SCHOOL for THINKTANKERS

On Think Tanks



# Nonprofit Fundraising: the special case of think tanks

### **Scarlett Varga**

Head of development, Bruegel & Co-founder, The Brussels Binder scarlett.varga@bruegel.org

- 1. Fundraising mentality
- 2. Funding models/ sources
- 3. Fundraising cycle
- 4. Fundraising during/after pandemic

### Fundraising "mentality" for non-profits

"What is your overhead rate?"

"It is too low. We systematically under-invest in human resources, financial management, and program management to keep it that way. By doing so, we have a nice, low overhead number to put on grant applications like this one. Please send money." (Nonprofit AF- full list)

- the imbalance of power between funders and nonprofits leads to the lack of honest communication and feedback
- if the nonprofit sector is to realize its potential, think tanks need to stop apologizing for the value of the work they are trained to do. Do not overpromise, but avoid under-selling
- think tanks should not be afraid of advertising how and why flexible funding is vital to executing their strategy
- strategy first: strategy is a fundraising necessity, not a luxury (Jeremy Avins)



# Funding models/sources (1) vs independence

"can any think tank still accept funding from any source without immediately coming under suspicion of having been "bought" by some public or private vested interest?" (Transparify)

### **Independence** and the research agenda

- execution of Research Programme is independent
- scholars encouraged to exchange with funders while conducting research but NO consensus sought on research conclusions
- outputs signed by scholar(s), published under editorial responsibility of the Director
- no institutional standpoint

### **Independence** and transparency

- **Finances**: every euro cent of income is shown in the annual report (+tap levels?)
- **Staff:** Fellows required to adhere to a Statement of Research Integrity
- Scholars declare outside interests annually (academic, media, political, national, commerical, financial etc.) and publicly
- **Research**: Review Task Force, Scientific Council assessing quality of research output
- No consultancy or lobbying activities undertaken



# Funding models/ sources (2)



10 Key Models, e.g -> Member motivator/ Big Bettor/ Policy Innovator (Stanford)

Government based/ Foundation based/ Corporate based/ Diversified

### **Funding Sources**

**Foundations** 

Donors

Clients

Sponsors

Private sector

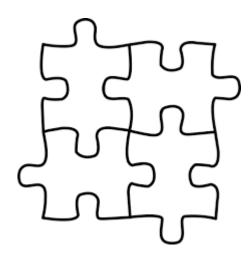
Crowdfunding

Public sector

### **Funding Model**

"methodical and institutionalized approach to building a reliable revenue base to support an organization's core programs and services" (Stanford Social Innovation Review)

+ Sustainable?



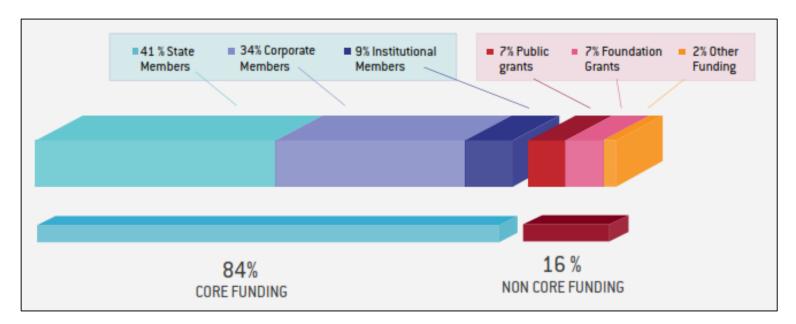


### Funding models/ sources (3)

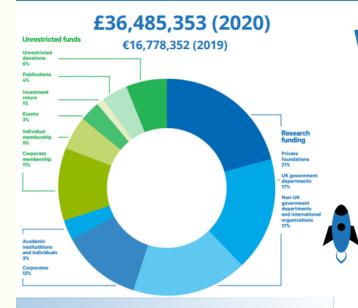
### **Case study of Bruegel**

- Goal of broad public/private balance (Minimum 33% private finance)
- State members: 5 categories, from ca. €33,203 to €199,203
- Corporate members: €50,000 per year, regardless of size
- Institutional members: €50,000 per year (€25,000 for Central Banks of Members)
- Additional resources from participation in multi-partner research projects, research grants, etc.

