

# Ideas4Action Proposal

## I. Title:

Impact.PH: An initiative to enhance and transform the Philippine nonprofit sector

*Creating Intelligence for the Social Sector.  
Enlightening Donors. Building Better Nonprofits.*

## II. Team Name:

Impact.PH

## III. Context of Problem

During the decades post-Martial Law, the Philippines witnessed an inflow of international aid to rebuild the nation, which furthered the formation of a strong civil society. The collaborative nature between nonprofits and the public sector was enhanced by the 1987 Constitution of the Philippines that acknowledges civil society's role in development and affirming its right to participate in decision-making.<sup>1</sup>

Today, the civil society in the Philippines is still strong. However, the funding environment has changed. While the Philippine economy has grown, international aid has diminished, and the lack of transparency and accountability has allowed many nonprofits to operate as conduits for corruption.

## IV. Short Abstract

Impact.PH seeks to drive strategic philanthropy and become the premiere source of trusted information on Philippine nonprofits. We seek to make data transparent and accessible. By analyzing each social issue sector and identifying the most effective initiatives that are solving such issues, we aim to drive philanthropy to the most effective organizations.

**At the core of our initiative is a dynamic online database of registered nonprofit organizations and selected social sector objectives. Our various products and services enhance and utilize this data source.**

Traditionally, organizations compete for aid funding to operate individually. Instead, Impact.PH aims to identify key social sector objectives, such as Philippine Development Plan metrics or upcoming Sustainable Development Goals, and identify the most effective organizations that can help achieve these goals. This data-driven solution allows funding organizations to have clear measurable impact metrics, and encourages

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<sup>1</sup> Anand, Prapti Upadhyay, and Crystal Hayling. *Levers for Change: Philanthropy in Select South East Asian Countries*. Singapore: Lien Centre for Social Innovation, Singapore Management University, 2014.

organizations to contribute to a broader mission, rather than operate in silos.

By increasing access to information, oversight, transparency and accountability in the nonprofit sector as well as enhancing nonprofits' impact, we can establish trust in the effectiveness of the nonprofit sector and grow charitable giving. Through this, we endeavor to enable intelligence for the social sector, enlighten donors and other stakeholders, and build better nonprofits. Our initial target is to actively track at least 1,000 SEC registered nonprofit organizations and 20 social sector objectives in two years.

#### **V. Explanation of problem and context:**

The nonprofit sector plays an important role in Philippine society. However, there is a lack of trust, information, transparency and accountability. Of the estimated 100,000 nonprofit organizations, less than 350 have received Philippine Council for NGO Certification (PCNC), a requirement for accepting tax-deductible donations. Many nonprofits are inefficient, ineffective or worse, fictitious and operate as conduits for corruption.

With little data on transparency or impact, charitable donations aren't funneled to the best performing nonprofits, resources are wasted, and many organizations are overly dependent on government funding.

Impact.PH seeks to encourage strategic philanthropy by creating the premiere source of trusted, comprehensive and up-to-date information on the Philippine non-profit sector. Our mission is to transform the industry by creating intelligence for the social sector, enlightening donors and building better nonprofits.

We aim to provide key financial, operational and impact metrics on registered nonprofit organizations, as well as how their activities contribute to social sector objectives. We aim to establish a database of information that stakeholders trust and need to make better philanthropic decisions. For the institutional donor with specific impact targets, we aim to be the go-to resource for diligence and identification of key partners.

#### **VI. Explanation of Solution:**

##### **THE SOLUTION**

What if donors, national and local government agencies, international development organizations, foundations and corporations could more easily determine which nonprofit organizations were legitimate, efficient and effective? They would be able to direct their giving to those impactful nonprofits that are most aligned with causes they support. This would encourage the building of better nonprofits and also increase the scrutiny of poorly performing organizations.

## Key components

Our comprehensive solution aims to strengthen the Philippines' nonprofit sector by:

