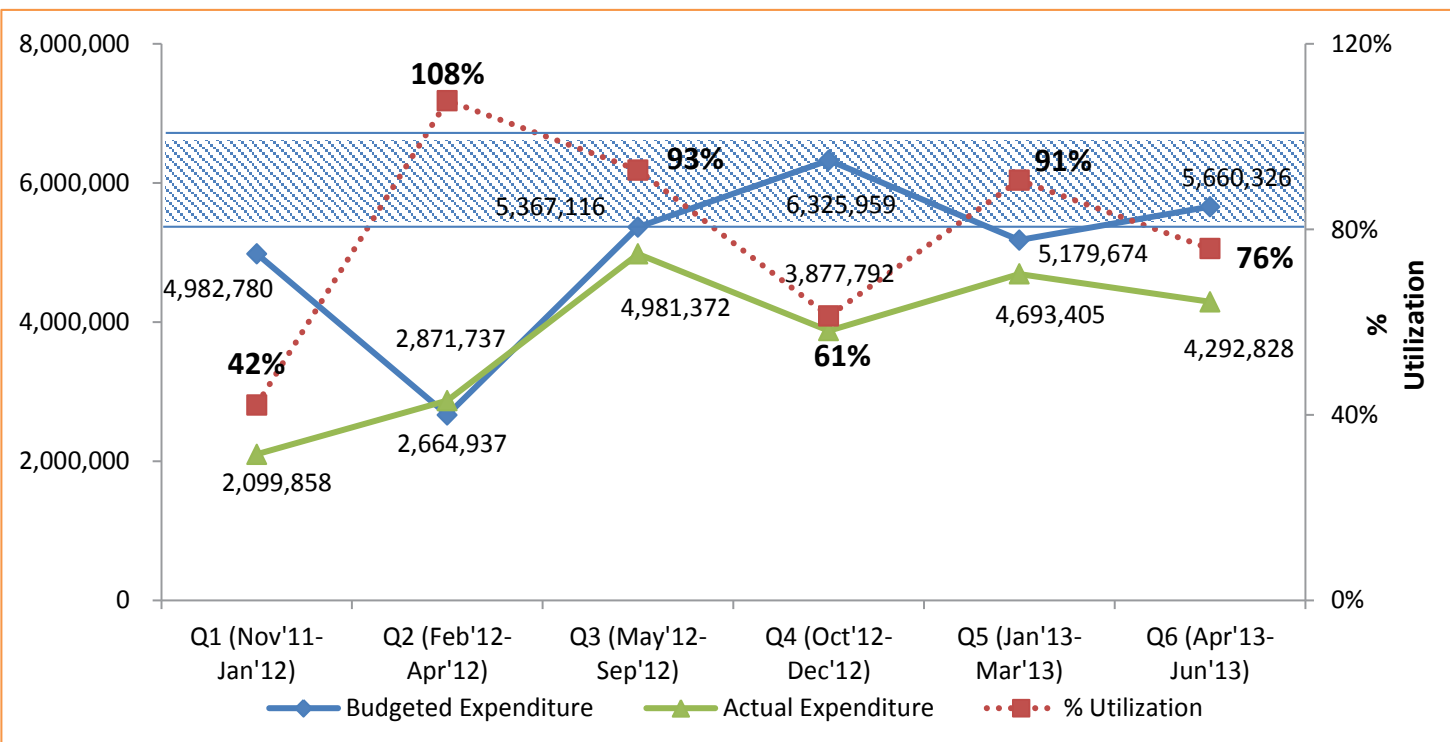
- SNEHA's funding position on Aahar is strong for the second fiscal year
- Aahar has a cumulative utilization of 83% with respect to Budgeted YTD and a 38% utilization with respect to Budgeted FY12-13.
- The difference between budgeted and actual surplus is due to major underspend in this quarter (13.7 Lakhs), which will be incurred in the next quarter.

Aahar Financial Position (Figures in INR Lakhs)	Budgeted FY 12-13*	Budgeted YTD	Actual YTD
<b>TOTAL FUNDING</b>	<b>236.7</b>	<b>236.7</b>	<b>236.7</b>
DGC	85.0	85.0	85.0
UK Donor	138.7	138.7	138.7
Others	13.0	13.0	13.0
<b>TOTAL EXPENSES</b>	<b>234.9</b>	<b>108.4</b>	<b>89.9</b>
<b>SURPLUS/DEFICIT</b>	<b>1.8</b>	<b>128.3</b>	<b>146.8</b>

*Fiscal Year (FY) 12-13 is defined as Jan'13-Dec'13*



## Financial Assessment



Figures for Q3 (May'12-Sep'12) are higher than usual because the quarter contained 5 months instead of 3  
For illustrative purposes, the shaded band represents 80%-100% budget utilization and is the region we'd like Aahar to operate within