no party currently contributes more than 3-5% of the total budget



# Chatham House







#### Sustainability accelerator

Investigate and share innovative & experimental ideas that enable radical shifts, allowing us to prosper without exhausting planet resources. Focus on: finance & tech as enablers of sustainable transition, consumption-driven economic growth models. Paid for by Mava **Foundation** 

#### Engaging a young, diverse audience

Several programs: Common Futures Conversations (Robert Bosch) focused on EU-Africa youth, they have Panel of Young Advisers program, and Queen Elizabeth II Fellowships aimed at youth.

#### **Environment and Society Programme**

Not a new programme by any means, but made waves in mainstream media with paper "Food system impacts on biodiversity loss". Research related to food & agriculture is an area of interest on the rise.

#### **Biggest Donors**

#### £5.000.000+

Mava Foundation

#### £1.000.000+

Foreign, Commonwealth and Development Office

#### £500.000-£999.999

Robert Bosch Stiftung:

Ministry of Foreign Affairs: Japan

#### £250.000-£499.999

Deutsche Gesellschaft für

Internationale Zusammenarbeit (GIZ) GmbH

United States Department of State

**European Commission** 

Ford Foundation

Carnegie Corporation of New York

Global Affairs Canada

UK Research and Innovation

#### £100.000-£249.999

Open Society Foundations MacArthur Foundation

Crescent Petroleum

Chatham House Foundation

World Health Organization

International Federation of Pharmaceutica

Manufacturers & Associations

Stiftung Mercator

ExxonMobil Corporation

UNICEF

The World Bank

Royal Dutch Shell

**IKEA Foundation** 

HSBC Holdings Plc

Zoetis

**Koc Holding** 

European Climate Foundation

The David and Lucile Packard Foundation

Chevron Corporation

#### £50.000-£99.999

Richard Hayden

Schwarzman Scholars

Future of Russia Foundation

Garvin Brown IV - Southampton Row Trust

Michael Klein - The Klein Group LLC

Japan Bank for International

Cooperation (JBIC) Food Foundation

Bill and Melinda Gates Foundation

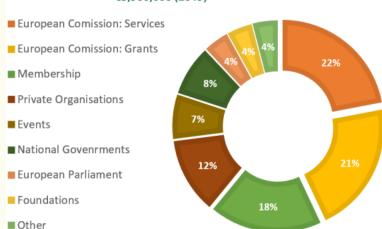
lervis Capital Limited



### Centre for European Policy Studies

**€6,743,285 (2020)** 

€5,900,000 (2019)



#### **CEPS IDEAS LAB**

5-day annual meeting, with over 1200 participants. Keynote speakers included Joseph Stiglitz and Michael Spence, Commissioners Elisa Ferreira and Nicolas Schmidt

#### **NEW INDUSTRIAL POLICY TASK FORCE**

Launched in November 2020, tasked with exploring policy recommendations towards a resilient and sustainable post-pandemic recovery. Covers 8 key areas to enable EU to overcome the current crisis in a way that protects the economy, society and the environment.

#### **GENDER & DIVERSITY INITIATIVES**

Financed by an Open Society Foundation grant, CEPS is developing a set of targets to promote diversity in the field of research and make their policy events even more diverse an gender-balanced. It will provide CEPS with a sustainable diversity strategy that will impact all aspects of the organisations' work, from research and analysis over outreach and events to human resources



#### 16 Horizon 2020 projects

**PREVEX** 

PERISCOPE

C4U

BAT MODEL

98 Events **16 000** participants 194 members 179 publications **3571** mentions

The overarching objective of PREVEX is, to put forward more fine-tuned and effective approaches to preventing violent extremism. Focusing on the broader MENA region and the Balkans, context-sensitive, in-depth case studies of the occurrence and non-occurrence of violent extremism will be carried out and then brought together in a regional comparison.

