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10 YEARS  
2007-2017



相伴十年  
共同成长

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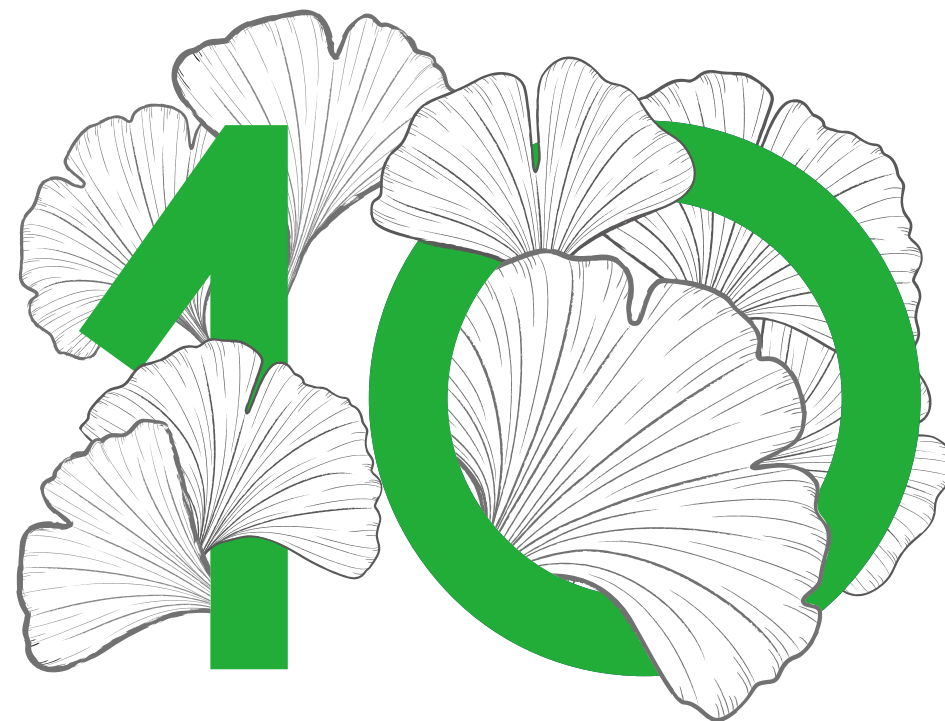
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Foster Third Sector  
A Fair and Just Society  
Where Every Heart Carries Hope

Established on 11 May 2007, Narada Foundation is dedicated to the mission of "fostering third sector". It has been proactively shaping a healthy ecosystem and providing public goods for China's philanthropic and non-profit sector ever since.

This report gives a preliminary review of Narada Foundation's work during the past decade, which is outlined in four areas: grant-making overview, key programmes and progression of the Narada model, the leverage effect of grants, and our ten-year impact.

2007 — 2017  
Narada Foundation's  
Ten Years

南都公益基金会  
十周年  
2007—2017

10 YEARS  
NARADA  
FOUNDATION

Narada uses the natural year as its fiscal year. The data in this report was collected up to 31/12/2016.



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On 29 June 2007, Narada Foundation held the first board meeting in Beijing. This historic moment marked the beginning of our journey in philanthropy.

# 1

## Ten-year Grant-making Overview

By 31 December 2016,  
the total ten-year expenditure of Narada Foundation reached

**RMB 246** million (RMB 246,025,515.10, around USD 38 million).

Of this,

**RMB 230** million (RMB 229,935,492.56, around USD 35.9 million),

or 93.5 per cent, was attributed to philanthropic activities.

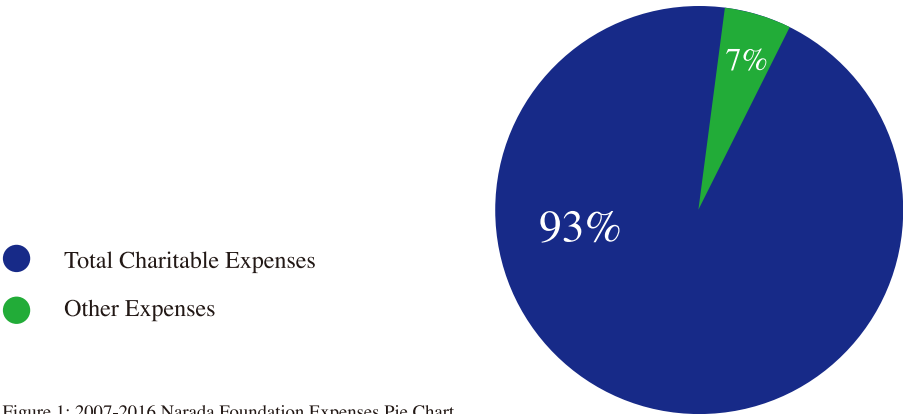


Figure 1: 2007-2016 Narada Foundation Expenses Pie Chart

The following charts show the annual expenses and charitable expenses from 2007 to 2016.