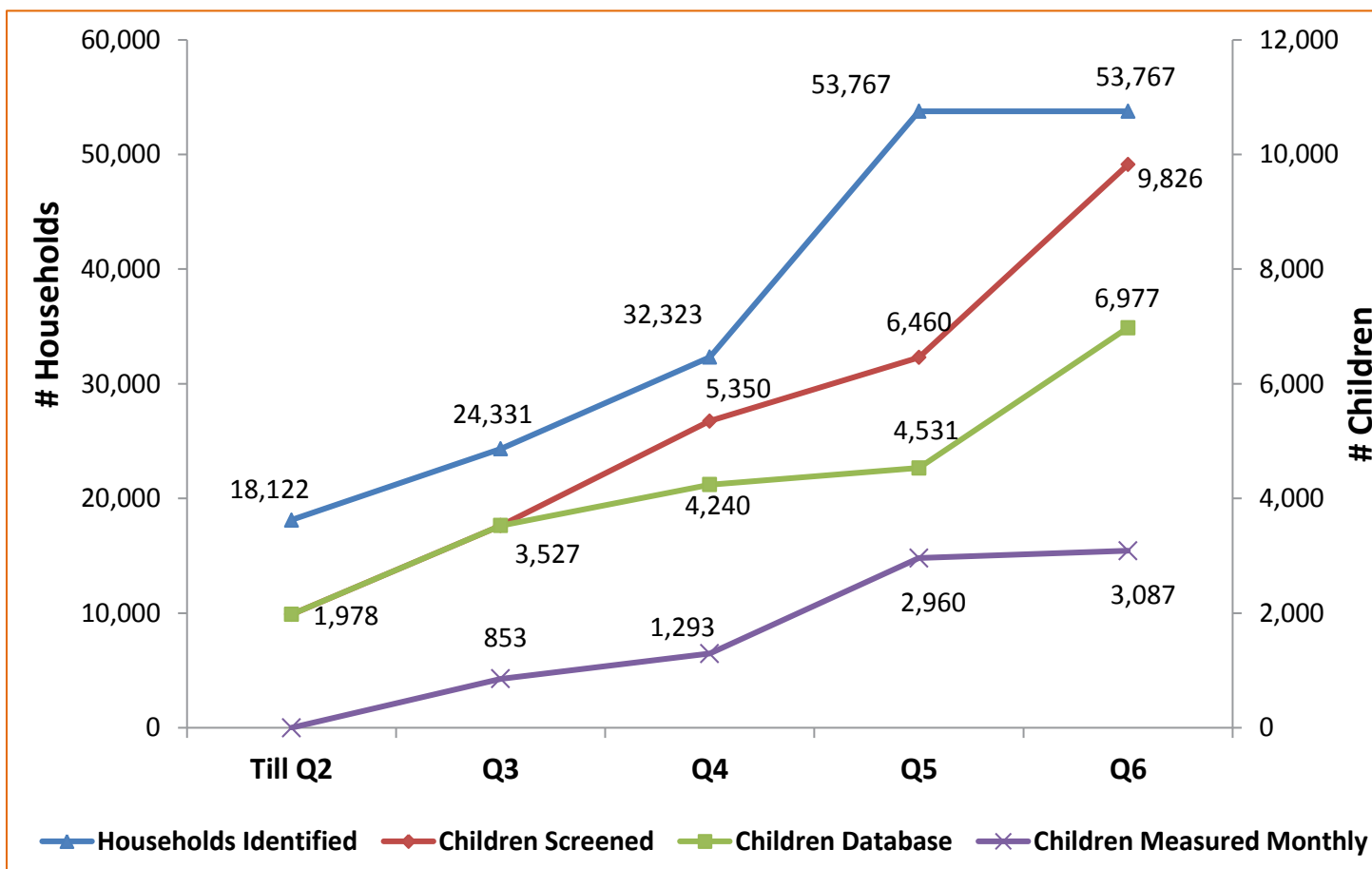
Aahar Expenses (Figures in INR Lakhs)	Budgeted FY 2012-13	Budgeted Q6	Actual Q6	Variance Q6
Personnel	105.5	26.5	21.6	(4.9)
Program	49.4	10.2	4.5	(5.7)
Core Costs	41.8	10.7	10.1	(0.6)
Administrative	17.6	4.2	3.3	(0.9)
Overheads	14.1	3.3	3.1	(0.2)
Equipment & Set-Up	6.5	1.7	0.3	(1.4)
<b>TOTAL</b>	<b>234.9</b>	<b>56.6</b>	<b>42.9</b>	<b>(13.7)</b>

- The **budgeted Q6 total** of **INR 56.6 lakhs** is based on the 'preferred' scenario presented to the DGC in May.
- Looking at the sixth quarter period, we see a slight decrease in the team's utilization of funding – Aahar's total expenditure for Q6 (Apr-June'13) was **INR 42.9 lakhs, 24% (INR 13.7 lakhs) below the budgeted figure of INR 56.6 lakhs. Program and Personnel Costs** accounted for roughly **78% of underutilization**.
- Within program costs, the main sub-areas of underspend were training costs (57% underspend) and Day Care center costs (47% underspend), resulting in a 42% underspend in program costs. This is mainly because the offsite training for Aahar team was not conducted and because of a delay in operationalizing the 5<sup>th</sup> day care center.



