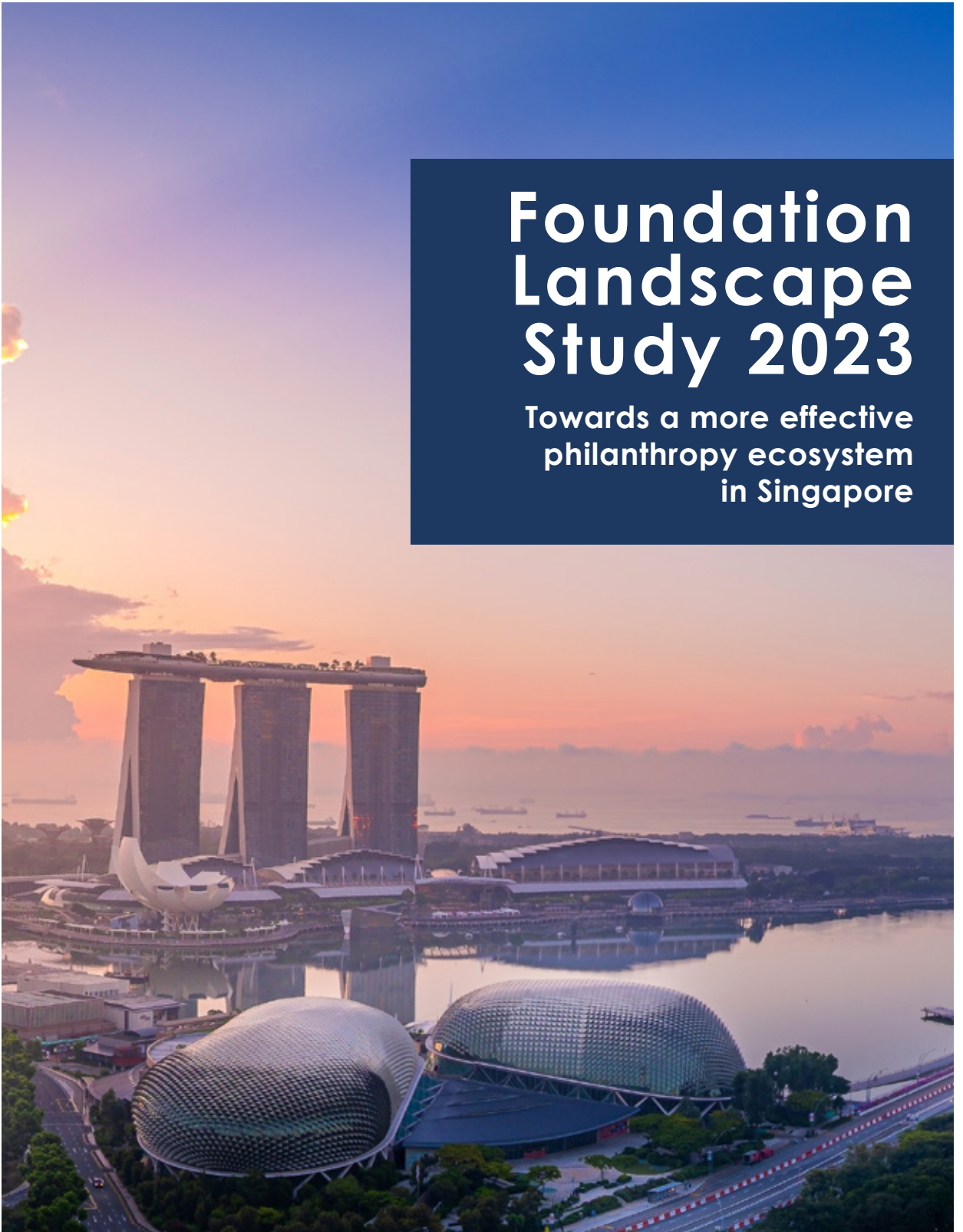


Foundation Landscape Study 2023

Towards a more effective
philanthropy ecosystem
in Singapore



Contents

| | |
|--|-----------|
| Preface | 3 |
| Executive Summary | 4 |
| Chapter 1: Unlocking the Power of Institutional Giving | 5 |
| 1.1 Why Institutional Giving? | 5 |
| 1.2 Data Sources and Methods | 7 |
| 1.3 Limitations | 9 |
| Chapter 2: Unveiling the Landscape for Greater Impact | 10 |
| 2.1 What Is a “Foundation”? | 10 |
| 2.2 What Types of Foundations Are There in Singapore? | 12 |
| 2.3 What Do Foundations Support, and Why? | 14 |
| 2.4 More Transparency for Greater Impact | 22 |
| Chapter 3: Uncovering Opportunities for Stronger Funder-Grantee Synergy | 25 |
| 3.1 Foundations Can Provide More Than Money | 25 |
| 3.2 Secret Ingredients of a Successful Partnership | 27 |
| 3.3 Evaluating and Sharing What Works, Together | 37 |
| Chapter 4: Unleashing Potential for an Effective Ecosystem | 41 |
| 4.1 What Makes an Effective Ecosystem? | 41 |
| 4.2 Our Strengths and Opportunities | 42 |
| Concluding Remarks | 48 |
| Bibliography | 48 |

Preface

Foundations in Singapore, as well as in many parts of the world, have long remained an elusive network. In contrast to their trillions of dollars in assets and the importance of their support to charities, little is known about how much is given to whom at national, regional and global levels and how giving decisions are made. Existing reports in Singapore and beyond provide valuable insights, but there is no landscape-level overview of the profiles, grants, and priorities of the institutional givers contributing to Singapore. In addition, charities and the public have little knowledge of the considerations and rationale behind their decision-making process, such as to whom and how much to fund and support and in what ways. We need more transparency and dialogue to understand how to improve the efficiency of channelling private resources for the public good.

We started the project to understand the role of foundations and their contributions to Singapore, including collecting grant-level information and creating a map of resource flow. However, due to concerns about data sharing, developing this resource map is currently impossible. Thus, we manually collated data from various sources to form the best-aggregated view possible and present Singapore's first-of-its-kind landscape of the institutional giving space instead. We are grateful for the support from many institutional givers who are willing to share insightful and honest views on their motivations of giving and their funding rationales.

This report allows us to peer into the "black box" of institutional giving. However, we still have a long way to go to fully understand institutional philanthropy, mainly how resources are generated and managed, and how they flow for what outcomes. We are committed to deepening our understanding of institutional giving and hope to do it with more partners.



Executive Summary

Institutional givers play a significant role in addressing societal challenges through organised and sustained efforts, often backed by substantial financial resources and strategic planning. However, we have yet to unlock the power of institutional giving in Singapore fully. With more data transparency and a better understanding of the motivations and behaviours of institutional givers and the ecosystem-level gaps and opportunities, we are optimistic that the critical role that institutional givers play will be further enhanced. In this report, we provide the first landscape overview of institutional givers in Singapore, offering insights into how operational decisions are made and opportunities to build a more effective philanthropy ecosystem. We highlight three points:

- 1** The Singapore institutional giving landscape is mainly comparable to the global situation, where private foundations make up the majority and drive growth. Education, social welfare and health are the top supported causes. Regional features, such as the tendency of private foundations to operate their own programmes and institutional philanthropy working alongside government priorities, have also been observed. Although some institutional givers can spend more than S\$70 million annually, the most common range of annual grants is between S\$100 000 to S\$500 000, followed by S\$1 to S\$5 million. To better illustrate and improve the efficiency of resource flow, we need to design protocols to share information on resources available as well as needs and gaps while respecting cultural, privacy, and security concerns. NVPC will work with partners to explore practical solutions.
- 2** Institutional givers provide special value-add when they go beyond giving material resources and embrace their risk-taker and enabler roles. Strong partnerships between funders and grantees rely on the alignment of purpose and value as well as operational considerations. Some immediate steps to take for charities include: 1) establishing a track record and expanding networks; 2) clear articulation of the value-add of their programmes/organisation and the change they would like to create; 3) learning how to measure output, outcome and impact. For institutional givers, 1) articulation of purpose, focus, and funding eligibility criteria; 2) more flexibility in grant conditions; 3) embracing diverse funding models. One potential avenue to strengthen the relationship between funders and charities is to co-create project outcomes, evaluate the impact together, and share the learnings.
- 3** To foster a more effective philanthropy ecosystem, we need to facilitate the translation of wealth into philanthropic capital by providing a smooth onboarding experience and persuasive articulation of needs and gaps, orchestrating deeper collaboration and co-creation with tailored programmes and backbone organisations, adopting policies to leverage the prospect of emerging giving trends, and more research and education on philanthropy.

Chapter 1 Unleashing the Power of Institutional Giving

1.1 Why Institutional Giving?

Organisations that are independently set up to deploy private resources for philanthropic activities, i.e. institutional givers, play a significant role in addressing societal challenges through organised and sustained efforts. Giving by foundations, for example, accounts for about 20% of all annual donations in the United States in recent years, and compared with individual or ad-hoc giving, institutional giving is often backed by substantial financial resources and strategic planning. In Singapore, total donations to charities stood at S\$2.95 billion in FY2021 (Commissioner of Charities, 2021), and 101 private philanthropic organisations were identified to have given \$220 million in the same year (Soristic, 2022).¹ These amounts have the potential to grow as private wealth in Singapore grows (Choong et al., 2019; Lee et al., 2023). Singapore is among the top 5 countries/regions ranked by the number of ultra-high-net-worth individuals² per million adults (Imberg, 2023). Further, the number of family offices has grown exponentially since 2019; as of 2023, 1,400 Single Family Offices have been awarded tax incentives for investment in local businesses and charities (Wong, 2024). Yet, our charities still rely heavily, and increasingly, on government grants.

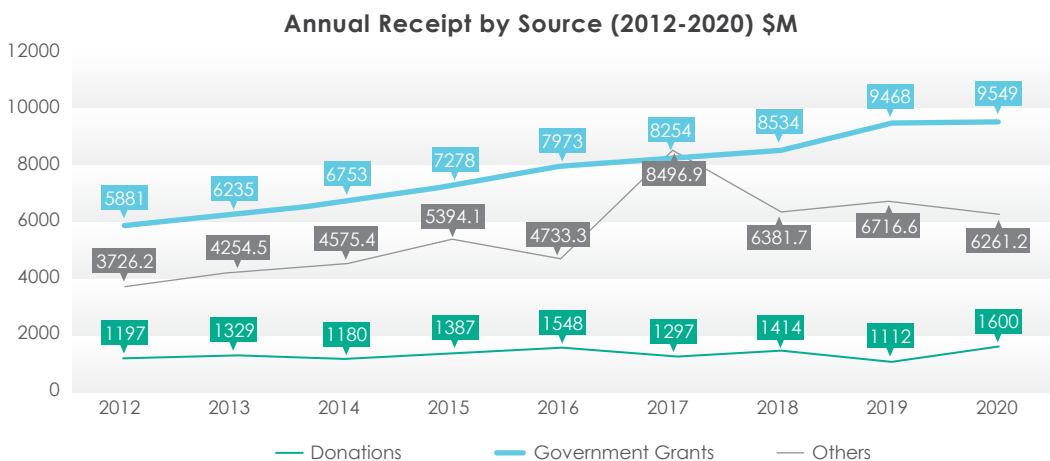


Figure 01: Charities' Annual Receipt by Source (2012-2020) \$M. Data from Commissioner of Charities (COC) Annual Reports.