<p><b>1. <i>Increase stakeholders' access to information on registered nonprofit organizations and social sector objectives that they trust and need to make better decisions</i></b></p>	<ul style="list-style-type: none"><li>• Generate a comprehensive, organized (i.e., classify nonprofits by type, cause, beneficiary, location and geographic coverage) and easily accessible list of Philippine nonprofits</li><li>• Provide online access to public data (i.e., annual general information sheets (GIS), audited financial statements, annual reports) and relevant internal information (e.g., organization overviews, program information, performance metrics) on nonprofits</li><li>• Identify and monitor selected social sector objectives (e.g., Philippine Development Plan metrics or Sustainable Development Goals) and link to contributing nonprofits</li><li>• Codify information on nonprofits and the nonprofit sector, and provide data in user-friendly formats</li></ul>
<p><b>2. <i>Galvanize stakeholders – regulatory agencies, nonprofit networks, nonprofit organizations and the donor community – to increase oversight, transparency, accountability and impact</i></b></p>	<ul style="list-style-type: none"><li>• Establish partnerships with the SEC and other regulatory agencies, nonprofit networks, funders, nonprofits and other mission-aligned institutions (local and international)</li><li>• Provide partner organizations with the means to verify, update and augment their organizational information and contributions to social sector objectives to which they are connected</li><li>• Build a community of stakeholders to monitor and assess nonprofits, and advance Impact.ph's objectives</li><li>• Work with nonprofits, in collaboration with support organizations, to enhance and strengthen their strategies, operations, governance and reporting</li></ul>
<p><b>3. <i>Develop the tools needed to find, analyze and support causes stakeholders care about</i></b></p>	<ul style="list-style-type: none"><li>• Develop an objective and transparent nonprofit rating system based on key metrics – impact, financials, transparency, legitimacy – and analyze, evaluate and rate nonprofits</li><li>• Develop an external review and feedback system for nonprofits</li><li>• Synthesize collective data on nonprofits to generate up-to-date industry-wide, subsector and social sector objective reports</li><li>• Develop a platform that enables stakeholders to make online donations to nonprofits and tracks the amount of online giving</li></ul>

## **TARGET MARKET**

Our target market focuses on strategic local and international donors and stakeholders in the nonprofit sector:

- Filipino donors, including over 10 million living abroad
- Nonprofit leaders, researchers and policymakers
- International aid agencies (e.g., USAID, World Bank)
- National and local government agencies
- Foundations, corporations and other charitable organizations

## **PRODUCTS AND SERVICES**

At the core of our initiative is a dynamic online database of nonprofit organizations. Our various products and services enhance and utilize this data source.

<b>Search, Research and Analysis</b>	<ul style="list-style-type: none"><li>• Online database of registered nonprofit organizations in the Philippines</li><li>• Online database of selected social sector objectives</li><li>• Nonprofit search (including by type, cause, beneficiary, location, geographic coverage and keyword)</li><li>• Access to general information sheets (GIS), audited financial statements, annual reports, program information, performance metrics, and other relevant documents</li><li>• Access to board, officer and key employee information</li><li>• Nonprofit profiles and ratings</li><li>• Nonprofit lists, industry and social sector objective reports</li><li>• Free and paid premium access to information</li></ul>
<b>User Tools</b>	<ul style="list-style-type: none"><li>• Nonprofit organizational accounts and content management</li><li>• External review and feedback system</li><li>• Online donation or giving facility</li></ul>
<b>Nonprofit Support</b>	<ul style="list-style-type: none"><li>• Nonprofit verification and performance evaluation</li><li>• Nonprofit consulting and technical assistance</li></ul>

*Other potential services include: my charities tracking, nonprofit benchmarking and comparison, grant search, volunteer opportunities search, etc.*

## **MARKET RESEARCH AND ANALYSIS**

### **Nonprofit market**

Total income of nonprofit sector organizations is estimated at ~PhP55 billion (\$1.22 billion) from various sources. We note, however that this estimate is based on outdated information that has been extrapolated to the present year. The Top 10 largest nonprofits certified by PCNC have an average budget of ~PhP631 million (\$14.02 million) each, or PhP6.3 billion (\$0.14 billion) in total.

## **Donor market**

The Philippines has a population of ~100M in 2014 (~80M in 2002). The Charities Aid Foundation estimates that ~25% gives to charity. While data on total charitable giving is unreliable, a 2002 report on Giving and Volunteering estimated total giving by households at ~PhP32.1 billion, 42% of which went to organizations while 58% was given directly to persons in need. ~73% (or ~PhP23.4 billion) of giving was directed towards churches (~PhP8.7 billion for all other organizations). Given the growth in population since then, amounts are likely to be significantly higher.

Additionally, an estimated 10M more Filipinos with giving potential live abroad. A significant amount of charitable giving comes from international aid organizations. As of November 5, 2014, the Foreign Aid Transparency Hub (FAiTH) launched by the national government has reported that the total amount of foreign aid pledged for typhoon Haiyan alone is currently at PhP73B. Government funding also appears to be substantial. 1997 estimates contained in the NPO Sector Assessment: Philippine Report indicates that government grants and contracts to nonprofit organizations account for ~10% of organizational income.

