

Planning, marketing and customised communications strategies for NGOs to increase fund raising and guarantee transparency. The International Accountability Charter meets the demands of donors for better

# Save the Children: interview with President Neri

NON-PROFIT

edited by Antonio Barbangelo

tracking of donated funds. “A non-profit organisation operates efficiently” says Valerio Neri, “if 75% of donations are spent on actual projects in the field”

“During the last 10 years, the internal organisation of NGOs has shifted from the logic and concept of volunteer-based non-profit and moved to a more corporate and professional model. This has meant that NGOs have adopted structures that call for clearly defined internal positions associated with precise responsibilities and areas of expertise; they operate within a pre-defined budget and make use of institutional as well as private funding”. Valerio Neri, age 57, who has spent his last two years as Director of Save the Children Italia, outlines a trend followed by non-governmental organisations in recent years. “This makes it possible for NGOs to rely on diverse financing streams”, Neri continues, “and thus to ensure greater sustainability for the projects and activities that they promote”. Save the Children is the largest independent international organisation dedicated to the defence and promotion of the rights of children. Founded in 1919, today it operates in 120 countries worldwide, with a network of 28 national organisations and an Office of Co-ordination in London: the International Save the Children Alliance NGO (non-governmental organisation), enjoys consultant status at the Economic and Social Council of the United Nations. Save the

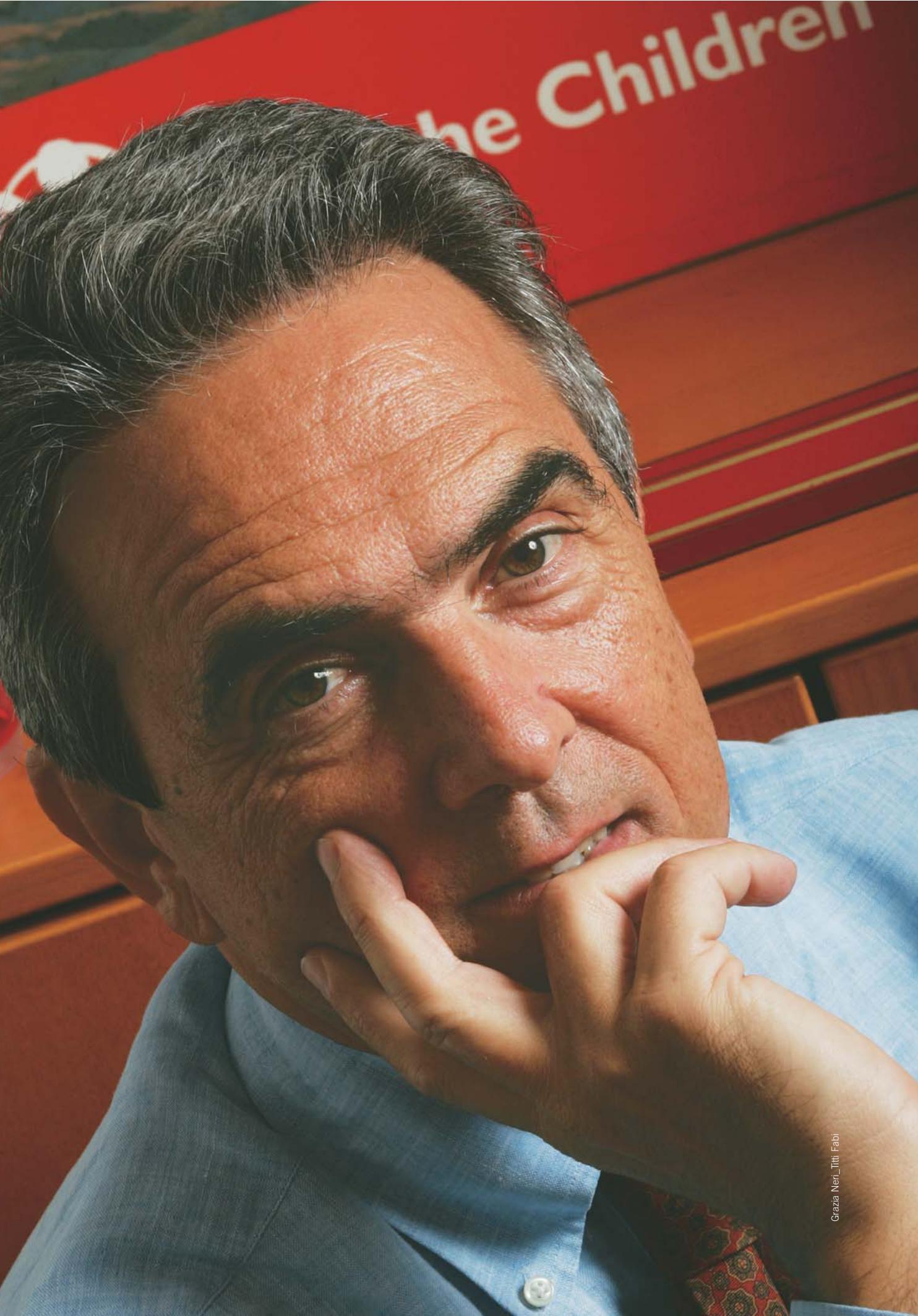
Children Italia was founded in 1998 (*see box on page 123*). Neri is a former Director General of WWF Italia, and subsequently Head of Telefono Azzurro. He has also collaborated as an external consultant of Greenpeace and been a member of FAI’s (Fondo Ambiente Italiano) Scientific Committee, as consultant for communications and marketing. In 2003 he published the novel *Cursori* (Editori Riuniti), in which he narrates the extraordinary infancy of a Roman child; his second novel was published two years later: *Anna e il Meccanico* (Marsilio Editore).