¹ This is only a known portion of one particular type of institutional philanthropy; the actual sum contributed by institutional givers is expected to be higher.

² Ultra-high-net-worth individuals are defined as individuals with private wealth of \$30 million or more in net worth (Imberg, 2023)(Imberg, 2023)(Imberg, 2023)



With the growing private wealth, it is important to understand how they could fill the gaps in the third sector and impact Singapore society. However, there's insufficient information on the foundation landscape in Singapore, similar to the scarcity of information about how institutional givers deploy their resources at the global level (Johnson, 2018). While previous attempts to synthesise such information in Singapore are informative in their respective ways (Prakash & Tan, 2015; Soristic, 2021, 2022; Teo et al., 2011), there lacks a comprehensive overview that covers the full spectrum of institutional givers from donor advised funds (DAFs) to public funds run by special interest/affinity groups (Teo et al., 2011). More importantly, without primary data on the motivation, strategy, and decision-making process of institutional givers, it is operationally challenging for charities to piece together a meaningful view of the foundation landscape and identify gaps and opportunities. Therefore, the Foundation Landscape Study aims to:



Provide the first landscape overview of institutional givers in Singapore, covering the full spectrum of institutional givers from donor-advised funds (DAFs) to public foundations/funds;



Offer primary data on the motivation, strategy, and decision-making of institutional givers; and



Suggest recommendations for better resource allocation, smoother collaboration between funders and charities, and a strengthened philanthropy ecosystem.

1.2 Data Sources and Methods

We synthesised publicly available information on foundations/funds using the following sources:

- Existing NVPC resources on institutional givers;
- The Charity Portal: keywords “fund”, “foundation”, and “trust” and the filter “grant making” and “supports other charities” were used to shortlist potential institutional givers;
- IRAS’s list of registered grant-makers;
- Soristic’s studies on Singapore’s biggest philanthropic foundations;
- Previously published reports on local grant-makers, such as those by Prakash & Tan, 2015 and Teo et al., 2011;
- Donors of major funding recipients such as Institutes of Higher Learning; and
- Google Search

Private and public foundations, **excluding** the following entities, were examined during this landscape scan:

- Publicly funded institutions that do not give grants (e.g., charities/ NPOs);
- Corporates’ CSR efforts;
- Institutional givers that ceased to exist (e.g. deregistered on Charity Portal); and
- Institutional givers registered in Singapore but with no evidence of giving to local causes

The data points that were collected are described in the table below:

| Demographics | Grant information | Funding causes |
|--|---|---|
| Type of entity Private (individual/family or corporate) Public (community/ethnic/clan or religious) | Annual Grant Expenditure (\$\$) For the years 2019, 2020, 2021 (obtained from Financial Reports/Annual Reports) | Cause Areas & Target Groups Which causes does the entity fund? (obtained from websites/AR/Charity Portal) They are then categorised into our predetermined categories (by sectors and beneficiaries) |
| Year Founded Age of Entity | Grant Recipient Does the entity give to/through organisations/other funds, or does it give to individuals directly? | |
| Charity Registration Date Is it registered on the Charity Portal? | Application Channels Does the entity provide clear grant application channels for individuals/organisations to apply? | |
| Website (if applicable) | Geographical Focus Does the entity only grantmake locally or overseas as well? | |
| Origin of Entity Local/overseas | | |
| Generation in Leadership Private (individual/family foundations/funds) ONLY | | |

Following this synthesis, 26 semi-structured interviews with foundations and other ecosystem players were conducted. The sample size was established using purposive sampling to cover critical cases and accommodate limited time and resources (Mack et al., 2005). The following interviewees were selected to reflect the different perspectives.

| Type of Interviewee | Number |
|--|--------|
| Foundations | 17 |
| Organisations that work with foundations (e.g., government agencies, intermediaries) | 6 |
| Legal observers | 2 |
| Fundraisers | 1 |

Interviewees were probed on the following themes:

- Motivation, purpose, and strategy;
- Operational approach;
- Future and new ways of giving;
- Challenges and opportunities operating in Singapore

1.3 Challenges and Opportunities of Operating in Singapore

Due to the lack of available, consistent and reliable data, we had to make a few assumptions when deciding the inclusion criteria, including:

- Only record grant information from annual/financial reports uploaded to the charity portal and/or foundations' websites;
- Use calendar year to align different reporting cycles;
- Include the total grant amount if Singapore is a major, but not only, geographical target of giving when it is not possible to distinguish the amount allocated between different regions;
- Treat the different terms used to describe grant expenditure (e.g. grants, donations, sponsorships) as the same.

As for the interviews, we acknowledge the limited sample size and uneven coverage of different types of foundations. However, data saturation has been achieved for key interview questions, and common patterns have been observed for supporting questions. Other important topics, such as international operations, relations with other players, governance, accountability and legitimacy, will be addressed and explored in future studies.

Chapter 2 Unveiling the Landscape for Greater Impact

2.1 What is a “Foundation”?

The term “foundation” has no precise meaning in the non-profit sector, nor does it have any legal definition in many countries (Council on Foundations, 2023; Johnson, 2018). In fact, the existing legal definitions across countries are not consistent either (Johnson, 2018). While “foundation” is not a technical term, it is increasingly and interchangeably used with the term “trust” (Walker, 2022). Jung (2020) defines foundation as “an **independent entity** to which a donor transfers assets. This entity is then required to use those **assets**, and any associated **returns**, in pursuit of one or more **defined purposes**”; while the Council of Foundations (2023) defines them as “an entity that supports **charitable activities** by **making grants** to unrelated organizations or institutions or individuals for scientific, educational, cultural, religious, or other **charitable purposes**”. It can be discerned through multiple sources (African Philanthropy Forum, 2023; Council on Foundations, 2023; Johnson, 2018; Jung, 2020; Walker, 2022) that foundations have three features:

- independently governed with their own board;
- managing assets and returns; and
- set up for charitable purposes via giving grants, running programmes, and providing other support to charities



Thus, other than “foundations”, “institutional givers/ donors” may be another way to describe these entities, emphasising the fact that they are set up as an institutionalised giving vehicle. The different types of institutional givers included in the study are described as follows:

| Type | Description |
|----------------------------------|--|
| Donor Advised Funds (DAF) | Donor-advised funds are philanthropic funds where an irrevocable contribution is made to an organisation, such as a DAF sponsor or philanthropy advisor, who then administers the grant on behalf of the donor. Donor advises on the disbursement of the assets contributed, while the sponsoring organization may also recommend specific charities (Wealth Management Institute & Private Banking Industry Group, 2022). |
| Private Foundations | Private foundations typically have one or a small handful of financial sources—an individual, a family, or a corporation (Council on Foundations, 2023). Corporate foundations are created as a separate legal entity from the corporation and financially supported by a corporation (Council on Foundations, 2023). |
| Operating Foundations | Operating foundations—which are most likely privately funded—generally do not make grants, and the majority of their funds are expended to operate their own programmes. (African Philanthropy Forum, 2023). |
| Public Foundations | Public foundations are charities that “primarily make grants” (Council on Foundations, 2023). Most of these foundations are typically “publicly supported charities, meaning their funds are from multiple sources, which may include private foundations, individuals, government agencies, and fees they charge for charitable services they provide (Council on Foundations, 2023). |
| Community Foundations | Community foundations are public charities that typically lend support based on geography, which they do so by collecting and managing donations to support the needs of the community and local non-profits (Fidelity Charitable, 2024). Community foundations often provide various grant-making programmes, including donor-advised funds, and may launch their own funds for specific causes and purposes (Fidelity Charitable, 2024). |

There is another type of institutional giver in Singapore—Tote Board—which disperses grants for the common good which is not part of the government’s public spending. Although not a foundation per se due to its statutory board status, it has been included in the interview due to its sheer size and influence of grants.

This report uses “foundations/funds” as a more colloquial alternative to “institutional givers” to avoid repetition. As funders, their commonalities allow us to discuss them together on why and how grants are made.

2.2 What Types of Foundations Are There in Singapore?

The foundation landscape in Singapore is evolving and expanding yet still opaque, with limited publicly available data and lack of standardised reporting. Based on the publicly available data collected between February 2022 and January 2023, private foundations/funds make up the majority (77%) of foundations in Singapore. Individual/family foundations are the most common of the private type (at least 41%), with around 18% made up of corporates and the remaining as uncategorised private funds. Most (76%) foundations/funds giving to Singapore have local origins.

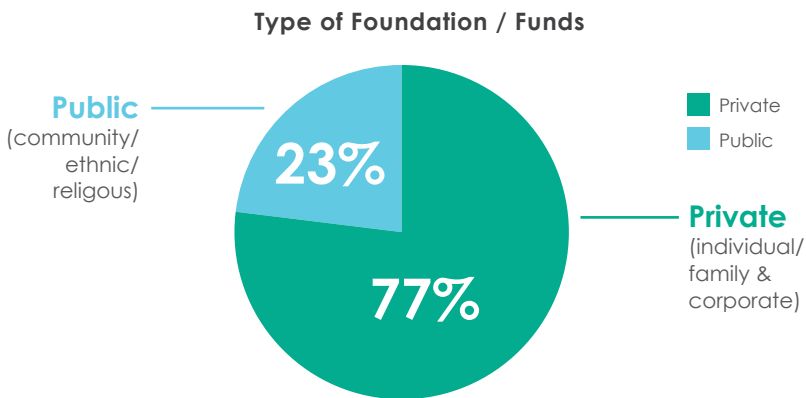


Figure 02: Profile of institutional givers identified by the study (n=241)

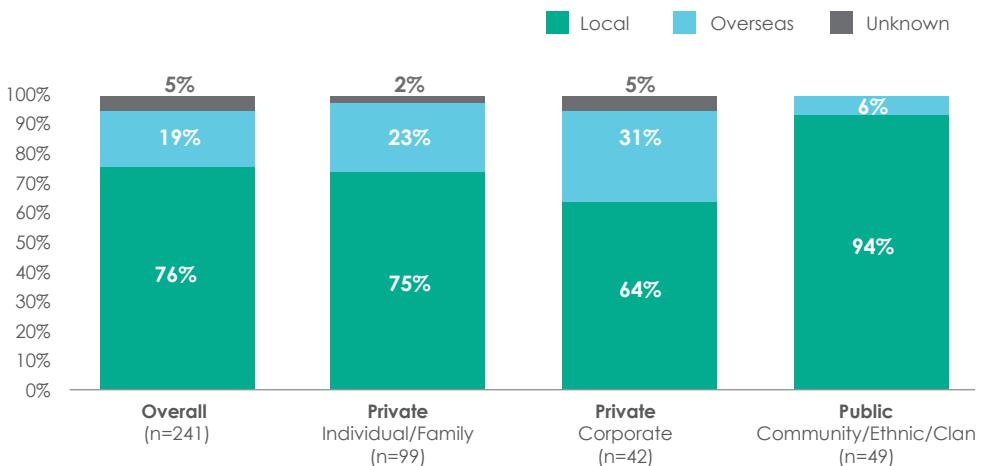


Figure 03: Most (76%) foundations/funds giving to Singapore have local origins

The majority of foundations were set up in the last two decades, and the growth in their numbers is expected to continue, primarily driven by new private foundations/ funds (Choong et al., 2021). This is in line with international trends and is reinforced by Singapore's status as a preferred destination by Asian families for private banking and wealth management (Choong et al., 2021).

