



GuideStar Europe

A trans-national information system for European civil society

Final Report of Market Validation Project for Four European Countries

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SUMMARY AND KEY LESSONS LEARNED

A GuideStar system provides a highly searchable, online catalogue of reports on a country's civil society organisations (CSOs). These websites enable organisations to communicate their work effectively and easily to national and international audiences to: make CSOs more visible, accountable and effective; enable more confident and effective philanthropy and promote vibrant and well governed civil societies.

The GuideStar Europe project (April 2007 - October 2008) assessed the feasibility of implementing GuideStar systems in four European countries as well as a pan-European portal site. This report presents the results of the initial mapping exercise to understand the regulatory and legal framework for CSOs in selected European countries, identify available infrastructure services, map potential data sources and identify relevant stakeholders and potential competitors. This research informed the national and European deployment plans of the current GuideStar Europe project and will provide a framework for future developments. The lessons learnt in this process can be summarised as follows:

A clear and present need

The GuideStar Europe project has identified a clear need for a CSO database to serve the four countries of the Consortium, as well as Europe as a whole. The project has also received strong feedback that only a reliable database can adequately serve the current stakeholder interest.

Serious stakeholder interest

The market research also enabled a substantial amount of market education to take place as the service is so new that often the full scale of the value proposition needed to be elaborated upon. The GuideStar Europe proposition is appealing to a variety of audiences, although, so far, its potential benefits are better understood at the country level. Benefits include:

- The enhanced ability for the general public to identify organisations to support, which in turn promotes the growth of, and public confidence in, philanthropy.
- CSOs, regardless of size or means become more visible thereby promoting norms of transparency and accountability. Through GuideStar they can also identify funders and establish relationships regionally and globally.
- Donors are able to identify organisations whose work matches their own values and objectives.
- Government agencies can identify, track and compare CSOs and promote improved reporting and best practices.
- A GuideStar system will also help streamline the acquisition of this information whilst reducing the reporting burden for CSOs.
- Researchers and policy makers can track trends in philanthropy and civic action.
- Third party service providers, such as online giving systems and accreditation agencies, use GuideStar information to identify and compare CSOs and to build further services for the sector and general public.

Scope of the database: civil society organisations

The fact that the European Union has no common terminology for the CSO sector has made conceptualising the scope of the project difficult in terms of deciding which entities should be included in the database. EU member states utilise very different conceptual models, legal definitions and forms which tend to confuse more than clarify. Given this lack of conceptual clarity, the project consortium decided to use the term "civil society", reasoning that this overarching term is most resonant to the most countries. Although this decision may initially limit the GuideStar Europe project by preventing scientific comparisons across Europe, it does reflect the national differences while not imposing any external/foreign concept on any country. It is also hoped that using the broad concept of civil society will enforce the trend towards the (re)discovery of this

civil society, underlining the social fabric of society with emphasis on social trust and civic engagement.

Legal definitions vary

As a result of unresolved conceptual and definitional differences; legal entities take very different forms in different EU countries. A major limitation identified by the project is the fact that EU laws effecting civil society have not yet been harmonised. This means that the development of the project will only be possible if steps are taken on a country- by- country basis, with a thorough examination of the legal context in each given country.

Limited amount of publicly available information on CSOs

It is currently very hard to obtain comprehensive information on CSOs in most of the countries in Europe. The snapshot synopsis of our research has provided assurance that the 'legitimate' population of CSOs can be established in almost all of the EU member states, derived from CSO reports and lists filed with different national state institutions. More detailed reports, especially with financial information however, is lacking. Given this dearth of information, the project focused on providing a flexible framework that encompassed the different legal systems of Europe, while still taking a country-by-country approach.

Mandatory reports are scarce

With the exception of financial reports submitted to the tax authorities (which are rarely in the public domain) there is very little detailed information available from government sources. And even when reports are available, they are generally paper-based and not in a standard format. There are a handful of countries e.g England and Wales, Ireland and Denmark that are the exception to this general situation but by and large it can be concluded that the only government-held CSO data in the public domain are the national CSO registers. This lack of consistent reporting is a potential limitation of the GuideStar Europe project.

Databases containing self-reported information are available

Self-reported, voluntary databases of CSOs are available on an issue-specific or geographic basis but are limited in terms of their validity, scope and currency. While acknowledging that issue-specific directories do exist, it is noted that most of the data is collected for a single purpose (e.g. mailings, research, membership), without any attempt to assure the legitimacy of participating entities.

Legally feasible proposition

A European GuideStar service, providing a highly searchable, online catalogue of basic data on CSOs in one or more of the participating countries in Europe, is legally feasible. However, freedom of information, data protection and copyright laws in member states may determine the extent to which data can be obtained and used by GuideStar.

Needed: Social investor(s)

A large number of potential users and beneficiaries have been consulted during the project and the biggest issue identified among these stakeholders was financial sustainability. Securing funding for development and deployment of the service at both a national and regional level is anticipated to be an ongoing challenge. However, the potential for existing services to positively 'exploit' GuideStar data and for new services to be built atop the databases is recognised as an important element of a business model.

No real competitors

Analysis of related initiatives at European level identified great potential for collaboration, rather than competition. At a country level the picture is similar, i.e. user groups already exist and there are numerous opportunities for collaboration and the market is currently limited to databases of voluntarily disclosed information which do not aim to be comprehensive or to establish the legitimate population of the sector. The role of the state varies from country to country, but it can be broadly concluded that sharing resources for the public good is likely to be the dominating character of future relationships.

Certain attributes are a must in order to be a market leader CSO database

Based on stakeholder analyses, the following attributes have been identified as the most important attributes of a market leading CSO database: inclusive, legitimate CSO population, self-reporting by CSOs, accuracy and timeliness, non-evaluative, transparent, global reporting elements, and that it must be accessible to GSI's cross-border search.

Not all of the desired attributes can be achieved across Europe

Our research has proven that not all of the above attributes can be immediately satisfied in each of the participating countries. The role of the data acquisition and business plan is to present creative solutions to challenges identified in order to satisfy stakeholder needs.

Growth potential

On a macroeconomic level, the social economy in Europe is important in both human and economic terms (e.g. the sector employs over 11 million people, which is equivalent to 6.7% of the wage-earning population of the EU). The increasing influence and importance of the sector is being recognised in political and legal circles, both nationally and at a European level. Equally high on the public agenda is the issue of transparency and accountability across all sectors of society; therefore CSO transparency should be a top policy issue in Europe, and certain steps should be taken to make this happen. It is anticipated that these trends will influence the sector and its policy makers in Europe, placing transparency firmly on the agenda. The GuideStar service is of course already a proven tool in the UK and the deployment plan is available for a GuideStar Europe service.

The lessons learned in the market analysis for the GuideStar Europe project have been fully utilised in the compilation of deployment plans for the four countries, as well as a wider plan for GuideStar Europe.

PROJECT OVERVIEW

A GuideStar service provides a highly searchable, online catalogue of reports on a country's civil society organisations (CSOs), enabling them to communicate their work effectively and easily to national and international audiences.