## Outputs and Outcomes (1/3)

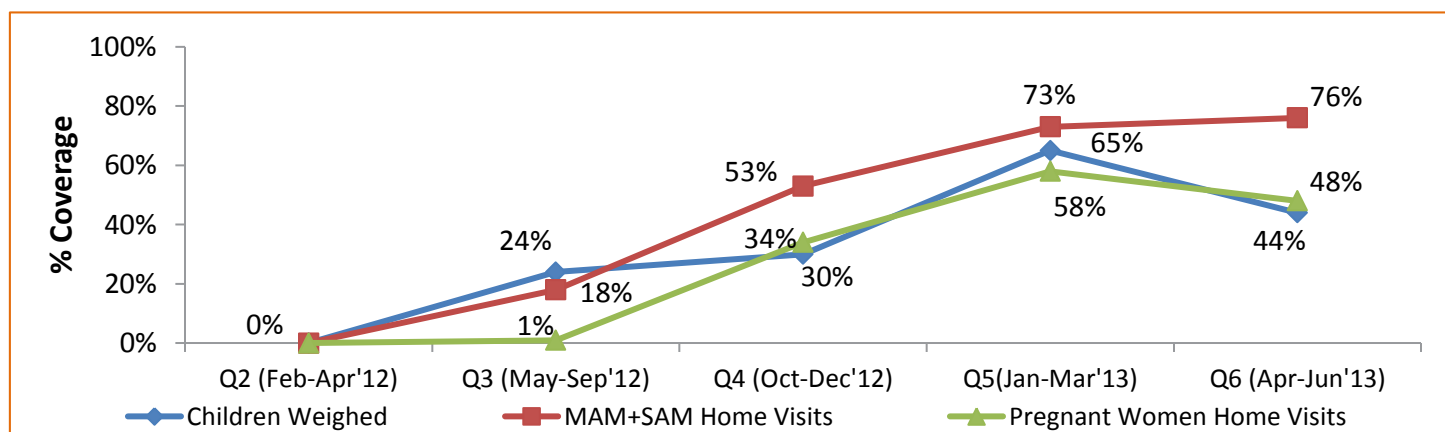
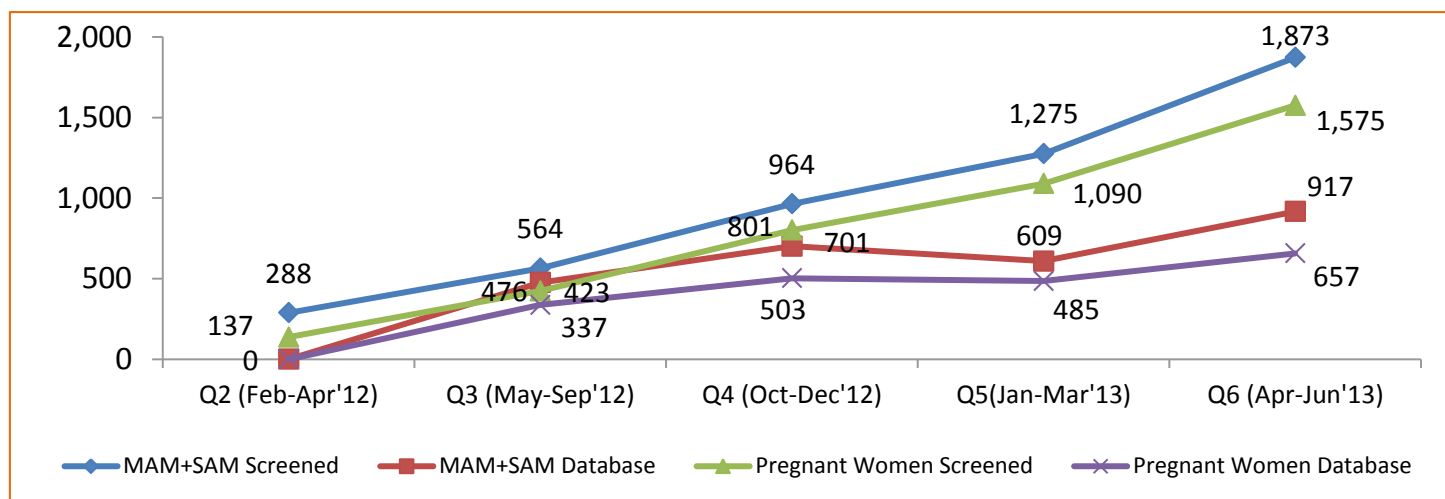
The chart below displays information across most of the value chain of activities the team is involved in, excluding the crucial stage of home based care (covered in the next slide). Over the past six quarters, identification of households, screening of children, enrollment of malnourished children in Day Care Centers, and monthly weighing of all children have grown steadily



- **No new households were identified** as the team completed micro-planning in beats 4 and 5 the past quarter.
- **Children Screened** shows the number of children 0-3 years who are 'screened' into Aahar's database as normal or malnourished at the start of the program in each beat.
- **Children Database** shows the current number of children 0-3 years who are in Aahar's database as of the end of each month. Monthly figures are averaged to arrive at quarterly figures above.
- Database figures are typically lower than screening because children move in and out of the database based on their current nutritional status (SAM, MAM or Normal) and also due to other factors, such as incorrect screening, becoming over age three and migrating out of the coverage area.
- **Children Measured Monthly** demonstrates how many of the children in the database are being touched by the program each month. Coverage has decreased from 65% in Q5 to 44% in Q6 because (a) several anganwadi workers and sakhis were on leave during the month of May, and (b) the first half of Q6 was spent in screening children in beats 5 and 6, before monthly weighing could begin.