## **Have you also worked in the for-profit sector?**

Yes. For some years beginning in 1997 I was Marketing Director of Atac, Rome’s public transport company. I used to give free advertising to a number of non-profits. During those years various advertising campaigns even won awards; those years witnessed the birth of free press in the capital, with the distribution of the daily “Metro” in the subway stations.

## **And then?**

Then I returned to the non-profit sector. The attraction was just too strong. From the outside it is difficult to imagine the enthusiasm



The Children

one can put into one's work in a well-run non-profit organisation. Many for-profit companies can only dream of the level of efficiency and motivation to be found in numerous NGOs.

**Numerous?**

In many non-profit institutions. Certainly not all.

**How many people are employed by Save the Children Italia?**

There are 65 compensated positions, full or part-time, under various types of contracts, and approximately 300 volunteers.

**So are NGOs adopting typical concepts of the for-profit sector? There is talk of efficiency, critical mass, marketing...**

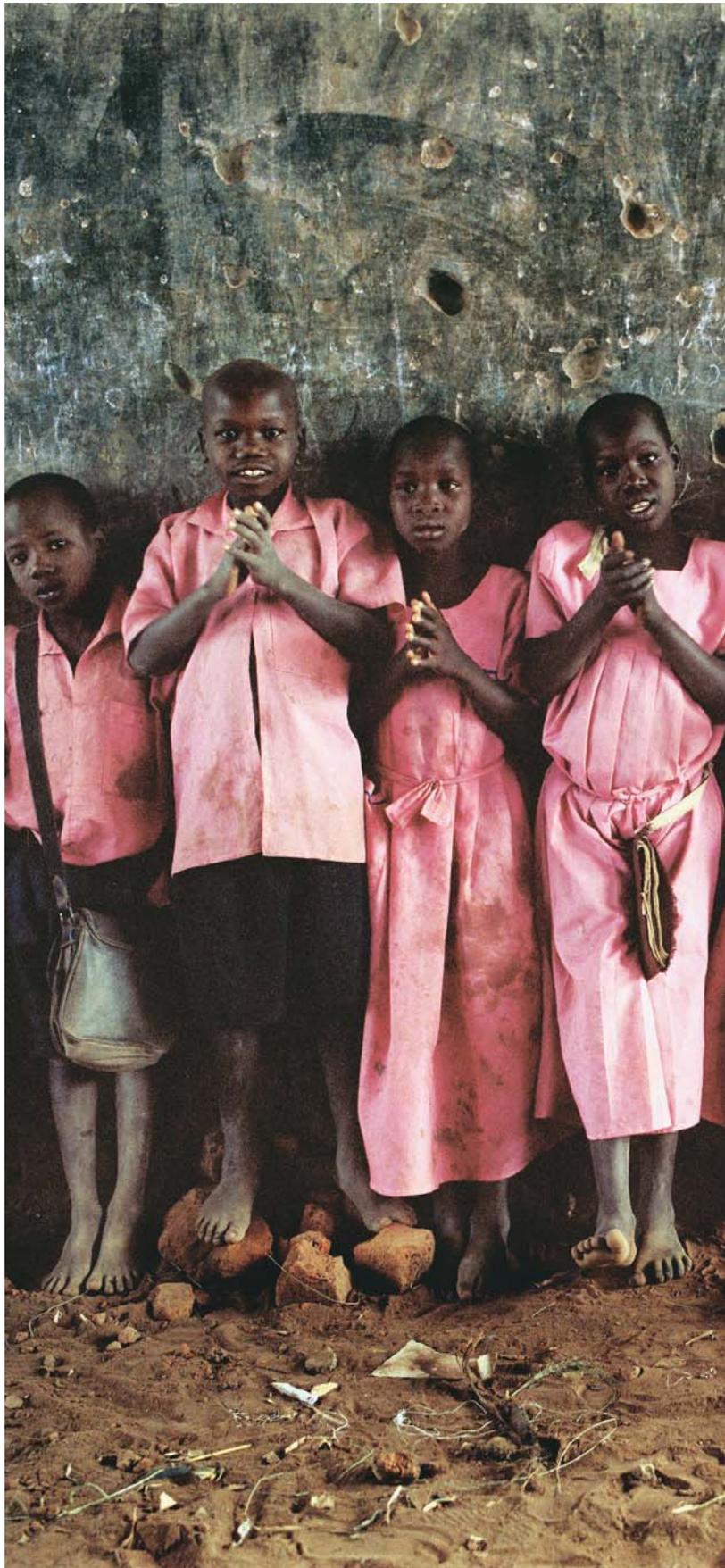
A number of these concepts have become essential to the operations of many NGOs, including Save the Children. For example, a concept such as efficiency concerns the proper use of the funds gathered, because it implies a fair ratio between donations received and the portions that are effectively utilised to benefit the children, and not for other expense items, such as structural expenses and employee salaries. Other concepts deriving from the world of for-profits are planning – that is, how much of the funds to earmark, to whom, and the results to be expected – and monitoring, or the constant and orderly evaluation of the impact of this or that project, and appropriation, making it possible to apply corrective measures when the results are not in line with planning and expectations.