## **GOALS and OBJECTIVES, METRICS and IMPACT**

We envision Impact.ph as the definitive source of information on nonprofits and the nonprofit sector.

We believe that providing data on accountability and metrics on efficiency and effectiveness, we can increase financing sources from reluctant donors, as well as drive strategic philanthropy towards collective social sector goals from traditional funders.

### **Goals and Objectives**

Our goal is to enhance and transform the Philippine Nonprofit Sector through information, creating big impact for beneficiaries. By this, we mean increasing access to information, oversight, transparency and accountability that enhances nonprofits' impact and grows charitable giving. Ultimately we seek to ensure that the "right" causes and organizations are supported, the best solutions prevail and that beneficiaries actually benefit from the work that nonprofits do.

Our three primary objectives are to:

1. Enable intelligence for the social sector
2. Enlighten donors and other stakeholders
3. Build better nonprofits

By galvanizing stakeholders and providing them with access to a dynamic online database of registered nonprofit organizations and social sector objectives containing information they trust and need to make better decisions, and the tools to find, analyze and support causes they care about, we can transform how the nonprofit sector operates.

## Performance Metrics

To this end, we have set an aggressive target of 10,000 nonprofit organizations actively tracked and 100,000 registered users in 5 years. Annual targets are shown below.

	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
# of listed organizations	500	2,000	5,000	10,000	25,000	166%
# of orgs. actively tracked	500	1,000	2,000	5,000	10,000	111%
# of partner organizations	100	200	400	1,000	2,000	111%
# of registered users	5,000	10,000	20,000	50,000	100,000	111%
# of paid subscription users	250	500	1,000	2,500	5,000	111%
Online giving c/o Impact.ph	-	PhP1M	PhP5M	PhP25M	PhP100M	na

## Impact

We believe that our work will create big impact as follows:

<p><b>1. Create intelligence for the social sector</b></p>	<ul style="list-style-type: none"> <li>Increased, more easily accessible and up-to-date information on nonprofits and their performance (more nonprofit leaders provide information)</li> <li>Increased information on the nonprofit sector, enabling benchmarking and analytics</li> <li>Increased trust in nonprofits and the nonprofit sector</li> <li>Better informed policymaking and regulation (more policymakers and researchers use data and analysis)</li> </ul>
<p><b>2. Enlighten donors</b></p>	<ul style="list-style-type: none"> <li>Increased awareness and understanding of nonprofits, their missions and impact</li> <li>A better-informed giving environment (more donors use the online database)</li> <li>More efficient flow of capital towards better performing nonprofits and away from fictitious, ineffective and inefficient ones</li> <li>Increased giving to nonprofits and to the nonprofit sector</li> </ul>
<p><b>3. Build better nonprofits</b></p>	<ul style="list-style-type: none"> <li>Increased monitoring, reporting, transparency, and accountability of nonprofits and the nonprofit sector</li> <li>A more competitive nonprofit landscape</li> <li>Improved performance and bigger impact; reduced corruption and fewer fictitious nonprofits</li> <li>More support services strengthen nonprofit capacity and capability</li> <li>More nonprofits receive PCNC certification</li> </ul>

## APPROACH

Our approach to building Impact.ph is as follows:

### Startup and Development Phase:

#### **1. Develop online database, content management system (CMS) and website**

- Activities:**
- Outline website structure, data and content architecture, functionality requirements, permissions and use cases, drawing from international models and adjusting to the local context
  - Secure website hosting and data backup plan
  - Develop website content
  - Build online database and content management system prototype (structure and functionality will be refined over time)
  - Build front-end user interface and design “look and feel”

- Deliverables:**
- A prototype online database, CMS and website

#### **2. Galvanize support among key players in the nonprofit sector**

- Activities:**
- Socialize Impact.ph among key players in the nonprofit sector
  - Establish partnerships with the SEC and other regulatory agencies, nonprofit networks, funders, nonprofits and other mission-aligned institutions (local and international), particularly for the purposes of data provision and funding support
  - Build a community of advisors, advocates, evaluators and external reviewers, drawing from nonprofit leaders and experts

- Deliverables:**
- Partnerships with key players in the field
  - A community of advisors, advocates, evaluators and reviewers (~50 individuals)