The GuideStar Europe initiative is coordinated by GuideStar International (GSI), a London based charity that supports the development of these services worldwide. The first GuideStar service was launched in the US (www.guidestar.org) in 1998 and has become the de facto public database for the US non-profit sector with information on more than 1.5 million charities. GuideStar UK (www.guidestar.org.uk), established with funding from HM Treasury in 2003, provides a single, easily accessible source of detailed information about every charity and voluntary organisation in England and Wales. The base information about each charity is provided by the regularly updated records of the Charity Commission - and is enhanced by the charities themselves directly online. GSI is supporting the development of similar services in eleven countries worldwide and offers a Common Technology Platform to enable the implementation of GuideStars in Europe and around the globe.

The GuideStar Europe project (April 2007 - October 2008) assessed the feasibility of implementing GuideStar systems for four European countries, as well as for a pan-European portal site.

In addition to testing the concept and likely acceptance of a GuideStar model for CSO transparency and accountability, the project also tested how readily GSI's Common Technology Platform (CTP) can be implemented and used in these countries. The CTP consists of a Global Reporting Framework that allows CSOs to report on their work directly, as well as a search and display interface that allows web users to find CSOs in the database and to view information and documents of interest to them. The CTP is customisable with respect to language, look-and-feel, static content and database fields. It is designed to serve multiple country GuideStar sites from a centrally hosted platform, therefore significantly decreasing the start-up,

ongoing costs and technological risks that would normally be associated with a web-based service of this type.

Coordinated by [GuideStar International](#), the project has included partners with a track record in voluntary sector research, capacity building, and transparency development: these partners are [DZI](#) and [Maecenata Institut](#) (Germany); [NIOK](#) (Hungary); [CBF](#) (Netherlands); and [ICTR](#) (Ireland). The project was co-funded by the European Commission under its eTEN programme, and also by government, private sector and philanthropy sources in several member countries.

The GuideStar Europe project selected countries with a variety of preconditions regarding the legal status of their sectors, reporting requirements and the existence and availability of government-held data. These variations meant it was necessary to consider not only the most appropriate strategies for implementing each individual country system but also for deploying the European-wide service. What unites the Consortium is a shared vision that a comprehensive trans-European database founded on a common standard for reporting could significantly improve the transparency of the non-profit sector across Europe. The proposed solution would provide each country with a customisable system that also preserves some critical common features, thereby providing cross-border benefits and significant cost savings. GuideStar Europe will also serve as a vital resource to CSOs themselves. Regardless of their size or location, CSOs will have a free forum through which to explain their work to their peers, grant makers, governmental agencies and the general public. This information will support efficient user interactions, foster a more effective and generous distribution of society's resources, enable effective benchmarking and provide an open platform upon which intermediaries can build a wide range of services.

The present report is one of several elements of the GuideStar Europe Market Validation project undertaken in a four European countries. The market analysis was undertaken firstly to determine if a GuideStar system would be appropriate and workable in these countries. Secondly, the project gathered requirements for, and tested the feasibility of, developing a standardised service that would allow web users to perform a common search and also offer comprehensive information on CSOs through both individual country websites and for the entire region through the GuideStar Europe portal.

The objective of this report is to conclude the results of the market analysis exercise. Consortium members have analysed and reported on the nature of civil society in each participating country, including the regulatory and legal framework, identified available infrastructure services, mapped potential data sources and identified all relevant stakeholders and competitors. This report provides background to the project and supports detailed national analyses and deployment plans. It is also expected to provide useful information for the development of services in other countries in Europe and beyond.

Special thanks to Consortium members for contributing to this work and writing and edits by GuideStar International staff.

THE ROLE AND CONTRIBUTION OF CIVIL SOCIETY SECTORS IN EUROPE

Defining the Sector in Europe

The great challenge of understanding and accommodating the very different national cultures, frameworks and policies defining the European civil society sector has been a major part of our work. This has involved identifying the project's target group to define the specific content of the GuideStar Europe database. Consortium members have developed a common understanding and common values for the systems, which include: solidarity, social cohesion, social responsibility, freedom of association, expression and membership, democratic management, participation and autonomy, quality of employment, economic growth, social link, competitiveness, development of territories and the creation of social capital.

The fact that the European Union has no common terminology for the sector has made conceptualising the scope of the project very difficult. Member states of the EU have very different conceptual models¹ of civil

¹ Based on: Helmut K. Anheier et al: A Programmatic Statement © 2006 Center for Social Investment, Heidelberg Center for Social Investment Ruprecht-Karis-Universität http://www.csi.uni-hd.de/download/CSI_Paper_eng_print.pdf Programmatic

society and therefore use very different legal understandings. For example:

- the French notion is of the *'économie sociale'*, which emphasises economic aspects mutualism and the communal economy;
- the German tradition is of subsidiarity, which provides a comprehensive framework for the relationship between state and third sector in the provision of social services;
- the Scandinavian model is of democratic membership organisations, in the form broadly based social movements whose demands are addressed by the state and incorporated into social legislature; finally,
- the British tradition is of charity and voluntary action, in a common law tradition that emphasises self-organisation, voluntarism and individual responsibility.

Although very different, in the 27 member states of EU, “non-profit” status is understood “with broad accordance”, meaning that “the group of beneficiary people must not be too small” and secondly, that certain “*public-policy* and *order public* borders must be observed”, while the distribution of profit to members is not allowed.

The harmonising of the concepts, the strengthening of frame conditions, legal understanding, accountability, transparency and quality protection have all been rising issues in the related debates among legislators in Europe recently.

A very specific proposal was made by the so called Fontaine Report, regarding the creation of a legal instrument to enable third sector bodies to operate with greater ease transnationally. When the proposed change was submitted to the Council by the Commission (COM(91) 273), the European Association Statute became part of a package which included equivalent regulations for cooperatives and mutuals. However, little progress was made, and the European Association Statute, together with the other parts of the package, was stalled in the absence of decisive action, as many believed that European action was unnecessary.

The lack of harmonious interpretation and reporting is also the main obstacle to making national and European accounts on the sector. Both *The UN Nonprofit Handbook Project of the Johns Hopkins University* and the *European Commission* have expressed concerns and have developed manuals for drawing up the satellite accounts which will make it possible to obtain consistent, accurate and reliable data on the sector. It is commonly agreed that without this step, there is no chance of getting accurate macroeconomic information. Furthermore, even if this effort is successful, it will only show results on the macro level, rather than portraying individual organisations, as it is not the mandate of the statistical offices to provide data on individual entities.

The lack of a common conceptual framework in Europe has affected the project significantly. It is not in the scope of the GuideStar Europe project to solve this challenge, nevertheless, it is hoped that future developments will involve a joint European effort towards conceptual and legal harmonisation. Therefore the project has, and will, seek collaboration for similar efforts to achieve the best possible leverage in Europe. We believe that a range of initiatives being undertaken by the European Foundation Centre, the Centre for Civil Society Studies at Johns Hopkins University, Heidelberg University, Act4Europe, CEDAG amongst others, are crucial and, if successful, these efforts will also support the development of GuideStar Europe.

The value of a harmonised approach notwithstanding, the need for immediate progress required the consortium to define the project scope. Therefore, the population of the database will adhere to the working definition of “civil society” and work will be undertaken on a country by country basis to establish the local understanding of the term.