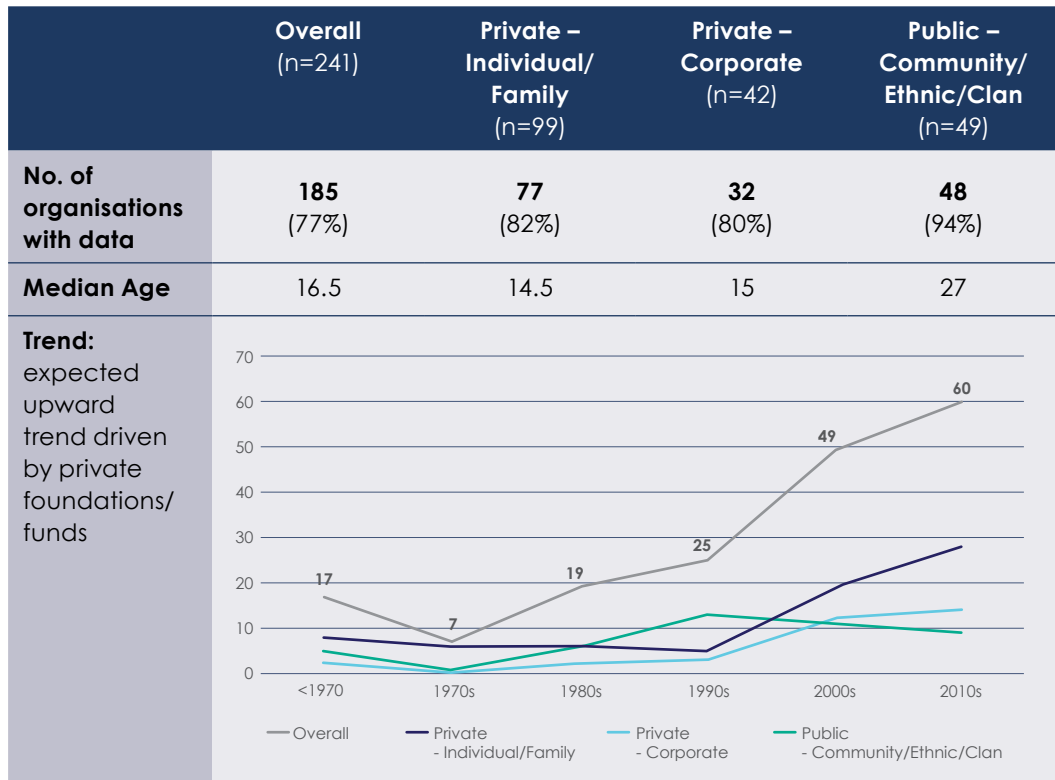


Figure 04: Age of foundations in Singapore and their increase over the years

However, data on foundations and their activities remain patchy and of varying quality. One-third of the institutional givers identified are not registered charities, which means they are not required to publicise annual and financial reports. In cases where annual/financial reports are published, the differences in terminologies, financial year cycle, and grant details made it very difficult to paint an accurate picture of resource flow.

Charity Registration of Institutional Givers

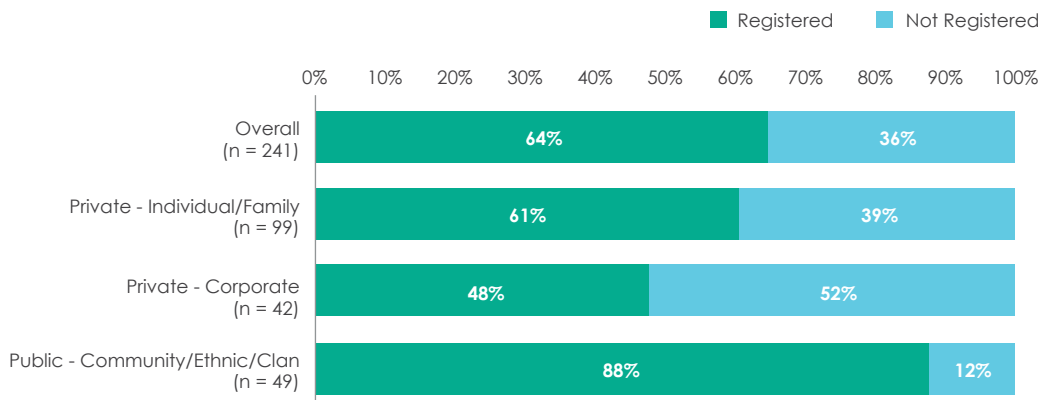


Figure 05: Charity Registration of Institutional Givers

2.3 What Do Foundations Support, and Why?

Institutional givers decide what to support based on a variety of reasons, including resources, capabilities, interests/mandates and incentives. Based on our interviews, the underlying question every funder asks themselves when making decisions would be, “What is my value-add? What unique contributions can I make?” They tend to search for answers with two broad dimensions in mind—needs and interests. That is, what are the unmet needs and gaps on the ground, and what resonates with my values and experience?



At that point in time, we identified three causes: elderly, education, and disability, to support. And obviously, there are many other needs on the ground. But we also understand that those needs are supported by [other] corporates as well, for example, children. So, we decided to support the causes that we think we have the **capabilities and competency for our people to contribute back to the community.**”
 [Interviewee #20]

Cause Areas Supported by Foundations Giving in Singapore

The top 3 causes supported by foundations/funds are education, social service and welfare, and healthcare, which is in line with the global top 3 causes supported by foundations (Johnson, 2018).

Cause Areas Supported by Institutional Givers in Singapore

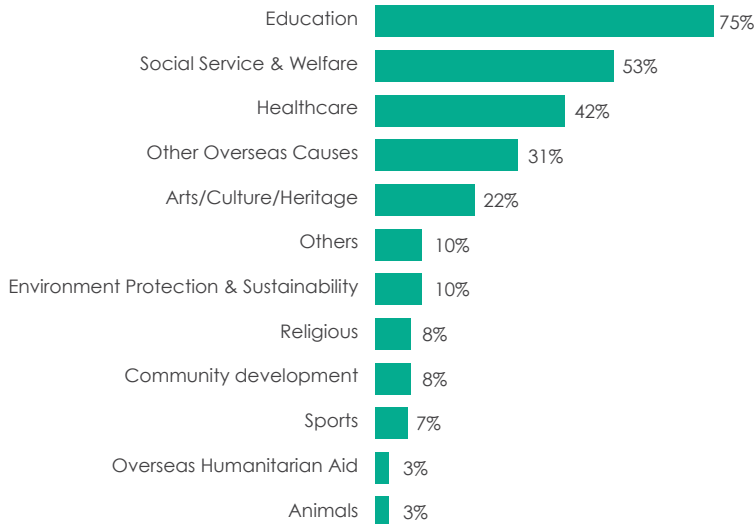


Figure 06: Focus areas of foundations giving in Singapore

Cause Areas Supported by Global Foundations

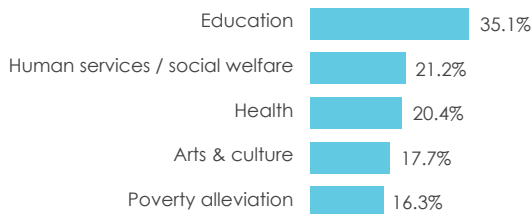


Figure 07: Global focus areas of foundations

Interestingly, this also aligns with the Singapore government's top three supported causes.³

Government grants FY2020 (\$m)

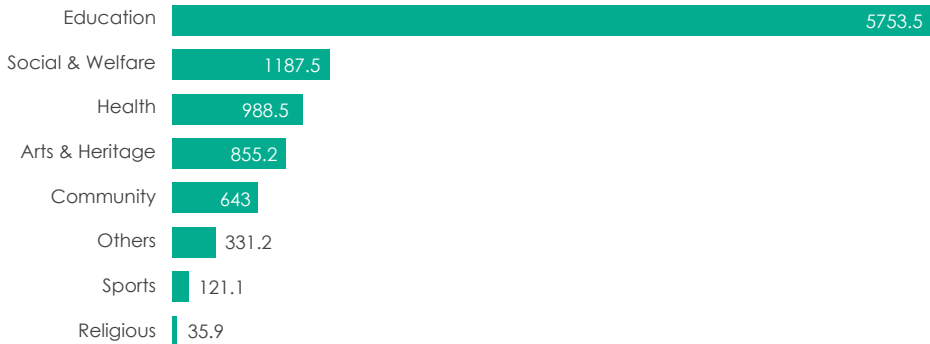


Figure 08: Government grants to charities in different sectors

Foundations acting adjacent to government objectives is a common phenomenon in Asia (Shapiro et al., 2018). And “more often than not, it is not a case of considering why philanthropists should work with government, but usually a matter of when and how” (Lee et al., 2023). Singapore is no exception.

“ ...the disability agenda was also quite high up in the government's agenda. So, **we wanted to align... what the nation's needs are...** with what our efforts should be” [Interviewee #8]

However, seeking alignment with—and, more importantly, complementing national priorities—is not as simple as mirroring the government budget. We need more data on the needs and a more comprehensive understanding of the supply of funding (individual, corporate or institutional giving) to know if private resources are making a real impact beyond government spending. As one of our interviewees put it:

³ Note that this is not a direct comparison in terms of money spent. The graph reflects what causes foundations claim to support, whereas for government, it is about how much money was allocated to each cause.