## Outputs and Outcomes (2/3)

Despite beats 4-5 being relatively new, where coverage of monthly weighing is lower than in other beats, Aahar's team has managed to increase home based care coverage of MAM and SAM Children from 73% in Q5 to 76% in Q6



Activity	Category (Cumulative)	Q2(Feb-Apr'12)	Q3 (May-Sep'12)	Q4 (Oct-Dec'12)	Q5 (Jan-Mar'13)	Q6 (Apr-Jun'13)
MAM+SAM	Screened – MAM	211	420	685	858	1,326
	Screened – SAM	77	144	279	417	547
	Screened – MAM+SAM	288	564	964	1,275	1,873
	Home Based Care – MAM+SAM	-	84	369	445	697
	Current Database – MAM+SAM	-	476	701	609	917
	% Coverage (MAM+SAM Home Visits)	-	18%	53%	73%	76%
Pregnant Women	Screened	137	423	801	1090	1575
	Home Based Care	-	5	169	282	317
	Current Database	-	337	503	485	657
	% Coverage (Pregnant Women Home Visits)	-	1%	34%	58%	48%

\*MAM = Moderate Acute Malnutrition; SAM = Severe Acute Malnutrition; MAM+SAM Screened and Database follow the same logic as explained in the previous slide

## Outputs and Outcomes (3/3)

The charts below illustrate **Aahar's impact on key beneficiaries** over the past six quarters . There is **demonstrable improvement in Moving Children Out of Malnutrition**.

### Moving Children Out of Malnutrition

STATUS WHEN SCREENED				STATUS AS OF JUNE'13			
	Children in Database	Total Screened	Removed from Database	Total Database	SAM	MAM	Normal
	SAM	551	155	396	→ 101	84	211
	MAM	1,330	319	1,011	45	429	537
	Normal	7,945	1,978	5,967	47	232	5,688
	Total Database	9,826	2,452	7,374	193	745	6,436

Activity	Category (Cumulative)	As of 30 <sup>th</sup> June'13
<b>Total</b>	<b>Screened</b>	<b>9,826</b>
	Removed from Database	(-) 2,452
	<b>Database</b>	<b>7,374</b>
<b>MAM+SAM</b>	Screened - MAM+SAM	1,881
	Database - MAM+SAM	938
	<b>Difference</b>	<b>943</b>
	SAM/MAM → Normal	(+)748
	Normal → SAM/MAM	(-)279
	Removed from Database	(+)474

### Summary

- Aahar reduced malnutrition in 60% of children** who were screened as **MAM or SAM** and are now **Normal or MAM**
  - % improvement in MAM children – **53%** (1,011 children screened as MAM, 537 children switched to Normal)
  - % improvement in SAM children – **74%** (396 children screened as SAM, 295 children switched to MAM or Normal)
- Aahar has seen increase in malnutrition in 3.7% of children** who were screened as **MAM or Normal** and are now **SAM or MAM**
  - % deterioration in Normal children – **4.7%** (5,967 children screened as Normal, 279 children switched to MAM or SAM)
  - % deterioration in MAM children – **4.4%** (1,011 children screened as MAM, 45 children switched to SAM)

**The net impact is a 33.3% reduction in malnutrition**, from 1,407 MAM+SAM at screening to 938 MAM+SAM children currently in the database

## Operational Challenges

- **Inadequate Staff:** With almost all anganwadi workers being on leave during the month of May and with more than 50% of sakhis out during the same period for vacations, the coverage took a significant dip during May and early June. This has affected the latter part of screening, trainings, monthly weighing and home based care. The team did cope well with a steep rise in coverage during end of June and July.
- **Immunizations and Vaccination:** The ICDS and SNEHA have been working together over the past two quarters to strengthen immunizations and vaccinations for children aged 0-3. This requires cooperation from senior Municipal Corporation (MCGM) officers as well staff as stationed at the local health post. MCGM being an autonomous body, is resistant towards ICDS-SNEHA work on the ground and SNEHA has requested National Rural Health Mission to take this issue with MCGM.