#### **3. Gather, verify and report public data on selected nonprofits and augment with internal information**

- Activities:**
- Generate a comprehensive list of SEC registered nonprofits (hold off on CDA, HLURB and BLR registered civil society organizations, and churches)
  - Identify a target list of nonprofits to research further (~500 nonprofits), prioritizing key players, highly-regarded organizations (e.g., PCNC certified organizations)
  - Work with the SEC, nonprofit networks, funders and nonprofits to gather, verify and upload public data and internal information on selected nonprofits
  - Enable free online access to organization overviews, general information sheets (GIS), audited financial statements, annual reports, program information, performance metrics, and other relevant documents
  - Provide nonprofit partners with the tools and training to update their online information

- Deliverables:**
- A comprehensive list of SEC registered nonprofits
  - Viewable public data and internal information on ~500 nonprofits

#### **4. Codify information on nonprofits and the nonprofit sector**

- Activities:**
- Develop a robust nonprofit classification system, drawing from existing systems (e.g., United Nations classification, Philippine laws)
  - Classify nonprofits by type, cause, beneficiary, location, geographic coverage and keyword
  - Codify key nonprofit data (e.g., revenue, expenses, board and officer information) gathered from organizations on the target list
  - Explore optical character recognition (OCR) software
- Deliverables:**
- An indexed map of the nonprofit sector
  - Codified and sortable data on ~500 nonprofits

#### **5. Gather and report data on selected social sector objectives**

- Activities:**
- Identify an initial list of social sector objectives (e.g., # of classrooms built) (~10 objectives) to monitor, drawing from metrics of the Philippine Development Plan (PDP), National and local government agencies, and other lead organizations
  - Classify nonprofits by social sector objective
  - If needed, gather, verify and upload public data and internal information on contributing nonprofits not previously researched
  - Provide coordinators with the tools needed to monitor and analyze organizational and collective impact by objective
  - Provide nonprofits with the means to update their contributions to the objectives to which they are connected
- Deliverables:**
- A viewable list of ~10 social sector objectives, indicators, overall targets and actuals by contributing nonprofit organization

#### **6. Analyze, evaluate and rate nonprofits**

- Activities:**
- Develop an objective and transparent nonprofit rating system based on key metrics – impact, financials, transparency, legitimacy
  - Establish industry-wide and subsector standards, drawing from nonprofit experts, codified data and international best practices (e.g., Charity Navigator)
  - Identify an initial list of nonprofits (~200 nonprofits) to be examined by designated evaluators
  - Evaluate and rate selected organizations
- Deliverables:**
- A nonprofit rating system
  - Ratings for ~200 nonprofits

#### **7. Facilitate external reviews and feedback**

- Activities:**
- Develop an external review and feedback system for nonprofits
  - Identify an initial list of nonprofits (~200 nonprofits) to be reviewed by designated reviewers
  - Write brief online reviews for selected organizations (at least one each)
- Deliverables:**
- Viewable external reviews for 200 nonprofits

## **8. Generate nonprofit sector and objective-specific reports**

- Activities:*
- Identify a set of lists (e.g. 10 largest foundations) and longer reports that can be obtained from the nonprofit data
  - Develop the tools needed to generate up-to-date industry-wide, subsector and objective-specific lists and reports
  - Synthesize collective data on nonprofits and generate selected lists and reports (~10 lists and ~2 longer reports)
- Deliverables:*
- ~10 nonprofit lists and ~2 longer reports

## **9. Promote Impact.ph as the definitive source of information on nonprofits and the nonprofit sector**

- Activities:*
- Partner with organizations that can help with marketing and communications, and growing user base
  - Facilitate brand promotion in nonprofits' websites (e.g., Impact.ph rated)
  - Work with nonprofit networks and nonprofits to provide news feeds
  - Develop an Impact.ph electronic newsletter
  - Conduct a social media campaign
- Deliverables:*
- Impact.ph brand visible online and on nonprofits' websites
  - An Impact.ph electronic newsletter distributed to registered users

## **Growth and Capacity Building Phase:**

### **10. Establish Impact.ph as an independent nonprofit organization**

- Activities:*
- Once sufficient traction has been gained (in terms of both users and funding support), incorporate Impact.ph as an independent nonprofit organization
- Deliverables:*
- Impact.ph as an independent nonprofit organization

### **11. Expand scope of nonprofits and social sector objectives covered**

- Activities:*
- Identify additional nonprofits to research further (~500 additional nonprofits), evaluate, rate and review (~200 additional nonprofits)
  - Identify additional social sector objectives to monitor (~10 additional objectives)
  - Gather, upload and codify public data and internal information on nonprofits and social sector objectives
- Deliverables:*
- Public and internal information on ~500 additional nonprofits
  - Ratings and external reviews for ~200 additional nonprofits
  - ~10 additional social sector objectives, indicators, overall targets and actuals