I would also just say confidentially that we just don't have enough access to data. We don't know exactly what the social issues and unmet needs are, data is very hard to come by. So, we don't have clear direction on where we can really add value...what we should fund and how, but we don't have that **clear alignment, or like, 'this is really where there is a national policy on something or a national direction, and this is where philanthropy can come in play a role'**...it would be really good if we had that direction." [Interviewee #12]

Grant Size

Although the big funders may give out more than S\$70 million a year, many funders operate on a much smaller scale. To our best knowledge, the most common grant expenditure size remained in the range of S\$100,001 - S\$500,000, followed by S\$1 to S\$5 million annually.

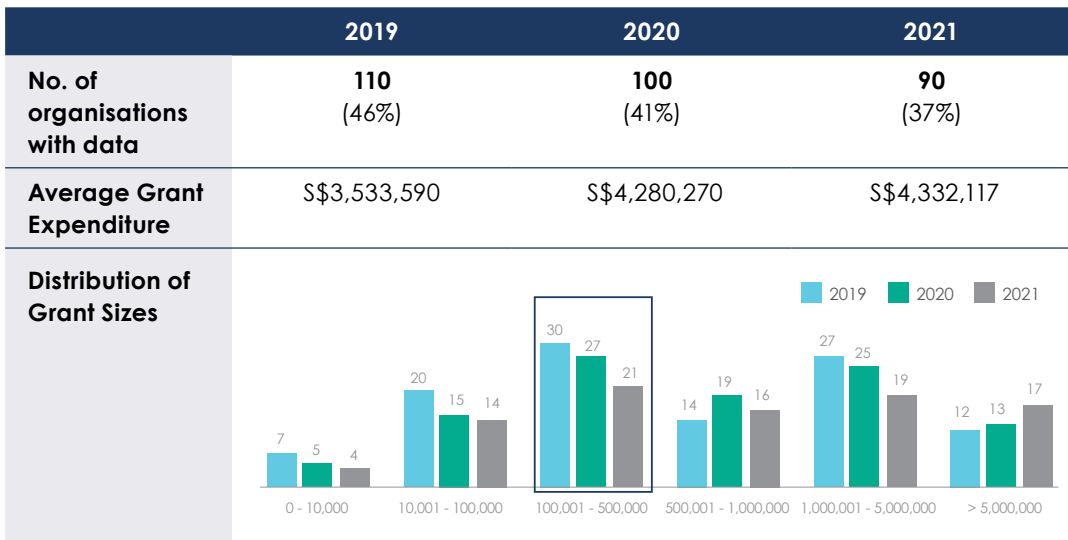


Figure 09: Grant expenses and sizes of grants given by foundations in Singapore

Internationally, the average annual foundation spend rate—demonstrating the percentage of assets deployed for charitable purposes—is 10.3% (Johnson, 2018). The spending rates of private funders in Singapore vary significantly, with the average rate being 21.16% and the median being 5.33%.⁴

Based on our interviews, foundations are typically funded by an endowment, by the profit-making arms of the overarching business group, and/or by fundraising. These methods are not mutually exclusive. Many foundations budget in a way that ensures “reserves are adequate enough to see us through our commitments” [Interviewee #9] and take on new things based on dividends and investment returns available.

Target Groups

When looking at target groups, youth, low-income groups, and children appear to be the top 3, and the variation between different types of foundations that support these groups is not significant.

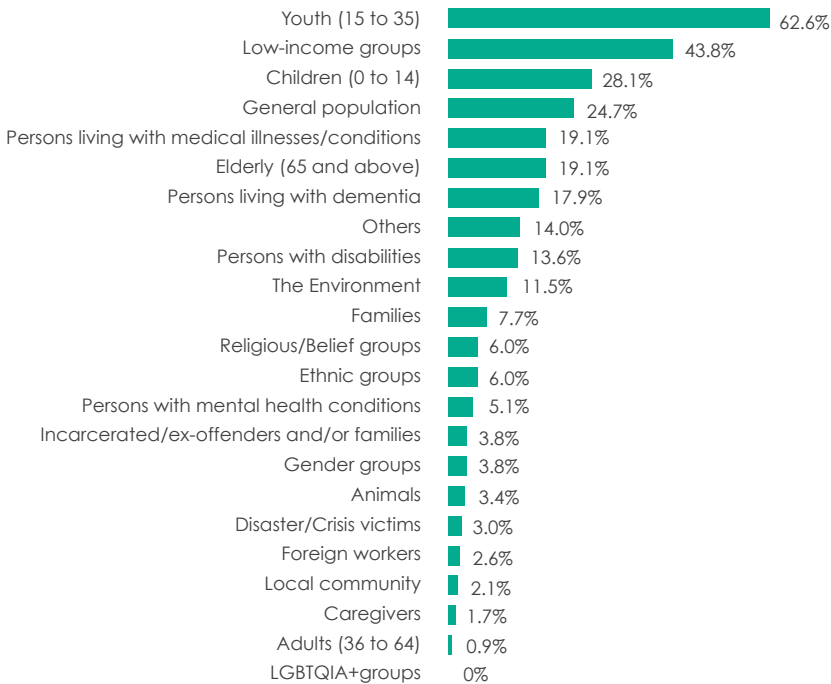


Figure 10: Service user groups of foundations giving to Singapore

4 Calculated based on Soristic, 2022



Geographical Focus

Although we have focused on foundations giving to Singapore causes, less than 40% disburse grants exclusively to local organisations/individuals. While most public foundations focus on local needs, private foundations tend to give beyond the Singapore borders despite lacking a strong tax incentive.⁵

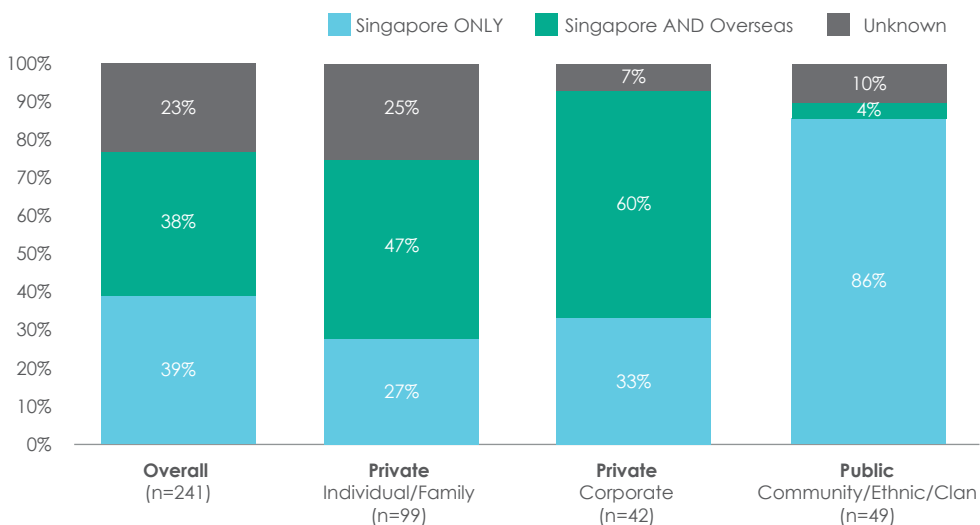


Figure 11: Geographical focus of foundations giving to Singapore

⁵ Cross-border donations were not eligible for tax incentives when publicly available data were collected for this report. While family offices can receive a 100% tax deduction when giving overseas (capped at 40% of the donor's statutory income and when made through qualifying local intermediaries) after Budget 2023 (Cua, 2023), private foundations can receive up to 250% in tax deductions when giving locally (IRAS, 2024).

Type of Recipients

While most institutional givers (73%) disburse grants to organisations only, sometimes, they find ways to support ground-up initiatives and even individuals.⁶

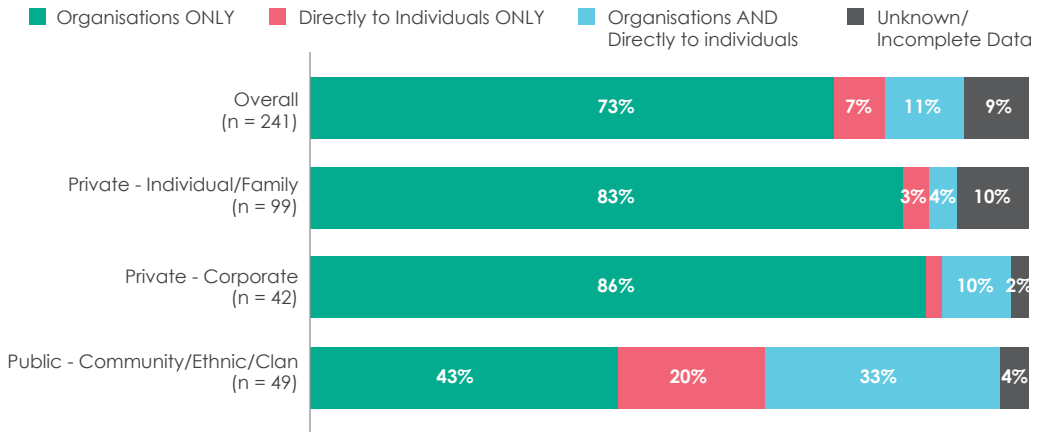


Figure 12: Types of grant recipients

Apparently, tax incentives are not always the primary concern for institutional givers seeking to make a real impact. What else, then, would motivate institutional giving?

Motivations

Academic literature has identified the motivations for devoting private wealth to charitable purposes and, specifically, setting up an institutionalised vehicle to do so. This could include psychological reasons for individuals; economic, social, operational and organisational reasons for families and corporates; community building and empowerment for community foundations; or even pressure from the government in certain parts of the world (Andreoni, 1990; Feliu & Botero, 2016; Han et al., 2019; Minefee et al., 2015; Phillips & Jung, 2016; Shapiro et al., 2018; Tan, 2018). In our interviews, participants have cited psychological reasons (such as values, legacy, moral responsibility), operational reasons (such as sustainability, privacy, flexibility) and, sometimes, social reasons (such as reciprocity). More progressive donors have also brought up community and capacity building as further social motivations.

⁶ While some foundations are open to funding non-registered parties like individuals and ground-ups without claiming tax benefits, certain foundations with the “grantmaker” status only channel funds to IPCs – Institutions of Public Character, a status accorded to a registered charity or an exempt charity for a period of time (Charity Portal, 2024). In addition to the income tax and property tax benefits enjoyed by registered charities, IPCs are authorised to issue tax deduction receipts for qualifying donations received (Charity Portal, 2024). There are also cases where funders partner with other foundations with dedicated grants for non-registered entities, such as ground-ups.