Year	Annual Expenses ( RMB )	Charitable Expenses (Cost of Activities) (RMB)	Proportion
2007	10,100,060.37	6,166,950.70	61%
2008	17,317,378.19	15,802,331.14	91%
2009	15,357,753.16	14,317,268.76	93%
2010	22,852,209.83	21,578,454.46	94%
2011	28,809,498.93	27,054,644.83	94%
2012	25,557,139.14	23,740,805.28	93%
2013	26,239,282.00	24,849,425.40	95%
2014	29,167,201.96	27,943,160.13	96%
2015	36,950,006.23	35,794,831.50	97%
2016	33,674,985.29	32,687,620.36	97%
Total	246,025,515.10	229,935,492.56	93%

Table 1: Annual Expenses and Charitable Expenses from 2007 to 2016

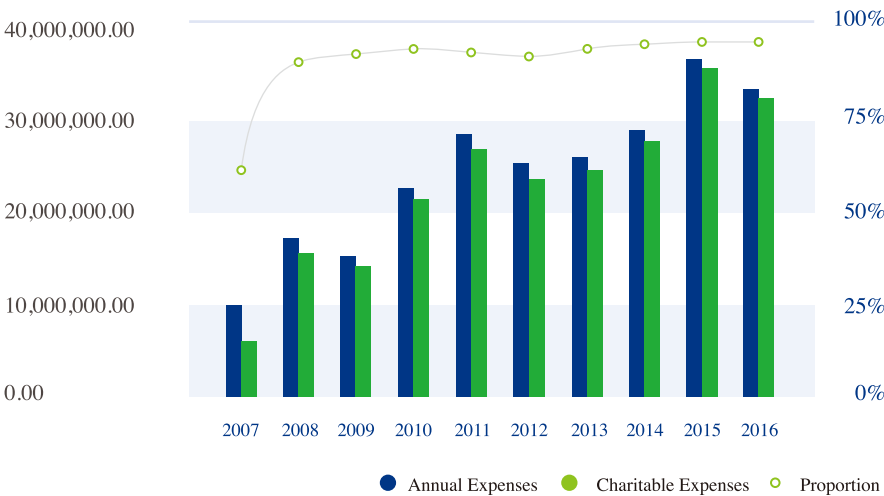
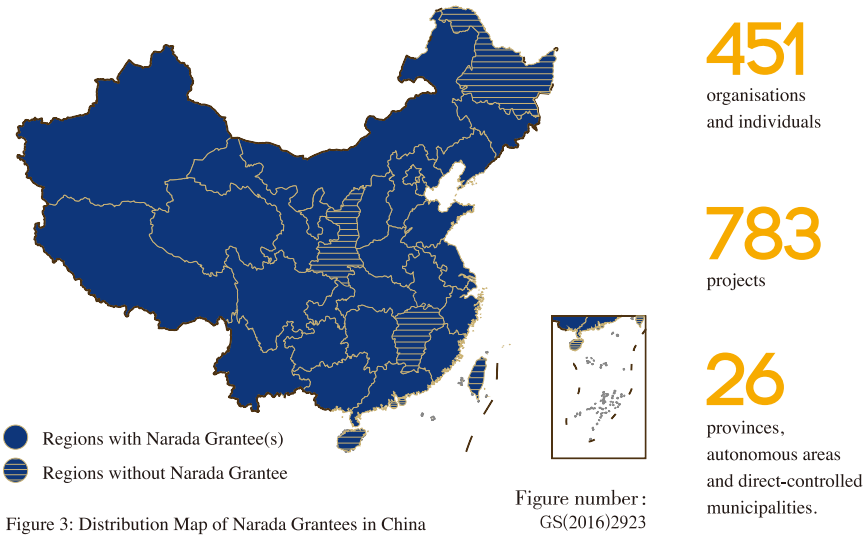


Figure 2: Narada Foundation 2007-2016 Annual Charitable Expenses Proportion Chart