## 12. Enable and grow online giving

- Activities:*
- Establish an entity to serve as a conduit for online donations to listed nonprofits
  - Develop a platform that enables donors to make online and ideally, tax-deductible donations to chosen nonprofit organizations
  - Develop tools needed to track online giving and hold nonprofits accountable
  - Promote online giving functionality to nonprofits and donors

- Deliverables:*
- An active online giving platform

## 13. Enhance organizational effectiveness and capacity

- Activities:*
- Work with a pilot list of nonprofits (~10 nonprofits), in collaboration with support organizations, to enhance and strengthen their strategies, operations, governance and reporting
  - Help interested nonprofits obtain PCNC certification

- Deliverables:*
- ~10 nonprofits with stronger accountability and transparency

## TIMELINE

Impact.ph will be developed over a two-year period as shown in the diagram below, after which we expect it to operate as an independent nonprofit organization.

Work modules	Quarters							
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
1. Develop online database, CMS and website	■		■					
2. Galvanize support among key players in the nonprofit sector	■							
3. Gather, verify and report public data on selected nonprofits and augment with internal information	■							
4. Codify information on nonprofits and the nonprofit sector	■							
5. Gather and report data on selected social sector objectives			■					
6. Analyze, evaluate and rate nonprofits			■					
7. Facilitate external reviews and feedback			■					
8. Generate nonprofit sector and objective-specific reports			■					
9. Promote Impact.ph as the definitive source of information on nonprofits			■					
10. Establish Impact.ph as an independent nonprofit organization					■			
11. Expand scope of nonprofits and social sector objectives covered					■			
12. Enable and grow online giving							■	
13. Enhance organizational effectiveness and capacity							■	

## FINANCIAL SUSTAINABILITY

Estimated budget required for the first year is ~PhP10 million (~\$222K) and is projected to grow to ~PhP30 million (~\$667K) by Year 5. Personnel expenses are expected to account for ~70% of total expenses, with staff growing from ~9 FTEs to ~35 FTEs plus volunteers during the five-year period. In-kind support and volunteer time may reduce financial requirements or expand coverage.

Funding to support our initiative will come from a broad mix of sources:

- Membership program revenue (e.g., PhP5,000/year) from partner organizations who are committed to transforming the nonprofit sector through information
- Paid subscriptions (e.g., PhP1,200/year) from stakeholders seeking in-depth and historical information on nonprofits and the nonprofit sector in general
- A small percentage (e.g., 1%) of online donations made via our site to listed organizations
- Fee-for-service research and evaluation revenue from international agencies, National and local government agencies and private institutions seeking to vet, monitor and evaluate organizations or conduct industry analysis
- Fee-for-service consulting and technical assistance to nonprofit organizations
- Grants from foundations, corporations and other charitable institutions whose missions include increasing access to information, accountability, transparency and / or impact
- Charitable giving from individuals who value a stronger nonprofit sector

During the first two years, we envision support primarily in the form of private and public grants and fee-for-service revenue from partner foundations, corporations, international aid agencies and government agencies as the database of nonprofit organizations is developed and refined, partnerships are established, information is gathered and codified, and a community of stakeholders is galvanized. Over time, we expect to be financially sustainable with our revenue mix is shifting towards earned-income and charitable giving from individuals in conjunction with growth in the number of nonprofit organizations actively tracked, registered users and online donors.

Assuming 2,000 partner organizations at PhP5,000 per year and 5,000 paid subscription users (5% of 100,000 registered users) at PhP1,200 per year by Year 5, this corresponds to revenue of PhP16 million. Online donations processing fees are projected to generate at least PhP1 million assuming PhP100 million total giving through Impact.ph by Year 5 or an average of PhP10,000 per actively tracked organization (10,000 actively tracked organizations). Earned-income from research and evaluation, and consulting and technical assistance contracts estimated at PhP8.2 million by Year 5 are expected to fully cover their costs. We project remaining funding gaps, if any, to be covered by charitable giving from committed individual donors.

Five-year financial projections are shown below.