## Operational Update

	Update	Action Items
<b>Team and Training</b>	<ul style="list-style-type: none"> <li>• <b>SNEHA hired a new CEO, Vanessa D'Souza.</b> Vanessa has been volunteering with SNEHA for the past two years and has an excellent understanding of the organization and is familiar with the entire staff.</li> <li>• <b>Program Coordinators, Program Officers of Aahar Program</b> along with 12 members of SNEHA center underwent a UNICEF training on Malnutrition.</li> <li>• Continued monthly meetings bringing key internal stakeholders together (Aahar Team, SNEHA Leadership, Dasra, Trustees)</li> </ul>	<ul style="list-style-type: none"> <li>• Align with existing self-help groups (SHG) groups in Dharavi and draw a plan of advocacy for right nutrition through SHGs to strengthen initiation of mother groups</li> <li>• Conduct trainings for programmatic team as planned</li> <li>• Program Coordinators to undergo training on Monitoring and Evaluation.</li> </ul>
<b>Identification and Screening</b>	<ul style="list-style-type: none"> <li>• <b>Completed identification and screening in beats 4 and beat 5</b> (mapping of households with children aged 0-3 years and pregnant mothers and initial height and weight measurement of all children completed).</li> </ul>	
<b>Intervention with Target Groups</b>	<ul style="list-style-type: none"> <li>• Initiated interventions phase for Beat 4 and 5, though haven't been able to assume full coverage for the new beats.</li> <li>• Provided <b>home-based care to 697 MAM and SAM children</b> across 5 beats</li> <li>• Attendance of children <b>at monthly weighings at anganwadis</b> has <b>decreased from 65% in the last quarter to 44% this quarter.</b></li> <li>• <b>Have been able to reduce malnutrition by 33% as of 30<sup>th</sup> June'13</b>, with % of SAM children going down from 5% to 3% and MAM from 14% to 10%</li> <li>• Operationalized the 4<sup>th</sup> Day care center and finalized location for 5<sup>th</sup> Day care center</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Operationalize the 5<sup>th</sup> Day Care center.</b></li> <li>• Improve attendance of children at monthly weighings at anganwadis..</li> <li>• Improve coverage with respect to provide home based care to MAM+SAM children</li> <li>• Present cost-benefit analysis on Day care centers and consumption of MNT (Medical Nutrient Therapy)</li> </ul>
<b>Linkages with Government Systems</b>	<ul style="list-style-type: none"> <li>• Finalized formation of Advisory Committee to engage the government, impact policy and make the transition process of Aahar smooth and structured.</li> <li>• Met with all members individually to initiate the engagement process before organizing the first meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Organize the first joint meeting with all members of Advisory Committee during mid-next quarter</li> </ul>
<b>Documentation and Protocols</b>	<ul style="list-style-type: none"> <li>• Developed short-term roadmap to transition Aahar to the government (ICDS) and linked it with the work being done on Advisory Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Review short-term roadmap to develop a refined long-term strategy to transition Aahar to the government (ICDS) and prioritize the documentation officer's efforts</li> </ul>

## Capacity Development Outcomes

- Having finalized with the Aahar team **to consolidate operations at a 5 beat level from April'13 onwards for 6 months (till Sep'13)**; Dasra team took the discussions forward on two fronts –
  - **Call with DGC members:** Having created various roll-out scenarios in conjunction with the operations, finance and leadership teams within Aahar and SNEHA, SNEHA and Dasra's portfolio team shared the same with DGC members on a quarterly call to get the members' feedback on strategic issues such as additional fundraising and extension of the program by one year before moving on to the implementation stage.
  - **Strategic Support to Senior Management:** With a new CEO on board, Dasra spent a lot of time on bringing Vanessa upto speed with the progress Aahar program has made and the strategic shift that the program is going to make in the near future.

## Capacity Development Support

	Update	Action Items
<b>Organizational Structure &amp; Human Resources</b>	<ul style="list-style-type: none"> <li>• <b>Conducted various sessions with Vanessa, SNEHA's new CEO</b> to bring her upto speed on Aahar and <b>facilitated discussions</b> between Vanessa and Dasra's senior management</li> <li>• <b>Facilitated operational and HR strategy meetings</b> with SNEHA's Senior Leadership and Aahar's Program Director based on <b>concerns over the feasibility of covering 10 beats over 3 years.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Continue to support SNEHA senior leadership and Aahar's Program Director in strengthening the organizational structure for Aahar.</li> </ul>
<b>Financial Due Diligence &amp; Budgeting</b>	<ul style="list-style-type: none"> <li>• <b>Analyzed last quarter's financials</b> with Director of Finance, Archana Bagra, for <b>reporting to the DGC</b></li> <li>• After various brainstorming sessions with SNEHA Senior Management, finalized Aahar Program's operational roll-out strategy for the next three years.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the financial performance of Aahar program in conjunction with the operational progress.</li> </ul>
<b>Fundraising &amp; Outreach</b>	<ul style="list-style-type: none"> <li>• Conducted the <b>fourth quarterly conference call with DGC members in June'13</b>. Three members attended the call from India and the USA. SNEHA was represented by founder, Dr. Armida Fernandez, CEO, Vanessa D'Souza, Aahar Program Director, Devika Deshmukh and Finance Director, Archana Bagra.</li> <li>• Facilitated <b>three donor visits</b> (USAID, US Consulate and Gates Foundation)</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to evaluate Aahar and SNEHA's funding position and help their team create proposals as required</li> <li>• Facilitate one-on-one meetings with SNEHA and Aahar senior management team to streamline internal systems and processes</li> <li>• Help prepare for the next quarterly conference call to be held in September 2013</li> </ul>
<b>Monitoring &amp; Evaluation and Reporting</b>	<ul style="list-style-type: none"> <li>• <b>Consistently reviewed Aahar's M&amp;E processes</b> with in-house specialist Sheila Chanani.</li> <li>• Initiated discussions on conducting mid-line assessment for the first 3 beats and baseline assessment for the 5 new beats.</li> </ul>	<ul style="list-style-type: none"> <li>• Support in <b>communicating findings</b> on an on-going basis with SNEHA's senior leadership and donors.</li> </ul>



