



## VUFO-NGO RESOURCE CENTRE

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### **INGO Forum 22 April 2010 Financial Overview and Next Steps Presentation Summary**

The NGO Resource Centre has been experiencing a financial deficit – to various degrees – since its establishment in 1993. The current ‘crisis’ came about when the bank balance of the Centre dropped to less than US\$10,000 as a result of several different factors. However the ‘crisis’ is not really a crisis in the sense of being a one-off situation; it has only revealed an underlying problem of insufficient income from membership fees. These have only ever covered between 30% and 80% of operating expenses, depending on the year, but never the full cost of operations. Historically, these deficits were covered by donations from individual members and through financial support from multi-lateral donors.

The problem of a permanent budget deficit has been dealt with on a year-by-year basis, sometimes in the past by tapping into a surplus of funds, which had remained from an initial generous financial donation at the time the Centre was established. Additional income was secured sporadically from development agencies, through projects involving deliverables that have themselves always put a strain on the Centre’s limited human resources and have removed the focus away from the Centre’s core services – rather than enabling the staff to improve and to expand core activities for the benefit of all INGO members.

The short-term nature of this approach made a negative impact in 2009. This was worsened by the impact of the Global Financial Crisis on the Centre and all its members. Several other factors further influenced the financial health of the Centre, including: the long gap in leadership before the new director was hired; a decrease in the number of members; an abrupt reduction in financial support from external donors and supporters due to the Global Financial Crisis (e.g. the Ford Foundation closed its office in Vietnam); operating cost of the Centre increased. Together, these exhausted the remaining surplus of funds.

The only permanent solution for securing sustainable operations of the Centre was to introduce fees that will support 90% of the operating expenses - in contrast to the current 50% support - and this was decided by the Steering Committee on 15 April, 2010. The remaining 10% will be covered by introducing charges for advertising on the Centre’s website for non-members. Before the new membership fees structure comes into force and the new practice of charging non-members is implemented, there was an immediate need for ‘emergency funding’ that would bridge the gap during the ‘crisis’ - hence the request sent to all members for financial assistance. At the same time the Centre is continuing its fundraising efforts and working on recruiting new INGO members.

If the financial situation does not improve the following services will be at risk: maintenance of the NGO Resource Centre’s website (jobs, events, news, downloads); facilitation of 17 sectoral working groups; moderation of 28 mailing lists (with over 9,000 subscribers); publishing of the annual INGO Directory; finalisation of a new online INGO database; regular INGO Forum meetings; dialogues with the People’s Aid Coordinating Committee (PACCOM) regarding the policies and legislative issues that affect all INGOs operating in Vietnam; the library, several publications; representation at the Consultative Group meetings; participation in other development forums in Vietnam; connection with regional and global networks; and other ongoing support to over 100 INGO members.

For more details on the new membership fee structure and the suggested policy of charging non-members, please refer to the corresponding presentation available on the Centre’s website at:

<http://www.ngocentre.org.vn/node/95>