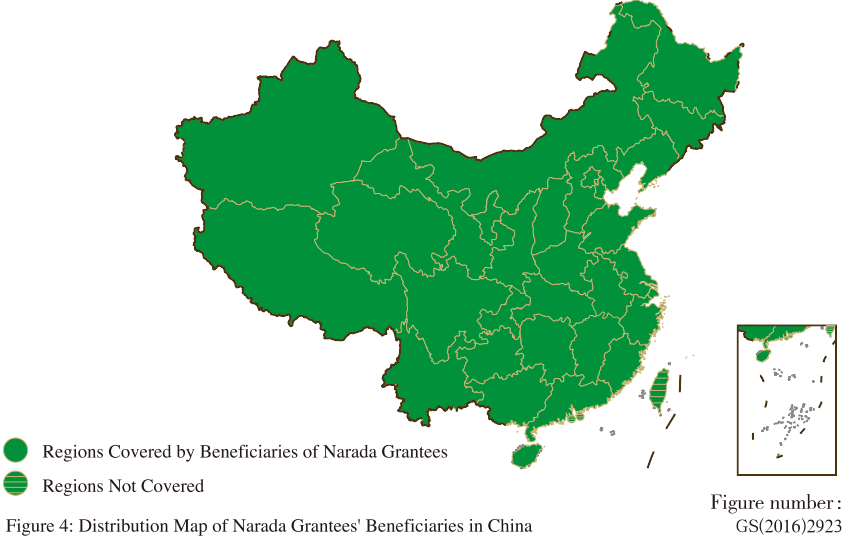


Over the past decade, Narada Foundation supported 451 organisations and individuals, and 783 projects in 26 provinces, autonomous areas and direct-controlled municipalities. See the following map.



The regions are Anhui Province, Beijing, Chongqing, Fujian Province, Gansu Province, Guangdong Province, Guangxi Province, Guizhou Province, Henan Province, Hubei Province, Inner Mongolia, Jilin Province, Jiangsu Province, Liaoning Province, Ningxia Province, Qinghai Province, Shandong Province, Shaanxi Province, Shanghai, Sichuan Province, Tianjin, Tibet Autonomous Region, Xinjiang Uyghur Autonomous Region, Yunnan Province and Zhejiang Province.

Beneficiaries of the organisations funded by Narada Foundation spread across China (excluding Hong Kong, Macao and Taiwan).



Launched "New Citizen Program" to provide migrant children with access to education. It was registered as an independent organisation in 2010.

Started small-scale grant-making projects, a highlight of which is the Non-Profit Incubator.

2007



2008

Initiated *Urgent Aid and Collaborative Recovery - Joint Statement on Earthquake Relief by Chinese Grassroots Organisations* in response to the 2008 Sichuan Earthquake, and set up a fund of RMB 10 million (around USD 1,562,500) for disaster relief and recovery efforts.

Funded and catalysed the establishment of the China Foundation Forum (previously known as the China Private Foundation Forum), supporting it continuously ever since.

Founded China Foundation Center jointly with several other organisations.

Initiated and supported the Social Organisation 5.12 Action Forum/Charity Project Fair (Known as Beijing Charity Fair), which eventually developed into the China Charity Fair held annually in Shenzhen.

Carried out the Skills for Social Entrepreneur programme jointly with the British Council.

Funded the establishment of Shanghai United Foundation.

2009



2010

Developed and launched the Ginkgo Fellow Program dedicated to long-term investment in young NGO leaders and social entrepreneurs.

Published the *Report on the Development and Needs of China's Non-profit Workforce* with Tencent Charity Foundation, Liu Hongru Financial Education Foundation, and Horizon Research Consultancy Group.

2

## Key Programmes and the Narada Foundation Approach Progression

### 2.1 Key Programmes

Diachronically, major platforms and networks created or funded by Narada Foundation during the ten years are listed below.



## 2.2 Model Progression

In alignment with the changing society and times, Narada Foundation underwent three transformations of strategies alongside updates of its model. Currently, it is implementing its third strategic plan.

In general, the Narada model went through the following three phases:

### 2.2.1 Investing Directly in the Disadvantaged

At our inception in 2007, Narada started the New Citizen Programme dedicated to achieving equal access to education by migrant children and invested in New Citizen Schools and relevant projects.

### 2.2.2 Investing in Individuals and Organisations that Help the Disadvantaged

Since the 2008 Sichuan Earthquake, Narada Foundation started to support NGOs' efforts in disaster relief and recovery. However, its primary grant-making focus is manifested in the Gingko Fellow Program and the Bright Way Program.

Investing in individuals that help the disadvantaged: In 2010, Narada Foundation launched the Gingko Fellow Program to fund and support NGO leaders and social entrepreneurs. They are NGO leaders or founders, and future NGO leaders as well as influential scholars, media professionals, and individual actors in the philanthropic and non-profit sector.