The Scope and Role of the Sector (arguments for a civil society database)

The lack of a shared conceptual framework to define civil society in Europe also prevents an accurate understanding of the size of the sector at national and regional levels, its scope and value.

On a macroeconomic level, civil society in Europe is important in both human and economic terms. Based on the report² prepared for the European Economic and Social Committee, the sector employs over 11 million people, equivalent to 6.7% of the wage-earning population of the EU³. Associations and foundations are the most visible organisations in many countries in Italy, Spain, Finland and Sweden and some new member countries, civil society is comprised mainly of co-operatives and similar entities. It is also noted⁴ that there has been a significant growth in the economic importance of civil society in Europe, with 5% growth rates annually in some countries (most notably during the 1990's). The increase is primarily in terms of associational density and the number of foundations and their assets. This growth has helped to increase the influence of the sector generally and has earned it more policy recognition, which in turn has heightened social, as well as political, expectations.

The sector makes an effective contribution to solving social problems, matching services to needs, increasing the value of economic activities serving these social needs; deepening and strengthening economic democracy and building much needed social capital.

The rise of the sector is being recognised in political and legal circles, both nationally and regionally. This is reflected in the creation of both the Social Economy Unit within DG XXIII Enterprise Policy, Distributive Trades, Tourism and the Social Economy and the European Parliament Social Economy Intergroup. In 2006, the European Parliament called on the Commission "to respect the social economy and to present a communication on this cornerstone of the European social model".

The increasing recognition of the role of the civil society sector reinforces the need for an information and reporting venue such as a GuideStar service for CSOs, which provides important information infrastructure for these organisations. The development of this information infrastructure has a clear connection to several elements of the current European agenda and can, indeed, be considered to be mutually reinforcing. These connections are elaborated upon below:

1. Civil Partnership

Partnership is one of the most crucial elements of the European Union's funding concepts and values. Partnership, in this context, means several things including cooperation between sectors, countries, regions and institutions, as well as **dialogue and reconciliation** with the civil sector. The involvement of CSOs in public debates and decision-making is one way to ensure that the EU operates democratically. All organisations should therefore have **equal opportunities** to participate in public debates and have the opportunity to **share ideas and documents** related to specific issues. Numerous documents⁵ of the Commission, Council and the European Parliament state the objective of building better, more efficient partnerships and dialogue with the civil society, or with specific CSOs (active in specific fields like drug prevention).

These needs for identification, information dissemination and sharing would be supported by a **credible, Europe-wide database on CSOs**, which includes information on their activities. This recommendation also supports several Commission Decisions that provide special programmes/projects to strengthen the civil society sector as crucial actors in the field of development. Furthermore, as **beneficiaries** of European tax-

² "The Social Economy in the European Union", Summary of the Report drawn up for the European Economic and Social Committee by CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy) http://www.eesc.europa.eu/groups/3/index_en.asp?id=1405GR03EN

³ The statistical information on the SE in Europe is based on secondary data and mainly refers to 2002-2003. For some countries, essentially the new EU member states, no quantitative data existed prior to this study and this information should be treated with caution.

⁴ The Third Sector: Reflections on Policy Developments, Conference presentation, Berlin, May 2008 Helmut K. Anheier

⁵ The Decision of the European Parliament and of the Council (12/12/2006), Europe for Citizens to Promote Active European Citizenship - Programme 2007-13 (1904/2006/EC), Commission Staff Working Document. Annex to the Communication from the Commission on civil society dialogue between EU and Candidate countries. Impact assessment (COM/2005/290/F), GREEN PAPER on the role of Civil Society in Drugs Policy in the European Union, Draft Commission Decision adopting the annual work programmed for 2006 for the research and evaluation programmed for the respect of fundamental rights and the preparatory action in support of civil society in the ten Member States which acceded to the European Union on 1st May 2004, Draft Commission Decision on the adoption of the Annual Work Programmed and the resulting financing decisions entitled „Community measures to support non-governmental organizations and actors of the civil society“, charged to 2006 budget item 21 02 03 (ex B7-600) for an amount of 200.233.000 €, Draft EXPLANATORY MEMORANDUM TO THE COMMISSION concerning the adoption of the financing decision for the awarding, under budget heading 21 03 01 „Non State Actors in Development“ (budget chapter 21 03 „Non State Actors and Local Authorities in Development“), of the European Union's 2007 budget, of a grant to the project "New dynamics of North-South Solidarity - Promoting an active involvement of Civil Society in the Euro-African dialogue - The Presidency Project of Portuguese NGOs"

payers money, access to the list of CSO recipients of EC grants and contracts is a key element of **transparency and accountability in understanding the allocation of public funds**. Once again, a publicly available, unified system and database that contains this list of CSOs would be critical infrastructure for enabling the requisite level of transparency and accountability.

The **importance of this social dialogue is naturally recognised by CSOs** too. A European Foundation Centre (EFC) conference in July 2008 asked, *“How Can Civil Society Have A Say in Policy Shaping?”* Members of European umbrella organisations, the European Parliament and European Commission participated in the conference and agreed on the necessity of establishing more efficient civil dialogue at the European level. The importance of the initiative called **Citizens’ Agora** (public debate space for all in crucially important topics) has been emphasised, and the need for a **European Charter for Civil Dialogue** was recognised.

In summary, we believe that all channels and instruments aiming for efficient and broadly open civil society dialogue and partnership would be effectively served by a publicly accessible European data base on civil society organisations.

2. Transparency

The issue of transparency and the civil society sector often appears to go hand in hand on the European Agenda. On one hand, CSOs are considered to be **key actors in anti-corruption activities** (given their independence from both the state and the business sector). While on the other, fears are expressed that CSOs might be **misused** as cover for illegal operations or through the exercise of untransparent pressure on decision makers. The European Transparency Initiative (COM (2008) 323 final), is a framework for relationships with interested representatives (Register and Code of Conduct) and contains many ideas and initiatives of particular interest to representation organisations. It has been suggested that this framework might be, and even should be, **broadened to the whole CSO sector**. The importance of a uniform and publicly accessible register is of the same relevance not only for representatives of interest groups but for all CSOs, as they often provide public services⁶.

The need for an accessible CSO database has also been raised in connection to the need to reduce the extent of tax avoidance (and other financial criminal purposes).

Through the provision of comprehensive, publicly available information on CSOs, the GuideStar model seeks to support and strengthen the sector in many ways and not to be considered solely as a tool to find the ‘bad guys’. So, while we do not intend for the mission of the European project to be limited to this purpose, the role transparent information could play in revealing organisations that are abusing their role is clear.

3. Cross-country Cooperation

The **European Union encourages cross-country cooperation** between all types of actors, including CSOs. Cross-country cooperation is also an accentuated goal of the Cohesion Policies (**Objective 3: INTERREG type of cooperation**). This means that Cohesion and Structural Funds finance and support inter-regional, cross-country cooperation. To be able to set up well functioning consortia for such projects, it would be crucial to have a publicly available database on European CSOs.

