TOWARDS INNOVATIVE FUNDRAISING STRATEGIES FOR THINK TANKS

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1. Background

Fundraising remains a challenge for most organisations, and the need to explore innovative ways to remain sustainable and competitive is becoming imperative. In this digital age, organisations are continuously exploring innovative approaches to fundraising to remain relevant in an increasingly dynamic landscape. Non-profits are no exemption from this pressure, as they continue to face multiple sustainability challenges. As non profits engaged in the production and dissemination of ideas to inform policies, think tanks are currently facing serious existential challenges which require innovative solutions[2]. The challenges faced by think tanks come from both the demand-side and the supply-side of the market for ideas.

On the demand-side, policymakers- the ultimate users or audiences of the outputs of think tanks- are demanding less of the typical evidence-based research outputs that policy research centres are used to producing, and moving towards various forms of informal, shorter, and more interactive outputs. In Africa, the appetite for evidence among policymakers remains low and dominantly influenced by ideological and political concerns. On the supply-side, think tanks are lagging behind in adopting innovative communications techniques that capture the interest of policymakers. In addition, scarcity of flexible funding and increased pressure to meet the requirements of donors, and clients, have created doubts on the objectivity of the outputs of think tanks. The donor behaviour since the global economic crisis of 2008 has narrowed spaces for funding, prompting increased competition among think tanks for available resources, sometimes at the expense of independence and objectivity.

In view of the foregoing, think tanks are in dire need of innovative approaches to fundraising. Given that donors are the predominant funders of knowledge creation space, the optimal approach for think tanks would be to align their value proposition and operational strategies to the interests of potential donors, without compromising objectivity. How can think tanks reposition themselves and structure their operations to sustain the interest of their major funders while limiting intellectual interference? The present document highlights a unique fundraising strategy developed by the fundraising team of Centre for the Study of the Economies of Africa (CSEA).

The need for an innovative strategy was prompted by the reality faced by CSEA: as a beneficiary of the 10-year Think Thank Initiative grant, which ends in 2019, it is imperative for the Centre to reflect on its fundraising experience and creatively design a fundraising approach that can ensure its financial sustainability beyond 2019. While the Centre places emphasis on the production of high quality research, and on building sustainable relationship with other policy stakeholders, a well-defined resource mobilization and fundraising strategy is required to provide guidance towards approaching targeted and potential funders.

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1. Centre for the Study of the Economies of Africa (CSEA)

2. www.washingtonpost.com/news/in-theory/wp/2015/10/05/are-think-tanks-obsolete/?noredirect=on&utm_term=. aee40d96d9bd

2. Phase 1: Targeting

Donors are likely to fund think tanks whose thematic areas corresponds considerably with their own programme areas or the scope of their work. Thus, think tanks need to identify donors whose work aligns with theirs and prioritize them according to well-defined criteria.

Stage 1: Identification and matching: This stage involves an enumeration of all potential funders in the think tank's space. It includes donors that have funded the organisation in the past, those currently engaged, and prospective ones. The identification should be based on how the donor's work areas intersects with the thematic areas of the think tank. For instance, suppose the thematic areas of CSEA are Macroeconomic Management, Public Financial Management, and Trade & Investment, etc; and the donors are Foundation ADC, Foundation DEF, Foundation GHI, and Foundation XYZ . From Table 1, with the highest number of areas that intersect with the CSEA thematic areas are ranked higher. Thus, D2 with 4 areas of intersection with CSEA's thematic areas is ranked highest (see Table 2), followed by D4 with 3 areas.

Table 1: Matching thematic areas

CSEA thematic areas	Donors			
	Foundation ABC	Foundations DEF	Foundation GHI	Foundation XYZ
Macroeconomic Management		A		A
Public Financial Management	B			B
Program Evaluation		C	C	
Natural resources		D		
Trade & Investment	E			E
Education and Health				
Population Dynamics		G		

Table 2 Output: Ranking of Donors by thematic interest

Donors	Rank
Foundation DEF	1
Foundation XYZ	2
Foundation ABC	3
Foundation GHI	4

Stage 2: Coding of donors based on specific criteria: The criteria should be based on the past-experience of the think tank in fundraising, the funders' priorities, and other contextual factors which explain fundraising success. As such, based on the experience of CSEA, the following criteria were employed:

1. Relationship with Board Member – this involves identifying key actors in each donor organisation that have relationships with Board members of the think tank, and scoring them based on the intensities.

2. Previous/Ongoing Engagement – this involves quantifying the frequencies of previous/ongoing grants from each donor organisation, and apportioning scores based on their levels.