**What effect does this practice have on fund raising?**

It has a fundamental effect. Save the Children has always operated within these guidelines for the purpose of achieving greater results in fund raising, acting with respect for the donor and for the final and principal beneficiaries, the children.

**Are the new models of governance of interest only to a few large NGOs?**

The more professional model of governance has been principally adopted and promoted by the large international NGOs, particularly those of Anglo-Saxon origin. Nevertheless this model is less elitist and is contagious to smaller organisations. Currently the mindset of non-profits is undergoing a sea





change; they are increasingly distancing themselves from the stereotype that employees work as quasi-volunteers, or in ways and methods that are spontaneous or with minimal planning.

**What impact does the presence of top management and technicians from the for-profit world have on an NGO?**

The presence of professionals coming from the for-profit world can be positive though not conclusive. There are very fine professionals whose experience has been acquired exclusively within the third sector.

**In some areas more than others?**

The input from persons trained in the for-profit sector has greater weight in the areas of administration and finance, but can also be felt in planning and controls, marketing and human resources.

**Is there an increase in the funds collected during the Christmas season? Can you provide figures with respect to Save the Children?**

Yes, during the Christmas season – between November and January – there is a considerable increase in the funds collected. During this period, Save the Children raises between 40% and 50% of its budget, on average.

**Do the largest NGOs absorb much larger fund ratios for their maintenance? More than local organisations?**

Good practice indicates that a non profit organisation operates efficiently if 75% of funds collected are spent on actual projects in the field. This cost-ratio, or proportion of proceeds and funds effectively appropriated to direct operations – and not to other items such as structural expenses – should apply equally to large and small organisations.

**What share of the structural expenses goes for communications?**

Of the 25% set aside for structure, 15% is spent on communications. It is

\_Save the Children has been fighting since 1919 for children's rights and to improve their living conditions worldwide and works closely with local governments and institutions. Opposite, children from Uganda

important to inform the public about what we do. The public must know what we spend our funds on and be permitted to inspect our books. United Nations agencies obtain their funds in large measure from member governments, while we get ours from the private sector. Consequently we must maintain the utmost transparency. Large NGOs cannot afford even the whiff of a scandal. If, for example, a scandal broke out at Save the Children in Canada or Sweden, there would also be repercussions in Italy.

**Let's look at the traceability of funds collected. What are NGOs doing to ensure transparency?**

One of the most important changes in recent years has been in the expectations of the donor, who demands to know how his or her money is used. This obliges NGOs to provide a transparent accounting of their balance sheets, and to publish and report on them. In addition, they must have them certified by external auditing agencies. For its part, Save the Children has underwritten the

International Accountability Charter, which has also been signed and adhered to by a number of large international organisations. The Charter formulates a series of principles to be followed to ensure the proper use of donations.