# Glossary

The language of organisations that operate in the social domain is fluid, contested and still developing. Definitions are by ACSEP unless otherwise acknowledged.

Name	Definition
Angel investors (business angels)	<p>'Business angels are wealthy, private investors, who provide capital for young companies at the start-up phase or during a level of expansion. Unlike venture capitalists — whose money is often pooled by investment firms — business angels usually invest their own funds.</p> <p>Business angels are not only valuable for their financial contributions, but also for offering their expertise and in many cases, contacts to their invested company. Many business angels have had success as an entrepreneur or in executive positions at well-established companies or corporations.'</p> <p><i>Angel Investment Network</i></p> <p>Angel investors may operate alone, in informal groups, or as part of formal angel networks. Angel investors usually take a minority equity stake in the enterprise they support. Some angel investor networks in Asia are known to have interest groups focused on social entrepreneurship and impact investing.</p>
Blended value	<p>'The Blended Value Proposition states that all organisations, whether for-profit or not, create value that consists of economic, social and environmental value components — all that investors (whether market-rate charitable or some mix of the two) simultaneously generate all three forms of value through providing capital to organisations. The outcome of all this activity is value creation and that value is itself non-divisible and, therefore, a blend of these elements.'</p> <p><i>Jed Emerson</i></p>
Collective philanthropy (Collective giving)	<p>The practice of philanthropy when individuals pool their resources (financial and/or human) in support of non-profit organisations. Passive models may include, for example, a company's employees making a pooled donation to a charity. Active models will include giving circles and volunteering consulting.</p>
Community foundation	<p>A community foundation is an independent, grant-making organisation that derives its assets from, and disburses grants within, a defined geographical location, usually a city or other identifiable local community. Many community foundations operate specialised philanthropic vehicles such as donor-advised funds in managing the giving of its client members.</p> <p>More recently some community foundations are moving beyond geographical limits to offer grants for international development in what is seen as a new trend for community foundations.</p>
Enterprise philanthropy (Impact giving)	<p>Providing grants and non-financial support to help an enterprise progress from design stage to the point where it is ready to embark on scaling up.</p> <p><i>The Monitor Institute</i></p> <p>Enterprise philanthropy is a niche within venture philanthropy that is focused on providing grant funding and advice to non-profits or early-stage social enterprises to help them become ready for investment by impact investors.</p>

Name	Definition
Entrepreneurial philanthropy	<p>Entrepreneurial philanthropy is the pursuit of social (not-for-profit) objectives by entrepreneurs through active investment of their economic, cultural, social and symbolic resources. <i>CGAP</i></p> <p>Entrepreneurial philanthropy is about the active redistribution of wealth through harnessing the sum of resources accessible by the entrepreneur. <i>Swinburne University</i></p> <p>Entrepreneurial philanthropy is an expression of philanthropy (where capital is deployed for primarily the creation of social value) that is creative and pragmatic and thus entrepreneurial in nature. Entrepreneurial philanthropy has a strong affinity with social entrepreneurs, and primarily supports the enterprises of social entrepreneurs. Venture philanthropists, enterprise philanthropists and impact-first impact investors are under the umbrella of entrepreneurial philanthropy.</p>
Entrepreneurial social finance (ESF)	<p>An umbrella term that captures financing models that are particularly appropriate for non-profit organisations, that are entrepreneurial in nature, and social enterprises that primarily trade in order to achieve social goals. ESF includes much of what is described as venture philanthropy and impact investing.</p>
Foundation	<p>A private endowed foundation creates a principal, or endowment, for investment and pays out income from the endowment annually to charity. Only the investment income is typically spent, not the endowment, ensuring the foundation's growth and continuation to meet future community needs. Private Foundations are required by law (in some jurisdictions) to pay out annual grants and other qualifying distributions at a minimum percentage of the fair market value of their assets.</p> <p>A pass-through foundation is a private grantmaking organisation that distributes all of the contributions that it receives each year, as opposed to just 5 percent of its assets. A foundation may make or revoke the pass-through option on a year-to-year basis.</p> <p>A private operating foundation uses the majority of its income to actively run its own charitable programs or services. Some private operating foundations also choose to make grants to other charitable organisations. <i>The Forum of Regional Associations of Grantmakers</i></p> <p>In many countries a foundation's legal status confers certain taxation privileges such as tax deductibility for contributions to the foundation and exemption from paying corporation tax.</p> <p>In some countries the term foundation is used by operating non-profit organisations (also called NGOs or charities).</p> <p>A corporate foundation is a grantmaker linked to a company, and is usually one vehicle for discharging the business' corporate social responsibility.</p>