Family foundations exist to share wealth, have a structured giving strategy, fulfil a mission and sustain family values and closeness (Lee, 2019). In Singapore, family foundations have been typically set up by an individual or a family to address pressing societal needs during a particular period. The Tsao Foundation, for example, was set up following the founder's concern for the well-being of older people, particularly older women like the black and white "majie", a group of women who worked as domestic helpers in Singapore between the 1930s and 1970s (Koh, 2013).

“**Philanthropy is an expression of values.** We believe that those in the shadows of death deserves better care because they are the sickest, weakest, most vulnerable and very often voiceless members of society. They also have a complex constellation of needs.”
[Interviewee #11]

Corporate foundations typically start as an effort to formalise the Corporate Social Responsibility arm of their respective companies. Giving becomes more targeted and aligned with organisational goals (Teo et al., 2011). While some corporate foundations came into being for tax advantages (Minefee et al., 2015), many become more serious about their philanthropic endeavours as they journey on. The formalisation of philanthropy as a foundation allows continued devotion to giving priorities and cause areas even if the company is bought over (Minefee et al., 2015). For example, one interviewee established a corporate foundation to “systematically think about how they contribute to the community” and to signal to the wider public that they are serious about their philanthropic journey [Interviewee #4].

Similarly, donor-advised funds sponsors, such as Community Foundation Singapore and UBS SymAsia Donor Advised Fund, were set up to allow their clients to “move from doing philanthropy in a very ad hoc manner” to “a more structured yet hassle free manner” [Interviewee #6] so that the donors can commit to and focus on the causes they are serving with the desired level of privacy and flexibility.

Public foundations in Singapore, such as The Majority Trust and various health funds, are established to provide stable funding for a wide variety of local needs. They look to equalise the playing ground for individuals with socio-economic disadvantages so as to create a cohesive community with higher standards of living for all (Teo et al., 2011). In addition to what the literature has identified, community foundations in Singapore also expressed the ambition to build capacity for the non-profit ecosystem.



We launched the [programme name], that helps charities with branding, communications. And then we're working closely with [charity name] to provide capacity building. (...) **Our goal is to say that if you are a grantee partner, we want to give you everything so (that) you will succeed.**" [Interviewee #14]

2.4 More Transparency for Greater Impact

Institutional givers often look for the sweet spot that offers them the unique value-add, one which fulfills a societal need and resonates with their values and interests. While searching internally for values and interests could be done either in silo or in groups, mapping and understanding the real needs requires whole-of-ecosystem coordination. The giving ecosystem is complex, as needs are aplenty and ever-evolving.

Currently, foundations undertake individual efforts to understand the ground and when possible, the root cause of a problem. As exemplified by Interviewee #14,



...the grants team or portfolio manager or grant managers will actually meet with the folks on the ground on a fairly regular basis. **Our setup was pretty labour-intensive, they actually go down...to meet with the grantee partners one on one, they understand what the scope is,** and if there is a sufficient way for us to say hey, actually, there is a place to start funding. By the time we go to our donors, we will have talked to probably 80, 90% of the key players. We roughly know what their projects are, what kind of numbers they need.

If talking to charities is not sufficient, foundations may undertake further research. For example, to understand public health needs, an operating foundation conducts regular population health surveys that serve as a "snapshot of the community" to identify needs and develop services accordingly. Similarly, a community foundation publishes a trend analysis every two years to study the future of Singapore, thereby working backwards to understand the work and effort taken towards those needs.

However, many foundations still struggle to paint a more accurate picture of where the needs are. To maximise the value of private resources for public good, foundations need more information to know where they can complement government efforts (Field, 2020; Lim & Lujan, 2018). While no one cause area is more important than others, if there could be a macro view of needs and gaps in Singapore, the ground-sensing work by foundations can be more targeted and efficient.

Understanding needs is just one part of the story. To maximise the impact of limited resources, demand and supply must be mapped. Foundations themselves need to do more to help improve the efficiency of resource allocation by disclosing their grant information according to a common standard. This can be achieved via two potential routes based on international examples.

“ I think data are blinded to us... I think only [the government agency] would have the biggest picture. And unless they stepped in as a moderator...otherwise, it will always leave the questions of whether we are always over-serving certain charities. So, it is our challenge... Sometimes [the charities] are all competing against the same donors...there are so many [charities] serving the same sectors...are we over serving certain groups of people? **I think having someone who have that clarity of information to be the moderator actually helps to distribute the resources more evenly.**” [Interviewee #9]

“ You will be able to talk about 'is this, for example, already on the government's agenda? Is it something that is going to be taken up by the government in the future', or 'is it something which is not on the government's agenda, but it's extremely important'.” [Interviewee #12]

“ So sometimes the government has the funds, but just [don't know] how [to] do it. They don't have the expertise or the know-how and it's high risk. This is where we come in, because that's our backyard.” [Interviewee #23]

The first route is a bottom-up approach, where institutions can self-report to a commonly agreed data-sharing standard. Well-established institutions and membership platforms could pave the way by instituting examples of such standards. For example, 360Giving UK relies on foundations voluntarily publishing data using the 360Giving Data Standard, which has 10 core fields, eight of which are consistent for all types of grant-making (Identifier, Title, Description, Currency, Amount Awarded, Award Date, Funding Org: Name, Funding Org: Identifier) (360Giving, 2023).

The second route is more top-down, leveraging compliance requirements. In the USA, Internal Revenue Service information returns (Forms 990 and 990-PF) establish the basis for data transparency for foundations (Candid, 2023). The forms ask for disclosure of the foundations' financial activities, trustees and officers, assets, application information, and a complete list of grants awarded for the specified fiscal year, including the recipients' names, locations, and grant amounts (Candid, 2023).

This is not to intrude on the privacy of the donors, which is a main consideration worldwide, especially in our region due to culture and even safety concerns. For example, we can protect personal information and even foundation identity by creating an aggregated database. This shifts the focus to the allocation of resources, as it is less about "who" gives, and more about "how much" and "to whom".

Chapter 3 Uncovering Opportunities for Stronger Funder-Grantee Relationship

3.1 Foundations Can Provide More Than Money

Foundations are typically associated with grant-making as they voluntarily redistribute wealth based on their interests and/or abilities (Jung, 2020). Beyond making grants, institutional givers play multiple roles in the ecosystem as their independence allows them to take risks and/or create change by catalysing innovations for the greater good (Jung, 2020). Our interviews have alluded to some of the different roles foundations play⁷:

- 1. Resource provider:** Foundations contribute material resources to charitable causes. In the United States, 21% of the donation is contributed by institutional givers. In Singapore, based on data from 100 out of the 240+ institutional givers we have identified (roughly 42%), their grant expenditure accounts for around 14% of the 3.1 billion total donation for FY 2020. The actual contribution is expected to be higher.



7

Roles are not mutually exclusive categories. Many funders take up different or multiple roles at different stages of a project. There is no value judgement implied either. The evaluation of which roles are more desirable (and for whom) needs to be contextualised.

- 2. Problem solver:** Some foundations, especially operating ones, carry out programmes to address needs on the ground, thereby solving problems directly. As one of them explained: “We are here to see whether there is a problem that needs a bit of thinking, a bit of solving and then we’ll jump straight into it.” [Interviewee #21]. From building integrated homecare systems to prosthetic limbs, from offering early education to palliative care, wherever there is a real-life problem—especially the wicked, risky or uncharted ones—foundations have both the flexibility and resources to fill the gaps in ways that make the most sense to them, even when it requires hands-on work.
- 3. Risk taker:** Philanthropy has sometimes been thought of as “society’s risk capital.” (Washatka, 2019). As they are not spending public money, our interviewees have said that foundations are able to “do more experimental things.” As one foundation puts it, “philanthropy should be about taking risks.” [Interviewee #12]. Another feels foundations are “uniquely capable”, “uniquely positioned”, and “uniquely qualified” to be risk takers because they disburse private resources not primarily for financial returns but for social returns and impacts that need piloting, learning from trial and error, innovating, scaling, and sometimes long-term investment. [Interviewee #11] Institutional givers are in a good position to take advantage of their autonomy and be the trailblazers for society.
- 4. Enabler:** Foundations also act as enablers for charities by building their capacity either via compliance, consultancy or systematic co-creation. For example, funders can require charities to spell out their theory of change and plans for measuring impact in their grant proposals so that charities have to learn how to do them. They can also provide consultancy and guidance on how to fulfil the requirements, and/or set aside a portion of their grants to cover capability development, research and evaluation cost for the charities. Moreover, they can embrace unrestricted funding or a trust-based model by working with the charities to understand the issue and co-create solutions.

No matter the role they play, foundations are clearly changemakers. Yet, driving change is not solely about addressing societal needs or shedding light on them. It can also manifest in the form of augmenting the way funders and fundraisers interact. One of the things that drives the Majority Trust to do things differently, for instance, is the desire to “be the funder they always wished they had.” This entails “looking at philanthropy differently” and asking how foundations can create an ecosystem that “supports charities to give them the highest probability of success.”

Not all foundations are willing or able to take up different roles. It may depend on the funder's motivation, purpose, resources and stage of development, as well as their relations with the grantees. Sometimes, relations with grantees also influence how institutional givers provide resources and how involved they can be in the charities' long-term development. Good working relations incentivises institutional givers to be more flexible in what they are willing to fund. What, then, underpins good working relations between funders and grantees?

3.2 Secret Ingredients of a Successful Partnership

Networks are important, but not everything

Foundations become aware of interesting programmes through open grant calls, organic encounters at events, and references via personal and professional networks. They also seek information and validation from membership and intermediary organisations, and sometimes other funders, such as Asia Philanthropy Circle (APC), Asian Venture Philanthropy Network (AVPN), National Council of Social Services (NCSS), UBS Optimus Foundation and Community Foundation Singapore (CFS).

Networks and relations are important. It makes cognitive sense for people to be more willing to process information they already know. Although networks and relations can take you to the doorstep of the donors, they can only go so far. As someone who has worked on both sides of the grant proposal puts it, "If I beg you... and you're a friend's friend, yeah, I only get at most one donation out of pity" [Interviewee #23].

“ People don't achieve targets, not because they are lazy, sometimes it's just things happen. Wrong projection from the beginning. And then we try to help them understand. And if there are areas where a bigger organization can actually come in and help, then we connect them to bigger organizations. Again, we work on a fairly high trust environment. We place a lot of emphasis on the onboarding, meaning that if we approve you as a grantee partner, we have done our due diligence. And if things don't go well, we also take it upon ourselves, maybe our due diligence, we did not as well. It's never just one person's fault. Sometimes it is also our fault. Maybe we didn't ask enough questions, and so on. So, we tend to go in and say, you know, how can we make it better?" [Interviewee #14]

What if I don't have established connections?