4. Donation Policies

As we have described above, CSOs are important target groups of European donation policies, especially amongst **potential applicants and final beneficiaries** of programmes financed from the European Structural and Cohesion Funds, and even of central programmes run by the Commission itself (some already described in the Civil Partnership section). All member states’ National Development Plans, especially Operative Programmes financed from the European Social Fund, contain measures that either exclusively, or in addition to other sectors, support CSOs. A European CSO database would also be extremely useful in helping to guarantee transparent and well targeted resource allocation, specifically through **European-level state donations, tax allowances and grant schemes**.

⁶ European Commission, Directorate-General Justice, Freedom & Security: Study to Assess the Extent of Abuse of Non-Profit Organizations for Financial Criminal Purposes at EU Level

We also believe that **EU citizens who want to support CSOs** would use such a database to retrieve beneficiary information and it is anticipated that the availability of information on these organisations would increase the citizens' motivation to donate to them.

5. Volunteering

Volunteering is a foundation and fundamental to the civil society sector. Volunteering has an important **impact on the social cohesion within societies and on the economy** and its importance is reflected in the focus the EC has given to volunteering over the last decade. A European database that enables volunteers to identify opportunities in CSOs, could help to revive and drive volunteering in the EU⁷.

6. Parallel Efforts, Possible Synergies

It is quite clear that there is a need for more unified treatment of CSOs in the European Union; this is for several reasons including European-level decision making partnership, transparency issues, EU-level donations, financial crimes and cross-border cooperation as described above. Currently the European Commission is exploring a **European Foundation Statute**, which demonstrates the perceived need for EU-level regulation and treatment of the CSO. However, there have been a number of questions and concerns raised in relation to the topic⁸.

A pan-European database of CSOs may serve a lot of the purposes outlined above. It may be that this project also identifies **potential synergies with existing EC programmes**⁹

In conclusion, the trends that many believe to play a defining role in the development of the coming years are supporting arguments for the need of a European civil society database:

- Demand for a knowledge-base of innovative economic solutions offered by CSOs is expected to grow
- Demand for civil society services and information on them is likely to increase
- Demand for an increased role of CSOs in public governance is expected to increase, also in addition to greater internal demands for greater accountability and transparency
- Demand for new forms of association is expected to increase the generation of social capital across Europe
- Demand for reliable information on the role of the sector will increase inline with it is increasing impact and influence on policy agendas
- Demand for valid data on CSOs will increase inline with growth in cross border partnership, philanthropy and volunteering.

ACCESS TO CSO DATA IN EUROPE

As we have discussed, a result of the unresolved conceptual challenges regarding the civil society sector is the lack of a shared definition at the European level. This makes it extremely difficult to accurately determine its true scope at either a national or regional level. Unfortunately, as the following chapter will explain, it is equally hard to find comprehensive, 'legitimate' information on organisations themselves in most European countries.

The GuideStar services for Europe are modelled after existing services in the US and UK. GuideStar US, the original service, was established in 1994, followed in 2003 by the establishment of GuideStar UK. The UK and US services capture and present reports filed by charities to the regulator (the IRS in the US and the Charity Commission in England and Wales).

⁷ Some of the relevant European documents are: European Parliament Report on the role of volunteering in contributing to economic and social cohesion (2007/2149(INI)), Opinion of the European Economic and Social Committee on voluntary activity: its role in European society and its impact (2006/C 325/13), Opinion of the Committee of the Regions on the role of voluntary organizations – a contribution to a European society (98/C 180/10)

⁸ http://www.icnl.org/knowledge/ijn/vol10iss3/special_3.htm

⁹ For example, 'Europe for Citizens: Decision of the European Parliament and of the Council (12/12/2006) to Promote Active European Citizenship - Programme 2007-13 (1904/2006/EC) where *more efficient social dialogue and partnership with the civil society: data base would be crucial*, European Year of Intercultural Dialogue (2008): Established by EC Decision 1983/2006/EC (18/12/2006) and the INTI (European Fund for the Integration of Third-Country Nationals) – Community Programme managed by the Commission – DG Justice and Home Affairs where NGOs are target groups to implement programmes, international cooperation is expected: data base would be crucial. The E-Participation Preparatory Action: Initiative to increase citizen's participation in EU legislative process is believed to be closely related to our mission, partly because of the civil participation encouragement and partly because of the tool to be used: via internet.

Reports submitted to these regulators provide the foundation of the service as it ensures not only detailed reports, but critically, the comprehensive population of legally recognised charitable entities. These reports are scanned and digitised by GuideStar which then presents them in a user friendly format on the web and allows organisations to add to and update their profiles.

While the quality, quantity and public disclosure of these reports is not comparable in many countries, the principle of sourcing data from relevant government agencies to derive the ‘legitimate’ population for the database was considered fundamental to the proposition. The first step in the GuideStar Europe project, therefore, was to map the EU member states, focusing specifically on the availability of regulatory data on CSOs (in most cases the list of registered CSOs in each country is available and was considered a viable starting point). In addition, in the four GuideStar Europe consortium countries, existing voluntary CSO databases have also been examined as potential sources of information for the project.

Information availability on CSOs in Europe – the GSI ‘mapping’ project

At GuideStar International (GSI), we consider certain characteristics of a particular country’s civil society sector are important in determining the likely success and/or level of difficulty of implementing a GuideStar-type system. In order to better understand these unique characteristics and the context in which CSOs operate, GSI has developed a questionnaire to help us to better understand the situation in a given country and, most importantly, to map the data environment in that country and subsequently assess its ‘readiness’ to implement a GuideStar system. This mapping project was further enhanced by a direct research towards a European Foundation Database Project (which was a joint initiative of GuideStar International (GSI) and the European Foundation Centre (EFC).

By ‘mapping’ the country with the questionnaire as a framework, we gain a better idea of:

- a definition/terminology of CSOs operating in the country;
- the legal and regulatory context in which CSOs operate (including registration and reporting requirements);
- the institutional infrastructure; and crucially,
- the availability of data on registered CSOs (ideally from official government registry sources)

The GSI questionnaire was used as the basis for the desk research, providing a standardised structure when collating information undertaken from a range of different sources (the most prominent being: The EFC Comparative Study on the EU27s National Legal Framework on Foundations (April 2007)¹⁰, The Johns Hopkins Comparative Nonprofit Sector Project¹¹, CIVICUS Civil Society Index (CSI)¹², United States International Grant Making (USIG) country profiles¹³. Email and telephone correspondence was also conducted with local experts;

namely officials from government ministries, academics and civil society contacts in European countries. This contact proved invaluable in establishing the nature of the data stored (including format) and, crucially, its availability.

From this snapshot of findings and prospects for data availability in the 27 EU countries, it can be concluded that there are approximately 24 countries in Europe where the population of CSOs can be established by obtaining valid, legitimate sources of data (registry or reporting). It should be noted however, that the content and size of these datasets vary across the different countries.