Name	Definition
Giving circle	<p>A giving circle is a highly participative form of collective philanthropy in which members increase their impact of pooled charitable dollars. Groups of individuals organise themselves to pool financial resources and collectively decide where and how to donate their money. <i>Resource Alliance</i></p> <p>Many giving circles are self-managed, where members perform assessment, administrative and reporting functions. Other circles, especially larger ones, employ professional staff for day-to-day grant management. Most circles encourage their members to contribute time and skills, as well as money, to the organisations being supported. Most giving circles use grants to support non-profits, but some may use loans or equity in some circumstances.</p>
Impact angel investors (Social angels)	<p>Impact angels are experienced individuals, acting alone or in groups or networks, who provide finance and business advice to early stage social enterprises. They usually have an entrepreneurial commercial background and are often engaged in angel investing. Depending on circumstances, including the legal form of the investee organisation, impact angels may or may not use equity as their financial tool.</p>
Impact investment	<p>Impact investments are investments made into companies, organisations and funds, with the intention to generate measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market, to market rate, depending upon the circumstances. Impact investors actively seek to place capital in businesses and funds that can harness the positive power of enterprise. <i>Global Impact Investing Network</i></p> <p>Practically speaking, impact investors are broadly characterised as two overlapping communities, reflecting their desire to maximise either social or financial gain.</p> <ul style="list-style-type: none"> <li>• 'Impact-first' impact investors prefer to maximise social or environmental impact, and to do so, are willing to cap any financial gains.</li> <li>• 'Finance-first' impact investors are more commercially-driven investors who want to optimise financial gain at the expense of social value created.</li> </ul>
Innovation	<p>'Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service. It is capable of being presented as a discipline, capable of being learned, capable of being practised.' - Peter Drucker</p> <p>Innovation is driven by entrepreneurship — a potent mixture of vision, passion, energy, enthusiasm, insight, judgement and plain hard work, which enables good ideas to become a reality.</p> <p>'(The purpose of innovation) is creating value ... whether expressed in financial terms, employment, growth, sustainability or improvement of social welfare.' Bessant and Tidd</p>

## Glossary

Name	Definition
Intrapreneur	<p>An intrapreneur is a person who acts like an entrepreneur, in terms of taking risks, pursuing innovation, but does it inside of an existing business. <i>The Wharton School</i></p> <p>Internal entrepreneurship <i>Bessant &amp; Tidd</i></p> <p>Intrapreneurs innovate from within existing organisations, rather than by creating new ones. They are committed to continuous improvement through risk-taking experimentation.</p>
Non-profit organisation (Non-profit, charity, NGO)	<p>An organisation with a social mission, providing goods, services or activities for public benefit generally without cost at the point of delivery. They are dependent on grants and donations or other kinds of subsidy.</p>
Outcome-oriented philanthropy	<p>‘Outcome-oriented’ is synonymous with result-oriented, strategic, and effective. It refers to philanthropy where donors seek to achieve clearly defined goals; where they and their grantees pursue evidence-based strategies for achieving those goals; and where both parties monitor progress toward outcomes and assess their success in achieving them in order to make appropriate course corrections.’ <i>Paul Brest</i></p>
Philanthrocapitalism	<p>The word was coined in 2008 by Bishop and Green to describe the practices of individuals who wanted to apply to their philanthropy ‘the secrets behind their money-making’. They are characterised as very wealthy, committed to improving what they perceive as the failing of traditional philanthropy, business-like in their approach to charitable giving.</p>
Philanthropy	<p>Philanthropy stems from Greek, meaning ‘love of humanity’. Popular interpretations today refer to ‘private initiatives for public good’ (J. W. Gardner) or initiatives directed at the ‘improvement in the quality of human life’ (Robert Bremner). Colloquially, philanthropy is most commonly used interchangeably with charitable giving. <i>WINGS</i></p> <p>The deployment of financial and human capital for primarily social impact.</p>
Private equity (Venture capital)	<p>Private equity is medium to long-term finance provided in return for an equity stake in potentially high growth companies, which are usually, but not always, unquoted. Investment opportunities are sourced and screened by private equity firms (also known as general partners, or GPs) in order to arrive at a valuation. The transaction will be financed using equity provided by limited partners (LPs) and in some cases, debt raised from banks. The GPs will then actively manage the investment for the holding period (typically five to 10 years), seeking to generate operational improvements in order to increase the value of the company. Returns are realised for investors through exiting the deal; this can be through floating the company on a public stock exchange (IPO – initial public offering) or a secondary buyout, whereby the portfolio company is sold to another private equity firm.</p> <p>Venture capital firms back concepts or ideas brought to them by entrepreneurs, or young companies looking for financing to help them grow. <i>British Venture Capital and Private Equity Association</i></p>