3. Size of grant – the ranges of the size of grants usually provided by each donor organisation is scored.

4. Frequency of calls/opportunities – donors are scored based on the frequency of their calls for proposals.

Thus, each of these criterion is scored on a scale of 5 to 0, where the score of 5 is the maximum and 0 is the minimum. In the case of CSEA, below, the weights reflect CSEA's own experience. So, if another think tank were to use the same criteria, they may scale each differently.

Table 3: Criteria and scores

Criteria	Scale					
	0	1	2	3	4	5
Relationship with Board Member	No board member has contacts at the donor	1 board member has contacts at the donor	2	3	4	5 and above
Previous/Ongoing Engagement	No projects or meaningful engagements	1 project or meaningful engagement	2	3	4	5 and above
Size of grant		US$1k–50k	US$51k–100k	US$ 101–200	US$ 201k–500k	Above US$ 500K
Frequency of calls	No calls	1call/year	2calls/year	3calls/year	4calls/year	5calls/year

Stage 3: Weighting and ranking: Apply weights to the scored criteria based on the think tank's experience in fundraising and specific knowledge of the operating environment. In the case of CSEA, below, the weights reflect CSEA's own experience. So, if another think tank were to use the same criteria, they may score each differently.

Table 4: Criteria and sample donors

Criteria	Donors			
	Foundation ABC	Foundations DEF	Foundation GHI	Foundation XYZ
Relationship with Board Member	1	0	3	4
Previous/Ongoing Engagement	0	2	1	1
Size of grant	10K	40K	12K	105K
Frequency of calls	2/yr	1/yr	None	2/yr

From CSEA's point of view, the following weights were applied to each criterion:

Table 5: Applying weights to scores on sample donors

Criteria		Donors			
	Weights	Foundation ABC	Foundations DEF	Foundation GHI	Foundation XYZ
Relationship with Board Member	40%	2 X 0.4 = 0.8	0 X 0.4 = 0	3 X 0.4 = 1.2	4 X 0.4 =1.6
Previous/Ongoing Engagement	25%	0 X0.25= 0	2X0.25 =0.5	1X0.25= 0.25	1X0.25 =0.25
Size of grant	20%		1X 0.2=0.2	0 X 0.2=0	3 X 0.2=0.6
Frequency of calls	15%	2 X 0.15 =0.3	1 X 0.15= 0.15	0 X 0.15=0	2 X 0.15=0.3
Total		1.1	0.85	1.45	2.75

Table 6 Output: Ranking of donors based on weighted criteria scores

Donors	Rank
Foundation XYZ	1
Foundation GHI	2
Foundation ABC	3
Foundation DEF	4

3. Phase 2: Implementation

To effectively implement a systematic fundraising approach, the policy research ecosystem should be well understood. While there are variations in different contexts, the key actors in policy research are think tanks (of different types, including university based centres and independent organisations), funders, and policymakers. Donors are more inclined to support research that is well aligned to the interests of policymakers, and has the potentials for positive change. Thus, think tanks need to continuously interact with both policymakers and donors, and reconcile the interests of all three parties. Figure 1 shows the basic linkages between think tanks, government/policymakers, and donors. Governments receive support from Donors to fund their projects and programmes. Donors fund thinks tanks to provide evidence based research and disseminate them to the government/policymakers.