The overarching objectives of PERISCOPE are to map and analyse the unintended impacts of the COVID-19 outbreak: develop solutions and quidance for policymakers and health authorities on how to mitigate the impact of the outbreak: enhance Europe's preparedness for future similar events; and reflect on the future multi-level governance in the health as well as other domains affected by the outbreak.

addressing all the essential elements required for the optimal integration of CO2 capture in the iron and steel industry as part of the CCUS chain. This spans demonstration of highly efficient CO2 capture technologies at TRL7 designed for optimal integration into an iron and steel plant and detailed consideration of the safety. environmental, societal, policy and business aspects for successful incorporation into the North Sea Port CCUS cluster

BATModel will provide a new modular generation of trade models to support the EC, policy-makers and other stakeholders to better account for specific issues such as non-tariff measures, geographical indications, zero trade flows, quality differentiation and global value chains. The BATModel Modular Platform will ensure long-term impact of the project.

# > Agora Energiewende





#### **Stiftung Mercator**

€1 500 000

**ECF** 

€1 549 109

**Aspen Global Change Institute** 

€1 147 178

**Climate Imperative** 

€ 1 691 445

Forum for active philanthropy

€ 90 000

German Federal Ministry for Environment, Nature Conservation and Nuclear Safety

€894 491

Federal Ministry for Economic Affairs and Energy

€921 243

Federal Ministry of Education and Research

€47 932



#### **Agora Industry**

Industry responsible for 1/5th of global greenhouse gas emissions, so climate neutral transformation of industry is essential for reaching midcentury climate targets. Agora Industry's mission is to support this transformation with robust, evidence-based analysis and relevant policy recommendations. Agora Industry collaborates with a range of stakeholders, including companies, NGOs, researchers, policymakers and trade unions. Our diverse, interdisciplinary team has wide ranging scientific, economic and policy expertise. Agora Industry works closely with the teams within Agora Energiewende and with our partner think tank Agora Verkehrswende, enabling a holistic, cross-sectoral view of the necessary steps to climate neutrality in industry.

#### **EnerTracks**

Agora invites 8 fellows with at least 5 years of experience in climate/energy field from think tanks located in an Official Development Aid country. They are mentored through training sessions etc by Agoro Energiewende experts, and supported in tackling a topic of the fellow's choice. This topic is relevant from the perspective of the fellow's own organisation, with the intention to transfer the learnings into their domestic work.



Vast network of partners

SCHOOL for THINKTANKERS



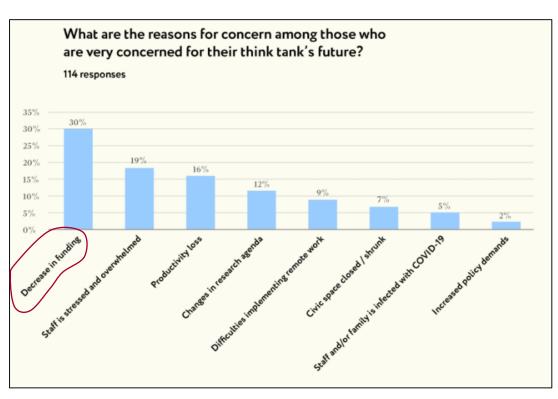
### Fundraising cycle

- **Prospect/Monitor** for opportunities (incl. collaboration with research community to share personal networks, ex-ante preparation for events, etc.)
- Evaluate and decide not every opportunity is for you
- **Relationship building** (turning a logical discussion into an emotional one)
- **Develop a proposal/ Value proposition** (budgeting expertise is key in hitting the right marks and understanding real costs- do not under-sell- it sends a negative message about your level of commitment or leaves the quality of your output questionable)
- Follow-up and reporting (do not get comfortable)



# Fundraising during/ after the pandemic

- Consider changing audience/ prospecting strategy
- The power of tech
- Borderless partnerships and convening
- More eyes on the content (-/+ more competition as well)
- The flip side of staff engagement globally
- Increased productivity
- Re-orientations of funds (it is not just about what is coming in but also what is not going out)



OTT Survey, summer 2020





# SCHOOL for THINKTANKERS www.ott.school