Bearing in mind the importance of networks and the limitations of relying solely on them, the good news is that funders understand the necessity of making cold calls and soliciting funds, and therefore are generally open to fundraisers writing in. However, ineffective solicitations can harm the appeals for funds. An ordinary proposal from a stranger could just be set aside, and writing in multiple times usually does not help. One interviewee recalled receiving around 20 appeals for help from the same charity because the charity had sent appeals to all existing subsidiaries under the overarching business group. Apparently, none of the 20 went through.

To enhance the chances of getting grants without prior connections, two things will help charities/fundraisers pass the due diligence stage. Firstly, potential grantees should have an established presence on the internet, such as through having a proper standalone website and social media pages. Ideally, the online platforms should contain organic evidence of the charities' work, such as stakeholder interactions. Secondly, charities/fundraisers should be able to present concrete evidence of a proven track record. Charities should celebrate and document their milestones, demonstrate past achievements, and be clear on future plans.

What should fundraisers consider:



Focusing on foundations closely aligned with the programme's purpose



Having an established presence on the internet



Making yourself known to intermediaries (e.g. CFS, NCSS, NVPC, APC, AVPN, etc.)



Remember that networks can take you to the doorstep of the donors, but it can only go thus far.

What makes a proposal stand out?

With or without connections, the success of fundraising ultimately depends on two important factors—i) quality of the programme and the proposal, and ii) quality of the charity's leadership and team.

A good project proposal should demonstrate the charity's knowledge, understanding, and “ownership” of the issues they are tackling (Tan, 2018) and their deep understanding and caring for their service users. This may include: 1) evidence on the scale and impact of the issue; 2) analysis of existing resources and why they are not sufficient; and 3) the unique value-add of the proposed programme/solutions. Some funders would mandate a Theory of Change of the programme (or the organisation) to reflect these points.

In addition, there should be plans for measuring progress and impact. This includes spelling out the indicators to be tracked over a certain timeframe using certain methods to understand if the programme will deliver the intended outputs and outcomes. With resources come accountability, and measurement is not a “hassle” but a crucial step in understanding if a programme is working. Our interviewees have also highlighted that charities should be able to provide basic information and outputs of their programmes “even without [the] funder asking”.

“It's not that we are trying to probe you for information, but **as a funder, we need to know, then we can also go and tell the story...** to rally more support for you. **I do outcome measurement [because] it's good for me too. So that we can track whether... we are on the right track.** If we do find that it's not on the right track, are there areas for improvements?”
[Interviewee #5]

What do funders look for in non-profit leadership?

If a proposal is interesting, the funders will most likely meet with the non-profit leader(s) and project team for further discussions. For many funders, evaluating leadership quality is a crucial step in deciding whether to fund the project and in what ways. Desirable leadership should be responsible and reliable, have a clear vision for the future they want to create, demonstrate enthusiasm and optimism amid difficult situations, and, most importantly, have ownership of the issue they are tackling. This means true care and compassion for the service users, purpose and mission driven resilience, and an appetite and hunger for advancement.

What should fundraisers consider:

1 Demonstrate a deep understanding of the gap(s) the programme is trying to address, including who is working in the field and why other programmes have not been able to address the gap(s).



Useful tool: Landscape Scan

2 Have a clear vision of the impact you are working towards (how the programme can make a difference), and how to track and measure it.



Useful tool: Theory of Change & Logic Model

3 Desirable leadership qualities include:

- Responsibility, responsiveness, reliability
- Enthusiasm and optimism
- Vision of the future
- Ownership of the issue – care and compassion for the service users; purpose/mission-driven and appetite and hunger for advancement

Further, charities can adopt a more relational approach when interacting with funders. Many of the interviewees have expressed willingness to look beyond a single project:



There's a time for everything. Now, I may not work with you, but doesn't mean in future I will not work with you... I may be with you for this project, and it has ended... if let's say our relationship has been really good, in future, we find that, hey, these are areas that we can explore, we may come to you again." [Interviewee #5]



... we want to build **long-term networks and relationships...**
[Interviewee #1]

Taking a relational approach also means fundraisers should view their jobs as helping donors to realise their value and purpose, rather than receiving a favour from them:



In sales, you thank the customer. **In charity fundraising, the donor thanks you. (...) You listen more than you talk, pitch, or sell.** And hopefully, just that alone will get [fundraisers] on the correct track."
[Interviewee #23]

What funders can do?

1. Be more open and approachable

It takes two sides to build good working relations. At the minimum, our data showed that funders can do better in being more open and approachable—only 28% of institutional givers have clear grant application channels that specify eligibility criteria (see example below). Public foundations and private corporate foundations are doing better in this regard.

Does the foundation have clear grant application channels?

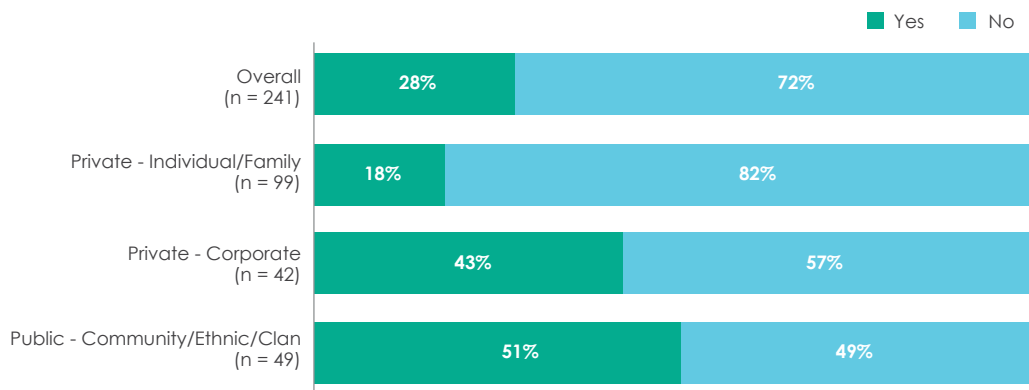


Figure 13: Only 28% institutional givers have clear grant application information

Example

Application

Guidelines & Eligibility

Chua Foundation accepts applications from

Singaporean-based organisations of a valid institute of a Public Character (IPC) status.

Clear guidelines on type of accepted grantee

We look for grantees whose primary purpose aligns with ours, within one of the following categories:

- 1. Special Needs Care**
- 2. Elderly Care**

Clear guidelines on type of causes supported

Figure 14: Example of clear eligibility criteria

Lack of transparency from foundations is a common critique internationally and one that tends to be controversial. While foundations may want to keep matters anonymous for a variety of security, political, cultural, and religious reasons (Johnson, 2018), publishing information about their grants and guidelines can be managed in ways that do not intrude on the donor's privacy, yet still present foundations as open, communicative, and accountable (Lomax & Wharton, 2014). It helps ease the burden of the funders as well. Being more open and approachable will help charities to be more targeted in their engagement efforts, potentially improving the relevance of incoming proposals.

2. Improve grant conditions and embrace new funding models

In addition to being more accessible, institutional givers can improve grant conditions to better suit charities' needs, upgrade themselves to embrace innovative funding models, and provide more flexible or affordable credit options for charities.

Currently, while many institutional givers avoid once-off event-based funding and offer grants that span at least 12 months, unrestricted funding is still not very common. We observe a spectrum of attitudes from "we hope 100% goes direct to beneficiaries" [Interviewee #9] to "our funding is completely unrestricted" [Interviewee #15]. Many in the middle are willing to consider supporting a reasonable percentage of overhead (roughly gauged at 20%) and evaluation cost (10%) – with good justification, of course.

“...for pilots, depending on the complexity of the issue, we feel that 3-5 years is often needed” [Interviewee #12]

International studies have identified unrestricted funding as a “lifeline” for charities with proven benefits (Wiepking & de Wit, 2020). At the basic level, it offers charities the financial stability to stay alive as they cover core costs such as overhead and operational expenses, which in turn allows charities to focus on fundraising for other needs (Wiepking & de Wit, 2020). Moreover, supporting the capacity of a charity is an outcome in itself (Misra & Guerrero, 2024). If an organisation’s capacity is considered an integral part of its performance and potential in other industries, this should be the case for charities. Distributing funds to build a charity’s capacity helps establish a strong system and boosts confidence within the charity, and in the long run, builds the human resource and organisational capacity needed for progressing towards opportunities while serving as protection during difficult times (Misra & Guerrero, 2024; Wiepking & de Wit, 2020). Further, unrestricted funding creates more room for innovation and real impact as it enables charities to carry out projects other funders typically do not fund, and it leads to open and candid discussions between funders and grant recipients, greater insights into the factors that either hinder or promote impact, and valuable lessons to guide future grant-making (Panorama, 2023; Wiepking & de Wit, 2020).

Nonetheless, it is a more difficult funding model to carry out in reality, as it requires a lot of pre-work on both sides and certain “mind shifts” on how we understand and measure impact.

At an ecosystem level, beyond mainstreaming non-restricted grants, we need more flexible or affordable credit options or funding models for charities to embrace innovation, scale programmes, strengthen their business model and prepare for future resilience. Philanthropic capital alone cannot solve all the problems we face. The Organisation for Economic Cooperation and Development (OECD) estimates a US\$4.2 trillion annual SDG financing gap in developing countries after COVID-19. (OECD, 2020). We need new funding models that leverage the strength of public institution spending, private philanthropy, and commercial capital (and sometimes blurring the line in between) to support different stages and needs of a project.



There have been some interesting experiments in Singapore. The Maybank Momentum Grant, established in 2020 as Singapore's first recyclable grant, invests in charities' operations for their sustainability and subsequent growth (The Majority Trust, 2024). It prioritised the support for smaller charities – the “start-ups of the social sector” – to help them bounce back from the COVID-19 impact and continue doing crucial work on the ground (Ang, 2021).

Example 1 **Maybank Momentum Grant (TMT)** **– a recyclable grant**

The Maybank Momentum Grant offers an interest-free recyclable grant of up to S\$150,000 (the equivalent of operating expenses for 4 months) to small charities (including non-IPC charities) (The Majority Trust, 2024). In addition, recipients also receive a two-day masterclass on impact, financial sustainability, strategy, leadership, and comprehensive SME banking solutions with Maybank (The Majority Trust, 2024). Funds must be returned in three to five years to help more charities in the future (Ang, 2021). The Majority Trust believes such a scheme will help charities focus their attention on the actual ground work, while also helping them scale and accelerate their impact (Ang, 2021). The first batch of the grant's recipients, Limitless, Engineering Good, and the Greenhouse Community Services, received S\$360,000 in total (Ang, 2021).