	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
<b>Revenue</b>						
Private - Foundations & Corp.	5,000	5,000	4,000	3,000	-	na
Private - Individuals	-	500	1,000	2,000	4,000	na
Public	5,000	5,000	5,000	5,000	-	na
Earned-income	1,800	4,410	7,850	14,650	25,200	93%
<b>Total Revenue</b>	<b>11,800</b>	<b>14,910</b>	<b>17,850</b>	<b>24,650</b>	<b>29,200</b>	<b>25%</b>
<b>Expenses</b>						
Personnel	7,151	10,460	15,126	19,300	22,209	33%
Contract Services	1,110	304	313	322	332	
Other Direct	1,355	1,636	2,065	2,503	3,121	23%
Overhead	1,303	1,581	2,222	2,886	3,518	28%
<b>Total Expenses</b>	<b>10,919</b>	<b>13,981</b>	<b>19,725</b>	<b>25,012</b>	<b>29,180</b>	<b>28%</b>
<b>Net Income (Loss)</b>	<b>881</b>	<b>929</b>	<b>(1,875)</b>	<b>(362)</b>	<b>20</b>	<b>-61%</b>

## **SOCIAL IMPACT TEAM**

Our core team currently consists of 3 highly qualified and capable individuals. We are augmented by nonprofit sector experts, technical consultants and volunteers. Over the course of the project, our team will expand to cover the following functions: administration, business development, programs and partnerships, research and evaluation, consulting and technical assistance, and communications. As such, any additional staff support that may be provided will be important.

### **Michael Alimurung**

- ~10 years experience in strategy consulting for the social sector, Principal at Wellspring Consulting
- Start-up experience
- Office of the President of the Philippines
- Professor, Ateneo de Manila University
- MBA from Stanford Graduate School of Business; BS from Ateneo de Manila University

### **Carissa Feria**

- ~7 year experience in finance, Director at UBS Investment Bank
- Financial advisor and consultant to New York and Philippine-based social enterprises
- Experience in social impact investing and volunteering with non-profits
- Philippine Senate
- MBA from the Wharton School of University of Pennsylvania; Bachelor of Arts from Yale University

## **Joan Cybil Yao**

- ~6 years experience in social impact investing, as the Investment Manager for Southeast Asia of LGT Venture Philanthropy
- Evaluated over 500 nonprofits and social enterprises in SE Asia
- Investment Banking experience with UBS and Credit Suisse
- BS Management Engineering, Minor in English Lit. from the Ateneo de Manila University

## **VII. Are there similar examples that can be provided? If so, where and how? Please elaborate.**

In general, there is very little publicly available data on the nonprofit sector in the Philippines. There is no comprehensive, easily accessible and searchable list of nonprofits online (In the U.S., GuideStar and Charity Navigator are the most prominent listings, In India, organizations like Dasra provide funders with detailed analysis of the social issue sectors.).

However, in the Philippines, existing information on nonprofits and the nonprofit sector is dated. Publicly reported data such as current and historical GIS forms and audited financial statements are not readily available. There is little information available to donors to be able to evaluate the performance and impact of nonprofit organizations. No organization or site is viewed as the definitive source of information on nonprofit organizations in the Philippines. Information is often scattered across various sources, making it difficult to research trends or perform social sector analytics (e.g., average giving amount, size of the largest nonprofits, number of nonprofits focused in education, which nonprofits operate in Cebu). Regulatory agencies are significantly under-resourced. Existing nonprofit or NGO networks (e.g., *Caucus of Development NGO Networks*, *The Philippine Business for Social Progress*) consist of no more than a few hundred organizations. Few nonprofits are able to receive online donations. Even fewer still can receive tax-deductible donations.

## **VIII. What are challenges you might confront and how might they be addressed?**

### **Theory of Change:**

We believe that we can challenge the current state of giving in the Philippines. Rather than simply giving to nonprofits based on relationships, our theory includes changing the mindset of donors to use data on transparency, impact and effectiveness of donations. We intend to overcome this challenge by building a trusted brand, and partnering with well-respected organizations that support our mission. Our theory requires the public to recognize that data-driven decision-making can have more impact, as we intend to become the trusted source of information on nonprofits.

### **Corrupt nonprofits:**

Last year, a national scandal highlighted corrupt government officials in Congress

funneling taxpayer money to fictitious nonprofits that had passed the government's PCNC accreditation. This has left a stigma on donating in the Philippines and has cast a shadow on Congress, the SEC, and PCNC. While this serves as an impetus to launch Impact.PH, we recognize that in identifying ineffective and corrupt nonprofits, we may run into unethical political and influential individuals. We believe that we will be able to firmly stand our ground, ideally with the support of international agencies.