Investing in NGOs that help the disadvantaged: In 2011, Narada Foundation launched the Bright Way Program. It supported leading and supporting organisations with a particular focus on the upgrade/transition of the organisations' core services and the development of the organisations' operation. We define "leadin" as being able to reflect

in-depth on social issues during social transformation and offer systematic and structural solutions, which usually include normative frameworks, service/management models, and innovation, advocacy and promotion of policies and laws. Meanwhile, "supporting" is defined as providing proper services to meet grassroots NGOs' needs for organisational development, mostly in the form of capacity building.



On 13 May 2008, after the 2008 Sichuan Earthquake, Narada Foundation initiated the "Urgent Aid and Collaborative Recovery - Joint Statement on Earthquake Relief by Chinese Grassroots Organisations" to promote grassroots organisations' participation in disaster relief. In total, 168 organisations joined us. On 15 May, the board of directors of Narada Foundation decided to immediately set up a fund of RMB 10 million (around USD 1,562,500) to deliver financial support for grassroots organisations' disaster relief efforts.

Photo: the Honorary President of Narada Foundation ZHOU Qingzhi (middle) and the then Secretary General XU Yongguang (left) visit a Qiang family affected by the earthquake in Niuwei Village, Aba Prefecture, Sichuan Province.

### 2.2.3 Supporting Philanthropic Products with Potential to Scale Up

In 2016, Narada Foundation, together with a range of other organisations initiated China Effective Philanthropy Multiplier. It is the first platform, jointly built by multiple organisations in China, that supports the scaling-up of effective philanthropy products by matching them with social needs and providing acceleration services and resources integration.



On 23 November 2016, the China Effective Philanthropy Multiplier was successfully launched in Shanghai.

# 3

## The Leverage Effect of Narada Foundation's Grants

### Ginkgo Fellow Program Bright Way Program



Ginkgo Fellow Program, devoted to funding social entrepreneurs, helps them to break through the bottleneck of their personal growth and career development and contribute significantly to solving social problems. The grantees are NGO leaders/founders, future NGO leaders, influential scholars, media professionals, and individual actors in the philanthropic and non-profit sector. The programme provides them with RMB 100,000 (around USD 15,625) and two group activities each year for three consecutive years as well as one overseas study trip. The programme also calls for all actors of the society to jointly support non-profit talents and build a cultivation system for them.

Up to the end of 2016, 98 Ginkgo Fellows were selected, and 81 were funded (the remaining 17 are funded from 2017) with RMB 41,490,000 (around USD 6.48 million) in total as detailed in the table below.

98

Ginkgo Fellows

41,490,000

Annual Grant (RMB)

Year	Annual Grant (RMB)
2007	0
2008	0
2009	0
2010	569,799.19
2011	6,400,000.00
2012	2,840,000.00
2013	4,810,000.00
2014	5,550,000.00
2015	16,050,000.00
2016	5,270,000.00
Total	41,489,799.19

Table 2: Ginkgo Fellow Program Annual Grant (2007-2016)





There are 48 ginkgo fellows (only 46 are included in the analysis because the remaining two are individuals without organisations) whose grant term ended by 2016. The total annual revenue of their organisations was RMB 58,648,000 (around USD 9 million) in the first year of the program and RMB 162,130,000 (around USD 25 million) in the last year, or 2.76 times the revenue of the first year.

36 out of the 46 organisations doubled their revenue or more: three increased by 1000%, four between 500% to 1000%, seven between 400% to 500%, three between 300% to 400%, nine between 200% to 300%, and five between 100% to 200%.

The biggest growth rate, 1268%, was achieved by Growing Home where the 2011 Ginkgo fellow Du Shuang works. The highest annual revenue in their final year of the program was RMB 23,790,000 (around USD 3.7 million) reached by Beijing Chunmiao Children Aid Foundation where the 2012 Ginkgo Fellow Cui Lanxin works.



Bright Way Program, drawing on strategic investment concepts, provides NGOs that have the potential to generate systematic social impact on a large scale with profound support for a period of three to five years, including up to RMB 1.5 million (around USD 234,375) unrestrictive grant and other forms of assistance such as capacity building and resource matching – this is so that the organisations can achieve a speedy breakthrough and amplify their social impact.

Up to the end of 2016, the programme funded 20 organisations with RMB 21,640,000 (around USD 3.4 million). See the table below for details.