The Singapore Social Impact Guarantee, the world's first social impact guarantee, is an outcome-based funding model. It focused on securing the capital needed to scale an existing intervention that equips youth with the skills and training they need to be productively engaged in society (Tan et al., 2021).

Example

2 Social Impact Guarantee

As the world's first Social Impact Guarantee advised by Tri-Sector Associates, it was built upon Social Impact Bond while resolving some common implementation barriers. It involves a social impact funder (donor) to provide funding to a service provider to achieve a set of agreed-upon impact outcomes. The service provider develops and implements the service with the support from one or more third-party guarantors and other capacity builders, and gets the outcome measured and reported. If the programme did not achieve the agreed-upon outcomes, the third-party guarantor(s) will reimburse the social impact funder for any unachieved impact. The funder can then use this funding to try again. In exchange, some guarantors may ask for a small premium (Tan et al., 2021).

Since 2011, the YMCA of Singapore (YMCA) has been running the Vocational and Soft Skills Programme (VaSSP), targeting youth aged between 15 and 21 years, who are not in education, employment or training (Tan et al., 2021). While the programme enjoyed an average success rate of 62% (success defined as beneficiaries placed in employment or education), YMCA believed the remaining 38% could be better supported as well (Tan et al., 2021). As such, TSA designed a SIG with the YMCA and approached an existing funder of the VaSSP, TL Whang Foundation (upfront funder), to provide S\$150,000 for YMCA (service provider) to enhance the programme based on the past experiences of YMCA such as an internship component for all participants, extending the period of social intervention, and implementing an enhanced learning programme to equip youth with additional skills and/or certifications (Tan et al., 2021).

The target impact of the enhanced VaSSP was to place 56 out of 75 enrolled youth in education or employment, equivalent to a 75% placement rate (an increase of 13% from the original VaSSP). Had the number of youth placed been below the target of 56 but above the baseline of 46, the Lorinet Foundation (the guarantor) would make a contingent donation to a charity of TL Whang Foundation's choice. At the end of the programme, the enhanced VaSSP successfully met the target impact by placing 56 youth. As such, the guarantee was not triggered and the SIG was considered a success.

The SIG benefited all the stakeholders involved. The upfront funder appreciated the increased depth and breadth of engagement between the project stakeholders, as well as the focus on outcomes. As for the guarantor, it could maximise the time-value of the money as it did not need to deploy its funds unless the guarantee was triggered. The service provider (YMCA) had the additional resources needed to innovate, build capacity and scale its impact.

The Pay for Success pilot run by AWWA Ltd is yet another programme focusing on outcomes. Using a variation of the traditional cross-sector Pay for Success model, the Tri-Sector Associates' "outcomes amplifier" model had an "upfront funder" (a private philanthropist or impact investor) paying risk capital for the service provider to deliver an innovative intervention in pursuit of the outcomes pre-defined by an "outcomes funder" (a large institutional funder or the government), and the outcomes funder committed to funding future rounds of the project, instead of paying back the initial pilot expenses (Tan & Samdin, 2023)

Example **3** Pay for Success – "Outcomes Amplifier" Model

AWWA, a multi-service social services agency in Singapore that offers housing and other social services to low-income families noticed that some lower income families in their programmes were in a cycle of trying to address urgent needs and the accompanying stress. Through focus group discussions with caseworkers and literature review, AWWA realised that a longer period of stable income is what would empower families to break out of their cycle of poverty as these families tend to have lesser mental bandwidth to plan for the future and improve their situation. As such, AWWA decided to run a pilot where monthly cash assistance would be offered for 18 months to families using its services. The funds, which are provided upfront by the Standard Chartered Bank (the upfront funder) to 75 households, are disbursed with the aim of giving families the capacity to think about their future while offering a sense of stability. Should AWWA meet carefully defined, pre-specified outcomes in the areas of ESE (education, skills, and employment), well-being, family, and other outcomes, Temasek Trust (the outcome funder) will sustain the programme for another 18 months.

Some new regulatory developments, such as the Revised Guidance on Regulation of Grantmakers (Charity Portal, 2023), reflected the growing need to embrace non-grant instruments. In short, "Singapore is a great place to be innovative, because of the regulatory environment, openness to collaboration, the whole ecosystem is here, so there is a way to experiment." [Interviewee #15]

3.3 Evaluating and Sharing What Works, Together

As demonstrated above, strong funder-grantee relationships rely on a systematic meeting of hearts (purpose) and minds (operational considerations).

Systematic Meeting of Hearts & Minds

Purpose Alignment

- Understanding of issue and service users
- Ownership of issues
- Leadership quality of grantees

Operational Considerations

- Common understanding of funding conditions
- Proactive communication and reporting by grantees
- Measuring progress and impact together

Our interviews have highlighted two specific areas where funders and grantees can work together to build such trusted partnerships: 1. Measuring impact as a collective endeavour and 2. Being willing to share failures as lessons, instead of embarrassment.

Measuring Impact as a Collective Endeavour

Generally, the sector has become more “intentional” about impact measurement. While many (including both charities and funders) are still learning how to do it, among the funders, data and evidence have become more “front and centre” in deciding where and how money shall be spent, and many are willing to put in resources and training for charities to get better at measuring and reporting impact.



...there's definitely more interest in things like being more intentional about their impact measurement and management. So even for us, you know, we've created learning materials around that. And it's becoming more sought after...
[Interviewee #15]

Funders expect different levels of reporting from grantees based on funding size and duration. But output reporting is always expected as part of charities'/grantees' accountability for the resources allocated to them. Currently, some charities/grantees may still struggle with output-level reporting, which could jeopardise funding relations.

Foundations often refer to established frameworks or tools to report their own impact, such as the United Nations Sustainable Development Goals (UN SDG)⁸ or Social Return on Investment (SROI). But many, especially those with a wide mandate (e.g. donor-advised funds), find it difficult to report their own impact. The difficulties of impact measurement lie in 1) defining impact, and 2) choosing the right measure to understand impact in both the short and long terms.

“...we also do provide training for them to think about impact measurement...helping them to articulate and crystallize their impact and theory of change... as they grow and mature, some of those then become not just what you report to us, but it becomes this is how you articulate it to your future, to your stakeholders, like potential investors in India, and all that right. Impact numbers become beyond just a number, you know, it becomes something that you actually use in your storytelling. [Interviewee #4]

“...as a donor-advised fund provider, how do I measure my impact? Because every donor wants to do different things, right? I mean, one donor wants to do environment, maybe mangroves, one donor wants to do education, maybe about after school care. So how do I measure my impact? I don't have a good answer for you... Because if my donor gave \$10, 000 to [a public fund], there is a pooled fund to it, I can take all the patients that the fund has helped as my KPI – that's not fair, right?... I guess the only indicator that we have now is just really the amount of incoming donations and outgoing as I know, it is not at all a good measure of impact. But that's all we have at this point.” [Interviewee #6]

8 Globally, over half of philanthropic institutions seek to align programs with global SDGs (Johnson, 2018)

In fact, impact measurement is an avenue where foundations and fundraisers can collaborate.

Reporting should never be done for its own sake, neither should it be sanitised to omit problems and utilised merely for good ROI on paper. Many funders view impact evaluation as a process to understand whether the resources and efforts have been directed in the right way. It should be helpful to both funders and charities.

“**...one challenge I still continually face is measuring the impact on a longer term.** And this is things that I still struggle to get from the social organisation. So, after having these upskilling workshops...six months later, I hear nothing about it. And while upskilling is intended to impact on a longer term, I don't have visibility on that.”
[Interviewee #8]

“**keep it simple, always ask our partners how we're going to hold ourselves accountable.** So, we, in a way, must agree. I take the cue from them (meaning the charities – note by researcher) what are some of these matrix matrices that matters to [them].”
[Interviewee #11]

“**the learning component is the most important part, right? The data is only giving you a direction. But what is it telling us that we need to do more, less, better?**”
[Interviewee #12]

Failures as Lessons, Not Embarrassments

This brings us to the second point on attitudes towards failure. Open and honest sharing of their experiences will also accelerate the learning process within the foundation landscape and support the upscaling of programmes that were concluded as successful or effective (Lim & Lujan, 2018). Admittedly, “stories of failure... is something that is significantly missing in Asia” [Interviewee #15]. But at least within the funding relationship, none of the funders we talked with will directly cut off resource simply due to a miss in target. Most of them would be willing to understand where things went wrong and how both parties can work together, learn and adjust.

What we can consider:



Peer-learning platforms, where foundations share their successes and failures, will help foundations and non-profit organisations to learn together, as it could potentially aid in the prevention of similar or repeat mistakes occurring across the foundation landscape and in the generation of new ideas (Lomax & Wharton, 2014).



We were happy to amend when things change. I mean, COVID is a great example ... in a way it was also a test of the agility and the resilience of many of the social entrepreneurs we have picked, right? So ... we're happy to morph the milestones, as long as it makes sense... and recognising that things change." [Interviewee #4]



[the chairwoman] says share all our failures, and all of us will be like, it's not very Singaporean, right? She said no, share, share where we screwed up. Share where we could have done better, you know, share." [Interviewee #21]



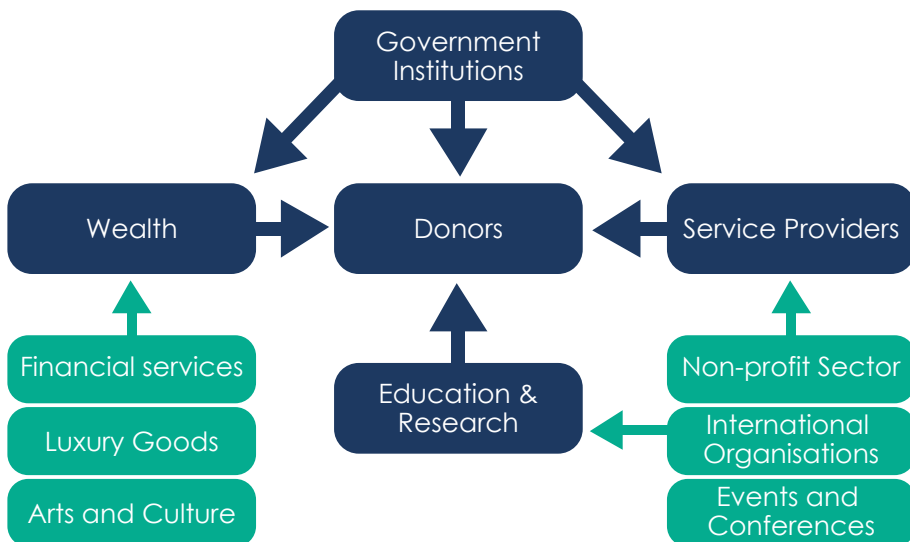
It's not a binary pass or fail. Let's say if you have your KPI as 1000 beneficiaries, any you get 950. It is ok to consider the programme has met this KPI. But if the KPI is 1000, and then you get 25, then something is obviously wrong. The programme is probably not working as it should. There are many factors to consider when evaluating a programme but the bottom line is that we would not just look at a number and say pass or fail, but we would actually work with the charity to refine or extend the programme. [Interviewee #1]

4 Unleashing Potential for an Effective Ecosystem

4.1 What Makes for an Effective Philanthropic Ecosystem?

When analysing how the local context affects companies' competitive advantage in today's economy, Professor Michael E. Porter developed the concept of "clusters"—"geographic concentrations of interconnected companies and institutions in a particular field" (Porter, 1998). A cluster encompasses an array of linked industries and entities providing specialised inputs and infrastructure. It extends downstream to customers and laterally to industries related to skills, technologies, or common input. It also includes institutions in other sectors, such as governments, professional associations, universities and vocational schools, to set regulations and standards and provide education, information, research and technical support. Clusters promote both competition and collaboration, enhance productivity and encourage innovation. Famous examples of clusters are Silicon Valley for technology and Napa Valley for wine. Essentially, a cluster is a highly effective ecosystem of related entities in a particular field.

