

MA Summary/ Germany

The environment for a German GuideStar service is characterized by a complex relationship between government and civil society, in which the State takes up regulatory, contractual, grant making, advocacy and advisory functions. This is complicated by the fact that legislation is often a competency of the Länder level, such as regulations on foundations. Hence, registry information on associations and non-profit corporations is held by more than 600 municipal courts. Information on foundations is held by state level authorities. A number of private and non-governmental sources of data exist. GuideStar will attempt to tap all existing registries.

The third sector itself is very heterogeneous, with registered associations and foundations being both the largest groups of legal entities and the main target of our information system. Unlike other European legal systems, the German system views the existence of non profit organisations in two separate legal spheres, tax law and civil law, the status of public benefit organisation being a tax status. For the time being, the tax exemption issued by local tax authorities will serve as the identification of a non-profit organisation for the purpose of our database, because it is only public proof that an organisation actually pursues its charitable or public benefit objectives.

Data availability is hampered by the fact that there is no legal obligation to publish information on an organisation's activities in Germany. This has had the effect that few statistics exist on the size and structure of the third sector (with the exemption of registry information on associations which however are not limited to entities pursuing non-profit distribution activities). The federal office of statistics has recently begun generating statistics on donor behaviour based on income tax return. This can be seen as an indicator of a growing awareness for the need to gather relevant information on donations and giving. By their nature, these statistics however can not contain information on organisations and their activities. And unless there is federal legislation demanding more and better reporting, GuideStar Deutschland can only be successful, if organisations voluntarily provide information. Marketing the advantages will form an important part of the project.

While public data is scarce, a wide variety of "other" data sources and transparency initiatives exist, which however do not usually contain comprehensive, but directory type data on organisations. Maecenata and DZI both maintain databases which can be used to initially test the system. Other potential sources include databases with a thematic focus in the welfare sector such as care facilities or self-help initiatives, databases which promote civic engagement at a local, regional or federal level such as volunteer centres. Online giving services are a further example for existing services, but they are quite limited in size (HelpDirect, one of the biggest online giving services currently holds information on 600 organisations). Umbrella organisations collect the data of their members, but mainly use it for internal administrative purposes and to give weight to their lobbying efforts. They do not usually have the mandate to share data, but are rather seen as multipliers, who encourage their members to participate. Here, partnerships have to be and are being built to cooperate with other providers. GuideStar US may serve as an example how this can be pursued (concept of Channel Partnerships, in which other providers use information "powered by GuideStar").

During the course of the analysis, catalyst and barriers to the introduction of a German GuideStar have been identified as well as recent developments, like the ongoing reform process of non-profit law (and the coalitions built between third sector players to influence the legislative process). Catalysts include indicators such as growing internet access of private households and increasing use of the internet by volunteers, who can be seen as one of the major pillars of non-profits work. Moreover, the demand for information on non-profit

organisations is rising. This has been documented for volunteers (Freiwilligensurvey) as well as donors (Bilanz des Helfens) and can be derived from media coverage of Tsunami (or special interest media such as Social Times) or from initiatives such as the PWC Transparency prize. Organisations increasingly respond to this demand (e.g. the development of number of seal organisations). Quality of service, accountability, independence and trust are but four examples of ideas brought into relation with transparency. Similarly, transparency is becoming an issue in other sectors (remuneration, decision-making procedures, etc.). We see these developments as encouraging, even if they do not have an immediate effect on data availability.

With regard to stakeholders and potential allies of a GuideStar system, we have been able to identify key players such as the big umbrella organisations, representatives of different lobby organisations, large foundations and service providers who own data and operate specialised services. Quite a few of these organisations representing the third sector have already been integrated into our board or have played an important advisory role when consulted during the course of the analysis. However, more partnerships have to be built to include other major players and service providers for ideal support as well as cooperating in data sharing. Moreover, government bodies might join the advisory board in the future, when and if pilot projects on a Länder level are realised. Here, it is important to keep in mind, that some organisations have expressed reservations against government involvement in a database (oversight mechanism). It is therefore important to frame the proposed service as an initiative of the third sector for the third sector – and to actively involve organisations in the testing of the platform.

Because of the legal and regulatory context, a GuideStar system in Germany will rely on voluntary self-reporting of organisations. Self-reporting however has the downside of potentially being biased. Measures to enhance the quality of data will therefore be taken. Some are already in-built in the database technology such as automatic plausibility checks when it comes to entering financial data. A further challenge is that no reporting standards similar to the SORP in Great Britain or IRS Form 990 exist for non-profit organisations in Germany (with the exception of IdW recommendations for reporting, which however mainly concern those large non-profit organisations that operate services or need auditing). To this effect, a consultation process has been initiated to develop the reporting framework including our advisory board, internal and external experts as well as organisations. The strategy is to facilitate voluntary data entry by setting standards through our reporting framework as well as providing training. The reporting framework, the search functions and the display of data will be tested by organisations, users and stakeholders as part of the eTEN validation.

On a practical level, we are focusing on a pilot project in a small city state such as Berlin or Hamburg. In Berlin, we have taken up negotiations earlier this month. Berlin as the capital of Germany is hosting the Federal Government and therefore the ties between Federal Ministries and the state/city government are closer than anywhere else. Further, Berlin has the advantage of being the only German state that relies on just one centralized registry, whereas in every other state (even Hamburg, the other city state) the data is spread vastly among a total of 603 registries. A local database on non profit organisations also exists (Bürgeraktiv), which forms part of the negotiations. An alternative strategy would be using more comprehensive data from DZI Seal-Organisations to populate the database for testing purposes or cooperating with one of the umbrella bodies or Maecenata. Simultaneously, the case is argued for (free) data acquisition from the association registries.

To sum up: currently, we are planning to utilize our first mover advantage. This however involves being able to “show case” a life pilot site in the near future. Comprehensive public data on non-profit organisations will not be available to populate the database, because this would require a change of legislation which is not likely in the foreseeable future. But there is a growing awareness and public debate about transparency and accountability and a

growing willingness of organisations to report to the public, which is an encouraging development. We have already succeeded in gaining the support of key stakeholders of the sector and are engaged to build close partnerships with more players. We now have to collect a critical mass of data that enables us to go online. This requires a proactive data acquisition strategy which streamlines existing data and a marketing and communications strategy that draws the attention and information of thousands of organisations to our database.