Figure 1: Key players in the Policy Research Ecosystem
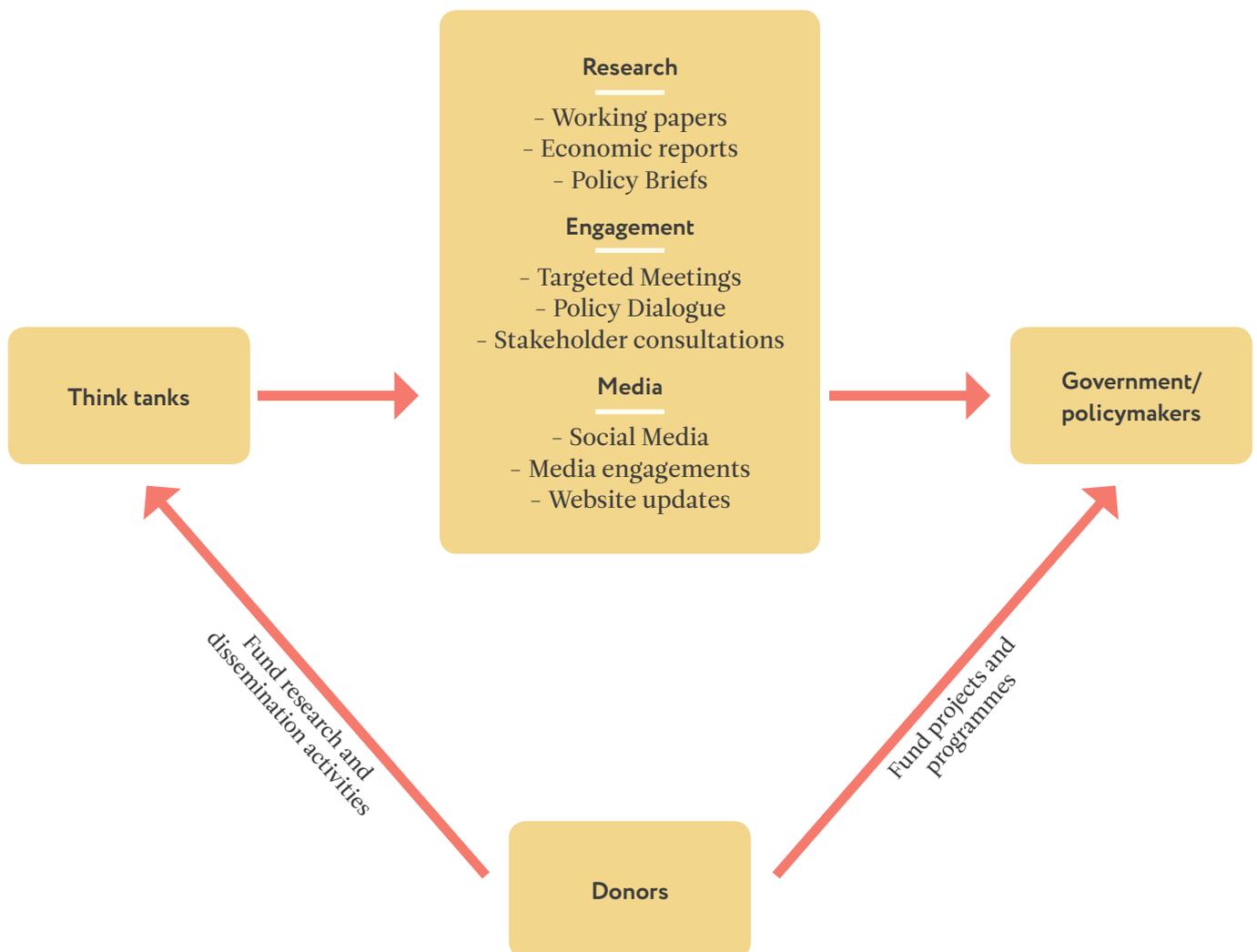
Based on an understanding of the policy research ecosystem, and the challenges faced by think tanks in the region, CSEA developed the following fundraising implementation strategies:

1. Closing the information gap

The dynamism of the policy and donor spaces vary across different regions. In Nigeria, the segmentation of the governance structures and the heterogeneity of the society implies that policy decisions are driven by a confluence of various factors. The different tiers of government are faced with varying resources, interests, and challenges, and the populace is remarkably diverse, with varying and sometimes conflicting interests. In a similar vein, the donor community is considerably diverse, with various players, interests and strategies. The dynamism in policy and donor communities creates information gaps in their interaction with think tanks, and filling the gap would involve close monitoring of their activities.

To close the information gaps, CSEA developed two internal reports that are aimed to monitor activities in the policy and donor spaces: "Policy Update" and "Donor Community Review".

- The *Policy Update* provides a review of the economic/development issues Nigeria, particularly the bills presented at the parliament. The report is circulated amongst senior research staff of CSEA for them to align the research agenda to topic issues in the policy space.

- The *Donor Community Review* documents the recent activities of donors in the regions, and highlights the Call for proposals, upcoming events, and resource guide. The management team uses the review to align their engagement strategies with donors.

- In general, the approach by CSEA towards closing the information gaps in the policy and donor spaces is to institutionalize a monitoring mechanism that allows the effective alignment of their activities with those of the Centre.

2. Stimulate the demand for evidence

A notable reality about policy research across regions is the marked differences in the demand for evidence. The evidence-based policymaking culture is well-embedded in the governance structures of many developed countries, while it is still developing in most countries in Africa, particularly Nigeria. Thus operating a think tank where there is weak demand for evidence by policymakers is a major challenge that calls for innovative strategies. Thus CSEA embarked on a transformation agenda, which involved a significant overhaul of its processes. The key transformation involved the changing the operational processes from an 'Output-based', to an 'Issue-based'. The Output based approach involves the production of both demand-driven and supply-driven research output, and disseminating them to relevant stakeholders, ultimately policymakers, to inform policy decisions. For the Issue based approach, the issues within the policy space are identified, and the appropriate activities are generated in response to them. It involves tactically generating ideas on a policy issue, identifying the appropriate policy levers, and building activities in line with the levers[3].