There are ten countries (Czech Republic, Estonia, Finland, Hungary, Ireland, Malta, Poland, Romania, Slovenia and the UK) where a government register exists and, from our research, this register (or part of it) appears to be publicly available. For example, in Estonia, the Central Commercial Register includes information on all non-profit associations and foundations in Estonia and can be searched online, or requested from the register for a fee. However, there may be cost implications that mean that this data is currently inaccessible;

¹⁰ http://www.efc.be/projects/eu/legal/country_profiles.asp

¹¹ <http://www.jhu.edu/cnp/research/index.html>

¹² <http://www.civicus.org/csi/phase-one/csi-country-reports>

¹³ <http://www.usig.org/countryinfo.asp>

Data Availability

Name of Country

| |
|-----------------|
| CZECH REPUBLIC |
| ESTONIA |
| FINLAND |
| HUNGARY |
| IRELAND |
| MALTA |
| POLAND |
| ROMANIA |
| SLOVENIA |
| UK |
| AUSTRIA |
| BELGIUM |
| BULGARIA |
| DENMARK |
| FRANCE |
| GREECE |
| LATVIA |
| LITHUANIA |
| LUXEMBOURG |
| PORTUGAL |
| SLOVAK REPUBLIC |
| SPAIN |
| SWEDEN |
| CYPRUS |
| GERMANY |

for example, Finland and Poland both have detailed registry data on CSOs available in Excel format, but there are significant costs associated with obtaining this data from the registry. These countries are marked in **green** on the chart, suggesting a “green light” towards “GuideStar readiness” in the given country, based on basic valid data availability.

The **blue** category denotes fourteen countries where a register has been identified but it is either not publicly available or not available in a suitable format – this may mean that it cannot be provided in an electronic database format (e.g Excel), or is only available in a searchable online database. For example, Latvia and Lithuania provide searchable databases fed by company registry data, which can be accessed online via subscription. Nevertheless, with substantial attention and work these can serve as the foundation of databases with valid data; there are certainly prospects for development in a number of these countries.

The **red** category denotes three countries where a central source of valid data is either unavailable or inaccessible, to the best of our knowledge. For example, in Germany there is no central government registry – registry data is collected in some localities while not in others. In Cyprus, there is a register of CSOs but data from it must be requested in person at the Ministry where it is held.

Register exists and easily accessible

Register exists but appears difficult to access or not available in suitable format

No central government register or access unlikely

The research shows the situation as of 9th October 2008. It should be noted that the dynamic nature of this research means that it will be continuously evolving; it is by no means complete and the research is ongoing. New regulation, reporting systems or presentation of available data is being developed in several countries (e.g. Ireland, Malta, Hungary). This alone, not to mention the limitations of the desk research, is sufficient justification for the need for a detailed final mapping and feasibility work in any country where the implementation of the GuideStar model is being considered.

While realising the limitations of the research, it has given assurance that the legitimate population of a CSO database for Europe can be established, based on files of different national state institutions in almost all of the EU members states.

At the same time, it was established that reporting by organisations is rarely mandatory by law and reports are rarely publicly disclosed. This means that, unfortunately, beyond registry level data, there is limited reporting-based information available in Europe from legitimate sources (with the minimal exception of countries like Denmark, Ireland, U.K. and some others). While this presents an immediate limitation to the GuideStar Europe project with respect to the replication of the UK and US models, it also reinforces the pressing need for consistent and comprehensive public reporting by CSOs.

The availability of self reported, voluntary databases of CSOs has also been examined and described in the Stakeholder Analysis section of this paper.

The four consortium members were invited to participate in the Eten proposal given the interest they had previously expressed in the GuideStar model. Interestingly, these countries represent a varied, and therefore fairly representative, cross-section in terms of data availability. The four countries happen to represent the three levels of data availability identified in the mapping exercise: Germany is currently situated in the red category, The Netherlands orange, while the “green” light is tentatively given to Ireland and Hungary. Had

there been two shades of green, Ireland would receive the darker one, while Hungary, the lighter shade of; while in Hungary only registry level data is available, in Ireland CSO reports are also made public (similar to the England and Wales).

A detailed analysis of the reporting and disclosure requirements for each country can be found in the separate country case studies.

Addressing the legal issues affecting the implementation of the GuideStars in Europe

The project has considered the legal issues from both a horizontal and a vertical perspective, namely,

- a) it has examined the legal systems in the four countries that make up the Consortium (Germany, Hungary, Ireland and The Netherlands);
- b) it has examined the overarching issue of data protection and the re-use of data.

For the first, materials on third sector-related legal issues have been prepared by the country partners of the Consortium. We then developed a framework for understanding the basic condition of the relevant legal issues. The conclusions of this analysis are presented below.

Consortium members of the GuideStar Europe Project have examined the legal context of the project. Detailed national assessments of the issue can be found in the individual country report (REF).

The overarching legal issues that have been identified through this report are the publicity of data, the re-use of valid data and the protection of personal data. These issues are defined in more detail below:

- the publicity of data: this refers to whether data relating to CSOs is publicly available; specifically, are there any European legal instruments prescribing the publicity of this data and what are the main questions arising from the legal framework of the individual member states;
- the conditions of reuse of the data; this seeks to define the regulations of European law regarding the reuse of public sector data, and the questions that arise regarding the legal implementation of those regulations in member states;
- the protection of personal data: specifically, how European data protection regulations affect the project, and what provisions of the national data protection laws are relevant when assessing the feasibility of establishing GuideStar databases.

Additionally, we have examined whether databases held by public bodies may be covered by legislation on the protection of the databases¹⁴.

It was concluded that:

1. A European GuideStar database, providing an online, highly searchable catalogue of basic data on civil society organisations of one or more of the participating countries, is legally feasible; however, member state freedom of information, data protection and copyright laws determine the extent to which data can be obtained and used by GuideStar.
2. Data on CSOs may be publicly available in certain member states and may not be accessible in others, depending on national laws; no European freedom of information legal framework exists.
3. Data made publicly available for inspection, according to the freedom of information legislation of a member state, is not necessarily available for reuse. If data *are* provided for reuse, the terms and conditions of reuse must comply with the relevant European directive. State bodies holding the databases may have rights (stemming from sui generis protection of databases) relating to databases containing CSO data, and may use licences when providing the databases to GuideStar. However,

¹⁴ Source: LEGAL OPINION ON THE CONDITIONS OF DATA PROCESSING CARRIED OUT FOR THE PURPOSES OF THE EMERGING GUIDESTARS PROJECT Prepared by András Jóri, Attorney at Law

certain exceptions may apply even if a public body is not willing to authorise the reuse of data (depending on the national laws). For example, in the case that data is extracted for private purposes for the contents of a non-electronic database, or in the case it is extracted for the purpose of teaching or scientific research, this is acceptable as long as the source is indicated and justified by the non-commercial purpose it is being extracted to achieve.

4. Data protection laws of member states apply to CSO data relating to natural persons (eg. representatives of CSOs, etc.). In some (exceptional) cases, member state data protection laws may also cover data on organisations. Data protection laws set out several conditions for making personal data processing legitimate; GuideStar must show that one or more criteria for making the data processing legitimate are met, and must comply with other requirements of the data protection law of the given member state. The location of the servers used for data processing is also relevant from a personal data protection viewpoint. According to European and member state laws, it is easier to transfer data to a server operator in the European Economic Area (national data protection laws usually set the same criteria as for a transfer *within* the member state); a transfer to “third countries” outside the EEA might be more cumbersome.
5. The access to, and the conditions of the reuse of databases and data is governed by the laws of the individual member states. If a GuideStar organisation obtains and publishes data lawfully, the question over whether the data is made public and can be transferred to a common European database (operated by GuideStar International), can be answered only with regard to the national (data protection, freedom of information, copyright and database) laws of the given member state, and the conditions applied to the use of the data (ie. the conditions set out by the licence used, if any).