Name	Definition
Quasi-equity	<p>Quasi-equity is a financial instrument that aims to reflect some of the characteristics of shares (preference or ordinary). However, it is neither debt nor equity, and is usually structured as an investment whereby repayment is linked to the investee's financial performance (e.g. repayment is calculated as a percentage of the investee's future revenue streams). <i>Venturesome</i></p>
Social enterprise (Social business)	<p>Social enterprises are, first and foremost, businesses. The term refers to any non-profit, for-profit or hybrid corporate form that utilises market-based strategies to advance a social cause. Like any other business, it aims to create surpluses, but seeks to reinvest those surpluses to achieve its social objectives. Social enterprises are not businesses driven by a need to maximise profit for their shareholders or owners. <i>Social Enterprise Association, Singapore</i></p> <p>Social business is a for-profit enterprise whose primary objective is nevertheless to achieve social impact rather than generating profit for owners and shareholders. Social businesses use market principles, produce goods and services in an entrepreneurial and innovative way, and typically reinvest any surpluses back into the enterprise to achieve the social mission. In addition, they are managed in an accountable and transparent way, in particular by involving workers, customers, and stakeholders affected by its business activity. <i>European Commission</i></p> <p>Social enterprises can take many legal forms, such as company limited by guarantee or by shareholding, Community Interest Company or Low-Profit Limited Liability Company (L3C). Legal form can vary from one jurisdiction to another.</p>
Social entrepreneurship	<p>Social entrepreneurship refers to the application of innovative, practical, and sustainable approaches to benefit society in general, with an emphasis on those who are marginalised and/or poor. Regardless of whether the social enterprise is set up as a non-profit or for profit, fulfilment of the social mission is the primary objective, while financial value creation is a secondary objective and a means to improve the organisation's reach and impact. <i>The Schwab Foundation for Social Entrepreneurship</i></p>
Social finance	<p>Social finance may be understood as a broad area wherein various forms of capital are structured in ways that consider and value both financial performance and social value creation. <i>Emerson, Freundlich and Fruchterman</i></p>
Social Purpose Organisation (Socially driven organisation)	<p>An umbrella term for the universe of non-profit organisations and social enterprises whose existential purpose is principally to create social value.</p>
Socially Responsible Investment (SRI)	<p>Sustainable and responsible Investing is a broad-based approach to investing that ... recognises that corporate responsibility and societal concerns are valid parts of investment decisions. SRI considers both the investor's financial needs and an investment's impact on society. SRI investors encourage corporations to improve their practices on environmental, social, and governance issues. <i>The Forum for Sustainable and Responsible Investment</i></p>



## Glossary

Name	Definition
Strategic philanthropy	Strategic philanthropy is a form of philanthropy using focused research, creative planning, proven strategies, careful execution and thorough follow-up to achieve the intended results; ideally reflects and is driven by the philanthropist's core values and concerns. <i>The Centre for Social Impact</i>
Theory of change	A theory of change shows (an organisation's) path from needs to activities to outcomes to impact. It describes the change you want to make and the steps involved in making that change happen. Theories of change also depict the assumptions that lie behind your reasoning, and where possible, these assumptions are backed up by evidence. <i>New Philanthropy Capital</i>
Venture philanthropy	Venture philanthropy offers a blend of capital and business advice to help entrepreneurial organisations achieve their ambitions for growth and development. <i>AVPN</i>  Venture philanthropy works to build stronger social organisations by providing them with both financial and non-financial support in order to increase their social impact. The organisations supported may be charities, social enterprises or socially driven commercial businesses, with the precise organisational form subject to country-specific legal and cultural norms. <i>EVPA</i>



# Asia Centre for Social Entrepreneurship and Philanthropy

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# Virtuous Circles: New Expressions of Collective Philanthropy in Asia

*Entrepreneurial Social Finance in Asia: Working Paper No. 3*

A giving circle is an act of collective philanthropy where donors pool their financial capital to support a non-profit organisation. While giving circles have existed for decades, they are finding a fresh expression as individuals rediscover the advantages of giving together. Most of the estimated 600 giving circles in the U.S. started up within the last 20 years. Research in the U.S. suggests that joining a giving circle helps people become better informed about philanthropy, non-profits and community issues. Giving circle members give more generously and more strategically.

Our new study reviews 35 giving circles in eight Asian countries, which are either indigenous or affiliated to networks outside the region. These giving circles demonstrate a wide variety of styles and models. Some circles are informal and volunteer managed; others are more structured and use professional staff. While all giving circles encourage their members to do more than make a donation, some utilise the skills and networks of their members to provide consulting expertise for the non-profits being supported. The annual donations made by members to giving circles in the study varies from US\$180 to US\$20,000. Such collective model of philanthropy can attract participants across a wide spectrum of disposable wealth, from those of modest means to high net worth individuals. The study analyses the sample of Asian giving circles by promotion, structure, operations and impact, and ends with several recommendations for the growth and development of collective philanthropy in Asia.



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