A key feature of the Issue based approach is that it is time-driven – activities of the centre reflect and adjust to changing topical policy issues. Thus if the topical issue is Nigeria opting out of the Continental Free Trade, the activities could be to provide an opinion piece and blog post on the views of experts in CSEA, and organise a policy dialogue that would bring together the key stakeholders. But if the issue is Migration, the centre can develop podcasts of key stakeholders and upload them on the website, as well as opinion pieces and policy briefs.

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3. www.onthinktanks.org/articles/seven-things-an-abuja-based-think-tank-can-learn-from-d-c-think-tanks/

Implementing the Issue-based approach involved the transformation of the key operational processes of the Centre. The main areas that were transformed includes:

(i) **Research:** An implication of applying the Issue-based approach to research activities is that to meet up with the responsibility of reacting to changing policy issues, short-length research outputs would dominate. This is also in line with the trend in this digital age, where there is a strong preference for short-length pieces. While the traditional medium/long-length Working Papers and project reports would still suffice, short and concise opinion pieces, policy briefs, blogs, and tweets are prioritized. Experience within CSEA has shown that shorter pieces that address contemporary issues are the most read and well-received. For example, the most widely read and well-received publication of CSEA is a two-paged weekly Economic Update which provides a snapshot of recent activities in major aspects of the Economy.

Operatively, short pieces are developed to respond to current policy issues, while longer pieces are abridged to several shorter pieces and disseminated through various outlets. Thus researchers in CSEA are required to produce shorten their lengthy papers to policy briefs, Opinion pieces, blogs, etc. However, in acknowledgment that some researchers are not quite accustomed to the conversational forms of writing, we sometimes employ some communications staff to write the blogs and other forms of commentaries from the papers written by researchers. In sum, research output is continuously adjusted to suit the growing demand for shorter and timely outputs.

(ii) **Policy engagement:** Given that policy makers are the primary audience of think tanks, increasing the interactions with them remain an utmost priority. In CSEA, policy makers play key roles across the various stages of the research process. Policy makers are consulted to identify potential research areas/topics, refine the issues and buy-in to already conceived research agenda, and participate in dissemination of research output. In applying the Issue-based approach, for each research project, the key policy makers are identified and the appropriate engagement strategy and follow up are employed.

Policymakers differ in the way they prefer to be approached by think tanks, which reflects differences in their backgrounds, interests, evidence-literacy, etc. Thus while some would prefer a formal meeting, roundtable discussion, a presentation, some would prefer a fairly informal meeting over lunch or social media. Some may prefer to read the relevant material before the meeting, while some prefer only verbal discussions. In sum, implementing the reformed policy engagement strategy led to an increase in frequency of interactions with policymakers and devising appropriate engagement approaches.

(iii) **Communication tools:** Given that the main communication tool of a think tank is the website, it was pertinent to adjust the website to spark the attention of key stakeholders, particularly policymakers. Applying the Issue based approach involved the producing content that matches the prevailing policy issue in the region. Thus the communications team engages the researchers in CSEA to produce outputs in line with the current policy issues or events. This marked a significant departure from the previous approach where the research outputs are available in specific links on the website, and only opinion pieces are projected and the bottom of homepage. On the new approach, the policy issue drives the output, irrespective of its type or size, and it is well-projected with appropriate pictures on the homepage. The homepage content therefore changes more frequently as topical policy issues emerge.

4. Phase 3: Monitoring, Evaluation and Learning (MEL)

To ensure that the fundraising strategy is maintained and utilized effectively, CSEA instituted an MEL system to conduct periodic evaluation of both successful and unsuccessful proposals and other fundraising efforts to learn and innovate on the processes. Periodic reviews and internal meetings would be carried out to critically evaluate the progress. Key indicators employed include:

- Number of call for proposals responded to;

- The progress or lack of progress made;

- Issues identified that need to be addressed;

- Evaluation of the likelihood of achieving positive outcomes with each contact and resulting decision to either drop or pursue the effort;

- The size of grants received from such proposals;

- The size of funding realized from each of the funding strategies;

- Number of call proposals not successful; and

- Periodic reporting to the board.

5. Conclusion

The changing landscapes of the donor and policy spaces have prompted think tanks to explore innovative strategies to fundraising. The present study highlights a unique approach to fundraising, designed and implemented for the fundraising team of CSEA. The methodologies applied are adapted to the operating environment and the implementation strategies reflect the experiences in the region. While there is no 'silver bullet' to fundraising, this document provides a fairly systematic approach to guide the fundraising endeavors of think tanks.