The philanthropy ecosystem can also be analysed using the cluster framework. In the philanthropy cluster model (Centre for Asian Philanthropy and Society, 2022), effectiveness means "the different components and linkages between them need to be strong."



Wealth is a prerequisite in this cluster, indicated by the growing presence of family offices, billionaires, and total private wealth. The next component is donors, which can be assessed by the level of financial and other philanthropic engagement from foundations, corporations, and other grant-makers. The third component is government bodies, with their ability to establish regulatory frameworks and tax incentives that facilitate giving. The fourth component is education and research institutions, with educational opportunities and courses for professional training and deepening the understanding of philanthropy. The fifth component would be service providers and associations, which include philanthropy associations/circles, publications, convenings, and consultants. Adjacent groups (green boxes), such as industries catering to and attracting wealth owners and a vibrant civil society, form the last component.

4.2 Our Strengths and Opportunities

Apparently, Singapore has many advantages in developing an effective philanthropy ecosystem. Its legal and financial environment for philanthropy is relatively well-established and has unique strengths (Knight Frank Research, 2022; Liew & Sivakumar, 2020). In fact, Singapore is an attractive option for UHNW families and a promising option among major players—such as the US, the UK, and Australia—with near impeccable policies and tax rates (Hubbis, 2020; Liew & Sivakumar, 2020; The Beacon Collaborative, 2021). In terms of infrastructure, according to the Doing Good Index (Centre for Asian Philanthropy and Society, 2022), which measures “the factors that drive or hinder private capital flowing towards social and economic challenges across 17 Asian economies”, Singapore is among the top-ranked for “doing well” based on regulations, tax and fiscal, ecosystem and procurement.

When looking at the adjacent clusters, Singapore also shines, offering a cosmopolitan vibe, good English language skills, political stability, competent finance professionals, a series of international events, and high standards and transparency in governance (Hubbis, 2020; Liew & Sivakumar, 2020).

While a comprehensive review of the ecosystem may warrant another study, our interviews offered some insights into the potential opportunities for action.

Firstly, more can be done to translate wealth into philanthropy capital. With the increase in UHNWI and the continuous steady growth of family offices in Singapore (Choong et al., 2021), encouraging philanthropic activities as an integral part of wealth management would allow us to boost philanthropy. However, we still face some practical obstacles. While a Campden report has identified two-thirds of family offices in Asia to make philanthropic donations (Campden Wealth, 2023), philanthropy still comes across as an “after-thought”, a “good to have”, and not a “must”

or integral part of wealth management. From a user experience point of view, we have yet to create a streamlined onboarding experience for potential donors to be introduced to the doing-good space. Wealth and legal advisors are crucial contact points who have an opportunity to put the philanthropy agenda on the table for their clients. Interviewees generally agree that more needs to be done to raise awareness among wealth advisors and equip them with philanthropy advisory capability, such as setting up formalised channels of giving.

Secondly, our policies need to keep up with and leverage the prospects of emerging giving trends, including cross-border giving and embracing non-grant instruments. Recent regulatory developments, such as the Revised Guidance on Regulation of Grantmakers (Charity Portal, 2023), showed that we are on the right track. For cross-border giving, our data shows about 50% of private institutional givers have already disbursed grants overseas. But when it comes to non-grant instruments, some funders feel they need clearer directions from the government and better internal procedures to make more progress.

“ Unfortunately, the awareness of the advisors whether be it legal advisors, or financial or tax advisers, I think currently the awareness is very low... if you're high net worth and she's your lawyer, if she doesn't know how to do it (set up a charity foundation), and she has never done it before, then she'll say 'oh, you wait, I go and consult somebody.' It will not give the client the confidence.”
[Interviewee #20]

“ How can we make it through our regulatory structures, our tax regimes ..., **how we make it more conducive and convenient for philanthropists to do good (through Singapore), and for Singapore to be a hub, building on our natural strengths, and our trustworthiness?**” [Interviewee #26]

Thirdly, we need “backbone organisations” and matchmakers to orchestrate collaborations. Globally, informal collaborations appear to be widespread, with fewer examples of strong collaborations over an extended period or collaborations that include shared planning and development of substantial activities (Johnson, 2018). When looking at the local context, while most interviewees agreed that partnerships and collaboration are undoubtedly important in the sector, they sometimes fail to live up to expectations. In fact, some philanthropists and philanthropic organisations prefer to work in silos due to difficulties in 1) achieving alignment on key issues, timelines, outcomes, and the cost items that should be funded, 2) the arduous nature of collaboration amidst varied ongoing commitments and responsibilities, and 3) the absence of a “matchmaker” or a backbone organisation that can see things through.

“ I feel [name of govt agency] needs to look at it (impact investing) because they are not ready... We are an IPC, we can issue tax reduction. Let's say a donor wants to support an Impact Fund that's focusing on social enterprises in Singapore. And I'm giving a grant, can I use my IPC monies? There isn't a ready answer.” [Interviewee #6]



Inspirations for Successful Collaborations

Internationally, philanthropic collaboratives—entities that pool or channel resources from multiple donors to non-profits—have been on the rise (Lee et al., 2023).

“A philanthropic collaborative can be formed exclusively among peers or a diverse group of members that includes policymakers, corporations and the society.” It makes use of the “unique strengths and expertise that can be leveraged to enhance the effectiveness of the collaborative as a whole” (Rickmers et al., 2020).

The key success factors include (Rickmers et al., 2020):

- **Shared aims:** Diversity in views and expertise is a strength. “All members do not need to agree on all the dimensions of the problems they seek to address. However, all participants must agree on the primary goals for the collaborative as a whole.”

“Sometimes, it's hard to get people to come together to do a certain thing where maybe the gestation period is long, and the outcomes are not certain. [Interviewee #21]

- **Leadership & governance:** Ensure the representativeness of all voices. Leadership needs to be able to steer challenging relationships and align different interests. Formalised leadership can be realised by establishing a backbone support organisation to steward governance norms and processes.

“So certain things are critical. We talk about dreaming big, if the leaders are not dreaming it's hard. Especially if they are on maintenance mode, retirement season.” [Interviewee #23]

- **Trust:** Mutual trust and strong relationships form the foundation of collaborations. Fostering transparency and reliability nurtures trust while ultimately boosting credibility.

“In terms of the relationship, try not to undermine trust. Sometimes we can undermine trust by being too transactional.” [Interviewee #11]

- **Communication:** Frequent communication that addresses interpersonal dynamics, power dynamics and fosters transparency is beneficial. Internal communication maintains trust and transparency, while external communication with stakeholders strengthens commitment and creates awareness.

“The second thing that was quite significant in the last five, seven years was the need to communicate a lot more, because communication publicly is a form of accountability and responsibility and transparency.” [Interviewee #24]

- **Adaptability:** Consideration of societal trends and stakeholder relationships and adjusting engagement approaches and strategies contribute significantly to success.

“So understand where the trends are, how the needs are. And that will then help us to scope in terms of service priorities, and also identify whether certain things are emerging that may not have been so important in earlier years, and now it's trending.” [Interviewee #10]

- **Local participation:** To ensure the success and longevity of a philanthropic collaborative, strong relationships must be fostered with beneficiary communities, policymakers, and the private sector in addition to building trust. Although achieving consensus among local stakeholders can be challenging, it is crucial. In fact, initiatives that overlook community engagement can be prone to failure. Strategies like community organising, civic engagement, and advocacy are effective for systemic change. Similarly, policymakers must also be actively engaged for widespread impact and long-term success. As such, when implemented correctly, philanthropy collectives can revolutionise the giving landscape and create desirable social change (Lee et al., 2023).

“We actually commissioned a Population Health Survey, that (...) you take a snapshot of the community you live in, and then you determine exactly what are the profiles of needs within the community, then you start to develop services to actually care for those things. And those needs change with time, after every three years or four years, you would have a different landscape.” [Interviewee #21]

Fourthly, our non-profit sector needs to continue progressing. As highlighted earlier in this report, a needs map, impact measurement, and professionalisation in fundraising could revolutionise philanthropic resource allocation. A needs map not only improves the efficiency of funders' ground sensing, but help articulate Singapore's local needs and the potential to be a pilot for regional and global application, especially those issues with transnational nature.

Impact measurement provides valuable learning points for charities and funders and, at a national level, lends credibility to philanthropy in Singapore, working as a “track record” of Singapore's philanthropic efforts. Similarly, professionalisation in fundraising helps improve the efficiency of resource allocation by reducing time and resources spent on untargeted solicitation.



...there is a natural ecosystem for thought leadership to be generated, for ideas to be started, and for sandboxes to be created, so that the pilot programmes and the testbed of ideas and experimentation all can take place here – or if not here, then within an hour or two of travelling distance to the immediate Southeast Asia neighbourhood.”
[Interviewee #26]

At NVPC...

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Concluding Remarks

This report presented the first landscape overview of institutional giving in Singapore, highlighted the importance of data transparency, what funders and charities can do to help each other and build stronger synergy, and opportunities for developing a more effective philanthropy ecosystem.

It serves as a starting point in monitoring and understanding institutional philanthropy in Singapore from a sectorial perspective, going beyond any particular type of giving vehicles. To deepen our knowledge, we need more detailed grant information and more comprehensive enquiries into the governance, societal mandates and strategic planning of institutional givers. This will be the direction of our advocacy and research work.

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Towards a
City of Good

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