**When was the International Accountability Charter adopted?**

In 2006. This is an important achievement. The donor today is confused by the many names and proposals received. He or she is not able at times to focus on an organisation seriously at work on its mission.

**In recent years, what major legislative initiatives in Italy have contributed to the development of non-profits?**

One decisive legislative action for the non-profit sector was Legislative Decree 460/97, which set up the Onlus (socially beneficial non-profit organisation). Besides, a further regulation adopted two years ago has raised the ceiling of deductibility for donations to Onlus. Nevertheless, the non-profit sector is still beset with large areas of



discretionary behaviour and is not yet sufficiently regulated. In fact, widely different realities are currently sharing the Onlus umbrella: from the large international NGO to the small soccer team. Tax incentives are still inadequate when compared to the fiscal benefits enjoyed by non-profits abroad.

**What should the Italian Government do immediately?**

It should finalise the 5 per thousand rule and make it a tax regulation of the State. It should be embodied in law, like the 8 per thousand rule granted to the Catholic Church and to other religious persuasions, so as to avoid the yearly tug-of-war during the debate on the Budget, with the usual question: will there be a 5 per thousand clause this year? And what about next year?

\_Receiving sufficient education is a primary fundamental right for every future adult. Facing page: the Save the Children school in Sudan. Below: a schoolgoer in the Democratic Republic of Congo

**How many Italians opt for the 5 per thousand appropriation?**

It is important to keep in mind that in their tax declarations 70% of Italians choose how their 5 per thousand will be targeted. True enough, the beneficiaries cover a wide range, including bowling clubs. This should not obscure the fact that 70% is an important proof of direct citizen participation. The definitive law would be the first important step. Afterwards we can proceed with an ample selection process with respect to Onlus beneficiaries.

**Let's examine the Budget Act for 2008: how generous is Italy with respect to appropriations for projects to assist developing countries? How does this compare with past years?**

The trend appears to be positive, with increased assistance for development. Nevertheless, as an organisation that defends and promotes the rights of children, we must point out that there are no specific funds set aside for infancy. We are hoping that in the process of allocating these resources particular



attention will be focused and increased funding made available for education, especially in countries with ongoing conflict. With respect to the “little treasure” funds for public assistance to development, these are exceptional and not structural allocations: at most this support for co-operation with multilateral organisms merely takes the form of a lump sum contribution.

**How does Italy fare in the list of donor countries?**

Italy is one of the countries which devote the least to Assistance for Development (AfD) among Western nations. In 2006 it allocated barely 0.20% of its GDP to public development assistance – equal to 2,925 million euros in absolute terms – putting Italy on a par with states such as Cyprus, Hungary or Slovenia, and relegating it to last place in the European Union and tail end of the group of OECD countries. According to an OECD report published on April 3<sup>rd</sup>, 2007, in the list of member countries Italy takes third-to-last place, just above the United States (0.17%) and Greece (0.16%), and a far cry from Sweden (1.03%) or Austria (0.80%).

**But our country had committed itself...**

Like every EU Country at Barcelona, in 2002, Italy had undertaken to dedicate 0.51% of GDP to AfD by 2010, and, as spelled out in the Millennium Objectives, 0.7% of GDP by 2015. Furthermore, 44% of Italian assistance in 2006 was in the form of “cancellation of foreign debt” owed to Italy by a number of foreign countries; in the case of Iraq, we cancelled 374 million euros of its foreign debt.

**What does this mean?**

It means that, in real terms, the Italian percentage of GDP set aside for the campaign against poverty falls to 0.11 percent. Finally, 38% of the assistance provided by Italy for development in the South of the world has strings attached, which means it is subject to purchases of goods and services made in Italy on the part of the countries who are beneficiaries of the assistance.

**Millennium Campaign: what important steps are being taken by NGOs operating in Italy to publicise the eight objectives?**

A considerable number of Italian NGOs have signed on to the sensitisation and

information initiatives promoted by the United Nations Millennium Campaign. The level of public awareness is growing thanks to operations like “Stand up, speak out”.

**Did last October’s “Stand up, speak out” campaign enjoy good visibility in the Italian media?**

No. It was not enough, in my judgment.

**What other measures can still be taken?**

Continue to keep public attention high by monitoring how much governments and national institutions are doing or not doing, so as to spur and stimulate them to enact the promised measures to achieve the 8 Millennium Goals.