To assure the proper use of data, the GuideStar Europe Project has identified and recorded the issues that should be analysed in the context of the laws of individual states. A checklist is provided to any partners working on a feasibility study, to help formulate the questions (to be answered by a legal professional in the given jurisdiction) required to evaluate the legal risks present in a given jurisdiction. In the framework of this project, Consortium members have worked on these issues for their relevant countries.

Overarching legal issue: The practical opportunity of cross-border tax effective giving in Europe

The possibility that tax deductions will be available to charities from other member states throughout the European Community has been heightened as a result of the recent publication of an opinion of the Advocate General of the European Court of Justice. To make the best possible use of this, GuideStar Europe is an available tool for all organisations legally registered in any member state.

On 14 October 2008, the Publication of the Advocate General’s opinion on the tax-deductibility of donations to other member states’ charities, recommended to the ECJ that it should ensure that:

1. Donations by individuals resident in one Member State to organisations based in, and recognised as charitable by, another Member State, concern a movement of capital within the meaning of Article 56 of the EC Treaty;
2. For Member States which give tax reliefs on donations to organisations recognised as charitable and located in that Member State, it is contrary to Articles 56 and 58 not to allow a taxpayer the opportunity to prove that organisations based in, and recognised as charitable in, another Member State, would fulfil the charitable requirements applying in the taxpayer’s Member State; and
3. Fiscal authorities should not be obliged to liaise directly with the Member State in which the recipient body is established, in order to determine whether a tax deduction should be available, so that the burden of proof that a deduction should be given therefore lies with the donor taxpayer.

The recent (14 October 2008) Publication of Advocate General’s opinion on the tax-deductibility of donations to other member states’ charities, will have very practical applications to cross border philanthropy:

- Firstly, donors giving to charities in other EC States will have to consider how to prove to their fiscal authority that the recipient foreign charities’ activities satisfied the domestic meaning of ‘charitable’;
- Secondly, charities wishing to receive such donations will wish to consider how they can help them do that; and
- Finally, charities, while possibly considering fundraising throughout the EC, may also need to consider how to address the threat of competing for donations at home from charities located in other EC states.”¹⁵

The GuideStar Europe project has examined the legal issues affecting the implementation of the GuideStar Europe project. It was agreed that a European GuideStar database, providing an online, highly searchable catalogue of basic data on civil society organisations in one or more of the participating countries, is legally feasible; however, member state freedom of information laws, data protection laws and copyright laws determine the extent to which data can be obtained and used by GuideStar. When fully developed, the GuideStar Europe project could also be the most important basic reference tool for cross-border philanthropy in Europe.

The fact that the harmonisation of EU laws effecting civil society has not been achieved, is a major limitation of the project. This means that to develop, the project must take country by country steps, with a thorough examination of the legal context of any given country.

STAKEHOLDER INTERESTS AND COMPETITION

At a European and a national level, a wide range of potential stakeholders have been identified:

Civil Society Organisations

- Offers all CSOs regardless of their size or means, a free opportunity to explain their work and demonstrate their accountability.
- Limits and streamlines a CSO’s reporting to grant makers, researchers and donor services intermediaries.
- Allows CSOs to understand the work of peer organisations and access relevant benchmarking data.
- Lessens the long-term cost of fundraising by providing information to help CSOs identify grant makers and by enabling donors to take a more active role in identifying not-for-profits for their support.

Grant makers

- Satisfies grant makers’ first level of due diligence for grant applicants.
- Allows convenient mapping of grant programme areas—e.g., find the organisations that do a specific type of work in a specific community.
- Permits grant makers to identify other CSOs, for comparison purposes.

Individual & Institutional Donors

- Supports the growth and public confidence in online giving and enables robust transaction systems.
- Gives donors the tools to identify, compare and track the records of CSOs undertaking activities

¹⁵ Based on material provided by Withers referencing the Advocate General’s opinion published in *Hein Persche v Finanzamt Lüdenscheid* (European Court of Justice, C318/07)

that they wish to support.

- Allows donors a means to take control of their philanthropy, confirm the status of any fundraising entity and assess the impact of its work.

Government Regulators

- Provides data and analytical tools to support regulatory enforcement.
- Generates increasingly higher quality reporting by not-for-profits.
- Supports public disclosure objectives and eliminates costly public requests for not-for-profit accounts.
- Establishes electronic systems that can replace or pre-empt inefficient or intrusive systems.

Government Policy Makers

- Enables policy makers to identify geographies that are over or under-served by CSOs.
- Supports decision-making by enabling policy makers to track the trends in philanthropy and CSO service, by sub-sector and geography.

Professionals

- Generates information that will help accountants, solicitors, and consultants to advise their CSO clients.

Government Statisticians, Academic Researchers and Policy Analysts

- Generates information that will provide the foundation for government statistics.
- Inform the work of academic researchers and eliminate their need to capture data on their own for general analysis.

Third Party Data Service Providers/Evaluators/Accreditation Agencies

- Provides data to third parties that promote electronic philanthropy, support more efficient grant-making, and evaluate and/or accredit CSOs.

Society Generally

- Establishes transparency as the accepted practice in charitable sector activity.
- Fosters a better allocation of resources to CSOs that are doing the most effective work.
- Increases the amount of philanthropy generally.
- Encourages the restructuring of CSO activity to eliminate redundant service provision and promote activity in underserved markets

Financing the Service

A high number of users and beneficiaries have been reviewed, but the biggest challenge that was identified among the stakeholders is who should pay for the development of the service as a donor investor. While interest in supporting the development of national services, as well as a pan-European portal, has been expressed, questions regarding financial sustainability remain.

By the end of the project period, the possibility that tax deductions will be available throughout the European Community to charities from other member states has increased as a result of the recent publication of an opinion of the Advocate General of the European Court of Justice. As this is a very recent development (as at 8th October 2008), there was no opportunity to examine the implication of it in relation to the project. Nevertheless, it is viewed as a potential service that GuideStar could and should provide as a tool for third parties interested in organisations legally registered in any member state for the purposes of donations. This

is viewed as a high potential business service for a European audience that could not be tested in the project timeframe.

Evaluation of the market potential for GuideStar in Europe within different scenarios and different environments has been an important element of the GuideStar Europe Project. Besides mapping major data sources and the legal and regulatory framework in the countries, the project has assessed potential competition and mapped stakeholders. The mapping exercise has been undertaken on a country-by-country, as well as regional basis, not only to reveal critical information that will inform a national development plan, but also to inform the European development plan. This work has provided ground work for the business plans that were developed as the final product of the project. At the end of the project cycle, many of the stakeholder groups and representatives identified were contacted again to reassess the situation for business planning purposes (the details of these stakeholders remain confidential information) .