**How useful are the pop concerts and Live-Aid events?**

They are useful instruments for sensitising the public. But it is essential afterwards that adequate information be provided regarding the use of the funds and their efficacy, in order to transform the immediate and emotive participation in a concert into a higher level of awareness on the part of donors and an increased commitment to transparency on the part of the promoters of such initiatives.

**Let’s try to get a better understanding of how development and assistance projects are realised in various parts of the world. Which are the strategies that have failed? Is it true that the “Western” model of capitalism should not always be applied to the poorest countries?**

More important than failed strategies, in light of our experience, we can point out what seems to be the successful approach to rendering field projects sustainable in the long term: ensure that the local community and institutions adopt the projects and replicate the model on a larger scale. In view of this objective, Save the Children has always operated in synergy and co-ordination with the local community and local and national governments.

**Are projects sometimes undertaken jointly with other NGOs?**

Certainly. We work with other NGOs in the field, such as Terre des Hommes. And we also work with UN agencies. There is a

## The network in synthesis

Save the Children has been in existence since 1919. It operates in 120 countries worldwide with a network of 28 national organisations and an Office of Co-ordination in London. Since the 1990s, 80% of the civilian victims of war have been women and children: during the last decade 2 million children were killed in armed conflicts, and approximately 300 million suffer from some form of malnutrition. Statistically in the world, there are 126 million minors who are victims of work exploitation and 40 million who fall victim to violence and abuse. Save the Children has over 500 projects underway in the sectors of education, health and protection against exploitation and abuse. Furthermore, it puts pressure on governments and institutions to focus their policies on the rights of children ratified by the UN Convention of the Rights of Infants and Adolescents.

### In Italy

Save the Children Italia was founded in late 1998 as an Onlus (Socially beneficial non-profit organisation). It is today an NGO recognised by the Ministry of Foreign Affairs. It promotes activities and projects targeted both at children in the so called Developing Countries, as well as at boys and girls living in Italy. During 2006, Save the Children Italia collected 11.2 million euros (9.6 million in 2005) and it is supporting and financing projects in 26 countries in Africa, the Middle East, Asia, Central and South America and Europe.

### How to support the projects of Save the Children

■ On postal account No. 430.19.207 – in the name of Save the Children Italia Onlus – Via Firenze 38, 00184 Roma

■ By means of bank wire transfer at UniCredit Banca - Abi 03223 - Cab 03211- C/C 417.39.82- Cin B; or at Banca Etica - Abi 05018 - Cab 03200 - C/C 511.550 - Cin U; or at Mps Banca Personale - Abi 03140 - Cab 16009 - C/C 4090.09 - in the name of Save the Children Italia Onlus-Via Firenze 38, 00184 Roma.

■ By credit card at [www.savethechildren.it/sostieni](http://www.savethechildren.it/sostieni) or by telephone: +06.4807001.

It is also possible to support a child and its community through distance support projects: for details [www.savethechildren.it/sostegnoadistanza](http://www.savethechildren.it/sostegnoadistanza) or call +06.4807001.

division of labour. For example, transportation of food aid may be organised by UNICEF, while another organisation already working in the territory handles distribution.

### What is the impact of corruption in countries served by the great organisations?

Corruption is present and can sometimes compromise the efficacy of many projects when there are no mechanisms and clear channels in place for the distribution and management of funds. Save the Children works in close contact with local and national governments and institutions, planning, monitoring and auditing all of the operations that are carried out.

### How many NGOs are today recognised by the ministry?

At present in Italy there are 223 NGOs recognised by the Ministry of Foreign Affairs. It is an important number, notwithstanding the reduction in the availability of institutional and governmental funding in recent years.

### Is the number of persons committed to co-operation on the increase in Italy?

The number of persons applying to work in an NGO is on the rise, as is the number of volunteers. But it is not enough to want to volunteer. For example, it is not enough to want to carefully and attentively hold a baby in one's arms. There is a need for personal traits and adequate training, so we can say that volunteers select themselves, beginning with the approach to an international NGO. In our case the number of people who come into direct contact with children is small. These, obviously, are very carefully selected.

### What instructions can we give to a person working, or who intends to work, in co-operation projects?

We can say that it is stimulating and challenging work, in preparation for which solid and well-tested skills are required. In addition to strong motivation. It is not an occupation in which one can improvise one's qualifications. But that it is also a "special" occupation, because being a practised professional is not enough. One must also possess a remarkable dose of enthusiasm and altruism.