To assess stakeholder and competitor interests, the Consortium members of the GuideStar Europe project have:

- conducted interviews with randomly selected professionals whose focus is “European”, in order to learn a general understanding of the availability and necessity of CSO data and the offered GuideStar service on a European level.
- analysed possible competitors at a European and national level (including similar or related institutions and service providers)
- mapped possible stakeholders, especially beneficiaries, at a national and European level
- conducted mapping to identify possible links to EU and national policy agendas¹⁶.

As this field is under-researched, there was only minimal information readily available in this area and so essentially required Consortium members to start from scratch. In total the views of approximately 100 people were solicited in the process of mapping the stakeholder and competitors’ interest regarding the GuideStar Europe project. Their input is highly appreciated.

A Clear and Present Need

The initiative has generally been received very positively, clearly identifying the need and high support from a range of stakeholders. The need for the transparency of CSOs was recognised among all of the stakeholder groups (including CSOs, state, researchers, policy makers, private entities, media and the public) at a European level, as well as in the four Consortium countries and a). It was also agreed that the planned GuideStar service would help build greater trust in CSOs as it provides easily accessible information on the sector and would also contribute to transparency and accountability. However, this support was based on the premise that it will include include clear, comprehensive, comparable and updated information.

In all four countries, organisations have emphasised that the database would mean more visibility, which would probably mean more donations and more effective fundraising, as more companies and individuals are able to easily locate CSO information.

“In Germany, especially during this year there has been a growing awareness among various stakeholder groups that the German third sector has an urgent need for more and better transparency. The “UNICEF scandal” has put this issue on top of the agenda of various Federal Ministries as well as the big umbrella bodies representing the sector. And also a growing number of organisations themselves see the opportunity of raising their credibility among potential donors and funders through better information”. DZI, Germany

It would also enable inter-organisation connections to enhance cooperation and professional partnerships.

¹⁶ Connections to the European Agenda

Transparency was also cited as an argument for being included in a database.

When interviewed, referring to their own experience as well as to the practice they have witnessed, professionals with a European focus seemed to agree that, current practice for CSO outreach is the use of existing contact lists (which are often outdated) and networks (that may be limited). Therefore it was assuring to learn about a recent survey carried out by Heliview¹⁷ that concluded; “the readiness of people to consult a databank of good causes is in general high”.

Personal interviews have highlighted the information gap regarding CSOs and have built an understanding for the need and the potential benefits of the GuideStar Initiative in Europe¹⁸.

It was generally true that during the interviews, not only testing of the market but building of the market, has been taking place. Some of those interviewed knew GSUK but did not realise that the very same service does not exist in other European countries. Others had not considered the need for such a service before and realised the potential benefits during the conversations with Consortium members. Besides CSOs, the warmest welcome has been received from umbrella groups and interest representatives of European focus, as well as the different state authorities, who have argued that

- The role of CSOs has come to a turning point, where the next level of development is impossible to achieve without a “GuideStar-like database” (particularly as the legitimacy of organisations is being questioned in European circles)
- Too many voluntary databases have been established that are not being updated and therefore lack legitimacy. The GuideStar Europe initiative is the first step in assuring some level of validity and up-to-date content
- “At last we could outreach to a real broad audience and not be accused of being elitist”.

While agreeing on the benefits of the model, it was expressed that issue-specific directories do exist, although most of them are collected for a single purpose (for example, mailings, research, membership) without any attempt of assuring the legitimacy of the participating entities.

It was also learnt that there are numerous other database initiatives, based on voluntary participation and self reporting, in several countries that

- are seen as questionable in their value,
- are limited in outreach and have become elitist (with respect to participants)
- lack the necessary level of sectoral buy-in
- have questionable reputation
- can not provide the necessary assurance as to accuracy (e.g. evidence from larger-scale mapping surveys attempted to date indicates a poor compliance rate with the request for disclosure less than 17% for Johns Hopkins research in Ireland, and self report provision less than 20% in Hungary)
- are financially unsustainable
- do not contribute to the next level of development towards transparency.

The GuideStar Europe project has identified a clear need for a CSO database for the four countries of the Consortium, as well as for Europe. The project has also received strong feedback that not just any database can serve the current stakeholder interest.

Competitors?

The absence of competitors to the GuideStar Europe proposition is considered an opportunity for the consortium members and GSI, although the lack of initiatives to increase CSO transparency and promote comprehensive reporting is in itself an alarming gap in CSO infrastructure at both national and regional levels. At the European level, institutions have been identified that share the vision of the project and therefore can

¹⁷ Seal Monitor 2007 Consumers

¹⁸ The fifteen professionals interviewed with a European focus were from very different backgrounds – this included: European umbrella organisations (e.g. MSIF, IETM), European interest representatives (e.g. EU civil Society Contact Group, CEDAG, ECAS, EUCLID), EC officials (Communications DG, DG Justice, Freedom and Security, and DG General), a private foundation (KBF), an MEP and national NGOs with EU or international focus (NCVO, ADI).

be considered as important collaborators in any further developments. These include the European Business Register, the European Foundation Center, the EUCLID program of the ACEVO and the Transparency Initiative of the EC.

In all of these cases, background information gathering has taken place, followed by personal meetings in three out of the four cases. In an interview with the *EBR*, it was underlined that the organisation is planning to remain focused on its original mission and focus on information provision about business entities “to obtain comparable, official company information from the countries connected to the network- at a reasonable price” serving the original target group of “small and medium-sized enterprises”. At the same time, it was agreed that the learning experience of the organisation can be relevant to the developmental efforts of GuideStar Europe and therefore the process of knowledge sharing has begun. A similar response was received from the *EFC*; it not only remains “dedicated to creating an enabling legal and fiscal environment for foundations, documenting the foundation landscape, strengthening the infrastructure of the sector, and promoting collaboration...” but has also agreed to collaborate with GSI towards feasibility for a European foundation database. The EUCLID program of the ACEVO is not aiming to create a database of organisations but rather cultivate and support sector leaders and will therefore not strive for comprehensiveness on the scale of the GuideStar services. These conversations have helped the GuideStar initiative to identify its possible collaborators, rather than its competitors, which is very encouraging.

The *EC’s Transparency Initiative* has been perceived by many as a possible competitor to GuideStar Europe. However, its tight focus on the provision of a structured framework for feedback on the application of the standards and its focus on the disclosure of data about the recipients of various EU funds managed by the Commission in partnership with Member States, notably the Structural Funds and Common Agricultural Policy demonstrate a lack of direct overlap with the GuideStar mission.

Similar services

A screening of internet databases has been conducted by the Maecenata Institute in Germany to map the relevant available web-based services. Some issue-based initiatives (e.g. the UN Dept of Public Info NGOs database) those with a specific country focus, or those which for any other reason are not real competitors to the GuideStar model, have been removed from the broad list compiled by Maecenata. Following that, some in-depth benchmarking of the seventeen most relevant sites was conducted by GuideStar. The sites benchmarked were as follows: CEDAG, COE INGO, Register of Interest Representatives Devdir, Duke University Libraries, Europa World Plus, Idealist “Project of Action w/o Borders”, OneWorld.net, Register of Interest Representatives, The UN Global Compact, TRIALOG (EU), UN Dept of Social and Economic Affairs, UN Office Geneva, Union of International Organisations, US AID, WANGO, WHO and Wiser Earth. This benchmarking process identified: the content of the databases (who is included their coverage (number of contacts)); their geographical scope (number of countries); the public availability of information (whether is it public or password protected); the level of validity (including legitimacy checks and the frequency of updates); and the language used.

It was established that there are several internet-based CSO directories available globally, some with European focus, but that none claim to be comprehensive or focussed on reporting in any way that makes the GuideStar proposition duplicative .

CONCLUSIONS

Analysis of related initiatives at European level has identified great potential for collaboration, rather than barriers in the form of competition. At country level the picture is similar; there are numerous opportunities for collaboration and potential user groups. In two of the countries involved in this project, state institutions have been identified as potential competitors. In these cases, this not only shows that the state realises the need for the service, but also reflects an immense opportunity for a long lasting service. The GuideStar Europe project must remain flexible in considering different organisational and collaborative structures that may help to achieve the ultimate vision of the project and serve the public good.

The market niche

The principal markets for the GuideStar will primarily be CSOs, state agencies and third party service providers. The market research reflects that there are certain fundamental characteristics for a GuideStar database to be a market leader. Only a database that assures some level of validity, and is comprehensive as well as up-to date, can be a market leader in most European countries. This is because stakeholders want to see more than self reports of randomly participating organisations.

“According to our research in Hungary voluntarily provided information is not enough to serve users’ or CSOs’ needs. Although there were some concerns among CSOs about the validity of data in governmental databases, many organisations think that presenting state data in the database would result in many advantages for them. In that way the database could serve as a reference point...Official data would increase the validity of the database, so it is highly supported by most of the interviewees of the different user groups. Some think that it would be an added value only if the official data would be really valid.” **NIOK, Hungary**

and

“We can hardly expect the voice of civil society to be respected while it is an impossible task to prove the social support of these entities and even to learn of an organisation in Europe if it exists at all, not to mention its work and profile.” **Act4Europe, Belgium**

and

“There are already several kinds of web-based initiatives. Be it donor choosing sites, informational sites like the CBF, membership sites, many home sites of CSO’s or giving sites. This is still evolving. What is less present is a site with a comprehensive set of CSOs...If the population can be reached to achieve this, and this is difficult, there is virtually no competition.” **CBF, the Netherlands**

Even user tests revealed that the attractiveness of a customised GuideStar platform does not only relate to layout and function, but largely depends on the quality and quantity of data available. In countries with no comprehensive public data, which is the case in three out of the four tested countries, it is especially important to present very clearly the available “valid” information and win CSO support to increase their willingness to report.

What are the Attributes Required to be a Market Leading CSO Database?

The requirement for integrity, quality and accessibility of the database for each national GuideStar is essential if we are to preserve the value and market niche and potential of all GuideStars. Both the selection of the population of organisations to be included in each database, as well as the information that is included to describe each organisation, is critical in this respect. There are certain attributes that underlie the formation of a GuideStar database for Europe.

Each GuideStar must strive to include every ‘bona fide’ civil society organisation within its national borders in its “target” database population. In most cases it will not be possible to realise the “target population” of organisations within the database at the outset. Before a system can launch, however, it must assemble a defensible “threshold population” of organisations and proffer a strategic scenario to achieve the “target population” within a reasonable period¹⁹.

¹⁹ The definitions of “civil society” and “bona fide” are themselves subject to national norms and values. For example, one country may include for-profit social enterprises or trade unions within its definition of civil society, while other countries might not. One country may decide to define as “bona fide” only those organisations that are determined or registered as “charitable” by a single central government agency. Others may find it a cultural necessity to include all institutions, including those too small to register that they adjudge to be pursuing charitable purposes. Each GuideStar must define the “target population” for its system.

The attributes of a market leading CSO database based on stakeholder tests:

- **Inclusivity:** a clearly identified and defined population of “civil society organizations” (CSO) for inclusion in its own country.
- **Legitimate CSO Population:** a policy that define entities within the country as being legitimate civil society organisations.
- **CSO direct reporting:** the GuideStar system must provide an opportunity for organisations to report directly online.
- **Accuracy and Timeliness:** employing all reasonable means to assure that the data it presents accurately reflects that reported by the CSOs. Further, the system must include proactive processes to ensure the regular updating of database records.
- **Neutrality:** GuideStar reports are sourced from information in state filings, as well as directly from CSOs via direct reporting. The GuideStar system’s objective should be to present this information as accurately and timely as possible. National GuideStars will not apply their own corporate values in judgement of the absolute or relative worthiness of any CSO.
- **Transparency:** Each GuideStar database must be fully transparent to ensure its integrity.
- **Global Reporting Elements:** Each GuideStar database record must include the “minimum identifier fields”. Further, each GuideStar system must include the “basic reporting fields” from the GuideStar Global Reporting Framework as part of its own online Reporting Framework.
- **Accessible to GSI’s cross-border search:** Each GuideStar system agrees the access to, at a minimum, the “basic reporting fields” for all records in its database to facilitate the global search facility provided by GSI, for the purpose of allowing users to find and access data records located in the respective databases of each GSA member. This utility will be offered on a free, not-for-profit basis to all users via the Web.

Example:

“The Irish GuideStar rests on two distinct offerings:

- a. an extensive, up-to-date, quality-assured, granular relational database of <100 fields, accumulating data year-on-year about >10,000 organisations, and*
 - b. a free, online, editable (by listed organisations) searchable database and related online services*
- Nothing whatsoever on this scale exists at present in Ireland, of either kind.*

Both are seen as having enormous potential value by the sector and its key stakeholders (elaborated in more detail below and elsewhere in reports to the Commission).

The two services should be seen as interdependent: the quality of the database rests both on the compliance materials derived from company records and the voluntary additional disclosures.

The site and its related services must be sufficiently valuable (in terms of services offered) to attract intensive traffic from users of all kinds, thereby maximising narrative content.

The use of the database for intelligence services to funders, regulators and others must be perceived as legitimate and in balance, of value to organisations in the sector, if they are to endorse it and maintain their listings up to date.”

ICTR, Ireland

Our research has proven that not all of the above attributes can be satisfied in each of the participating countries to a full extent. The role of the data acquisition and business plan is to present creative solutions to the challenges, in order to satisfy stakeholder needs.

Stakeholding and competitors’ interests in the four countries

As the European GuideStar would provide a portal to each national service, the four countries of the GuideStar Europe project have conducted thorough analyses of the following: Who are the actors in the field? What information is required, and about whom or what? Aided by what kind of functions? What parameters must be set? Should it include data reliability, confidentiality of access to the data, the quantity of data, etc? What is the readiness to cooperate? Are the customers and stakeholders prepared to contribute towards the services that are provided?

The stakeholder analysis has generally brought very positive results, clearly identifying the need and high support from all kinds of circles of stakeholders. The biggest challenge was identified among the financial supporters. Although some financial supporters exist, it is not clear if there could be sufficient financial “investment” generated for the development of the service.

BIBLIOGRAPHY AND REFERENCES

Beyond the references in the text, reports and comments of the Consortium as well as different stakeholders have been used in the text. Their contribution is highly appreciated.