**20**  
organisations

**21,640,000**  
Annual Grant (RMB)

Year	Annual Grant (RMB)
2007	0
2008	0
2009	0
2010	193,000.00
2011	697,012.20
2012	2,620,000.00
2013	3,590,000.00
2014	4,450,000.00
2015	4,050,000.00
2016	6,042,308.84
<b>Total</b>	<b>21,642,321.04</b>

Table 3: Bright Way Program Annual Grant (2007-2016)

The total annual revenue of the 20 organisations was RMB 102,702,700 (around USD 16 million) during the year before they joined the programme and RMB 183,420,500 (around USD 28.7 million) in 2016, increasing by 79 per cent.

Particularly, the revenue of Nature University (2013 Bright Way fellow) had a fivefold increase from RMB 2 million (around USD 312,500) to RMB 10 million (around USD 1.56 million) in 2016. <sup>[1]</sup>

<sup>[1]</sup> 13 out of 20 organisations are still receiving funds. The analysis uses their revenue during the year before joining the programme and their 2016 revenue and thus, doesn't show the full effects of the Bright Way Program.

# 4

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## Ten-year Impact

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## 4.1 Supporter of Philanthropy and Grassroots NGOs

Narada Foundation has practised and advocated the concepts of grant-making foundations, contributing a large proportion of funds to grassroots organisations.

## 4.2 Constructor of the Philanthropy Infrastructure

By carrying out financial support, joint initiatives and network building, Narada has created or supported over ten significant networks, platforms and professional supporting organizations, such as the China Foundation Center, Non-Profit Incubator, the China Foundation Forum (previously known as the China Private Foundation Forum), the China Association of Fundraising Professionals, the China Donors Roundtable, the China Social Enterprise and Investment Forum, the New Citizen Program, the Ginkgo Foundation, the Shanghai Untied Foundation, and the China Effective Philanthropy Multiplier.

## 4.3 Pioneer in Philanthropy Concepts and Practices

-Targeting grassroots NGO leaders and social entrepreneurs, our Ginkgo Program is a pioneer in supporting individual practitioners and has advanced the cultivation of talents in the sector, for example, the Charity Plan of 1000 People-Lao Niu Academy by China Charity Alliance and Lao Niu Foundation, and the China Charity Leader Training Plan by China Charity Information Center and Amway Charity Foundation.

-Focusing on leading NGOs, the Bright Way Program spearheaded unrestrictive grant-making to organisations and has set an example within the sector, encouraging projects such as the Jin Cao programme by SEE Foundation and the Ai You Philanthropy+ programme by Ai You Foundation.

-The Professional Service Matching Fund programme and other similar programmes have actively promoted the philanthropy service market, catalysed sectoral intermediaries and contributed to a comprehensive non-profit ecosystem.

-Narada Foundation jointly initiated the China Social Enterprise and Investment Forum to advocate the concepts and practise of social enterprise and social investment.

-Narada Foundation jointly launched the China Effective Philanthropy Multiplier to promote and support the scaling up of social innovation in China.



## 4.4 Advocate for Enabling Legal and Policy Environment

Narada has been supporting the research and promotion of laws and policies and creating an enabling environment for the development of the philanthropic sector.

-In 2008, we researched and discussed the income tax of foundations with the Center for NPOs Law of Peking University and persistently promoted the enactment of tax deductions and exemptions for foundations.

-Narada Foundation convened peers to put forward suggestions for the enactment or amendment of relevant laws such as the China Charity Law.

-To solve the issue that national statistics don't fully demonstrate social organisations' contributions to the GDP, we have supported research on this topic and advocated for creating a domestic social organisation GDP Index system.

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## Philanthropy Infrastructure Building in China — Learning and Challenges

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by Zuofu Lai  
Narada Foundation

This article was written at the request of Worldwide Initiatives for Grantmakers Support (WINGS) in April 2017 to outline Narada's learning and challenges during its philanthropy infrastructure building in China. The article is available at:

<https://philanthropyinfocus.org/2017/04/25/philanthropy-infrastructure-building-in-china-learning-and-challenges/>

## Narada Foundation

Founded in May 2007, Narada Foundation (Narada) is committed to a mission of "Fostering Third Sector " with the vision of "A fair and just society where every heart carries hope" Narada is the first grant making foundation in China that is dedicated to providing financial support to grassroots NGOs, while most of the existing foundations across the country at the time of its launch were operating foundations. Its unique DNA of promoting the interests of the general public has been instilled by its founders Zhou Qingzhi and Xu Yongguang, two philanthropists with distinguished experience and great insights and visions. A humble businessman now serving as the President of Shanghai Narada Group Co. Ltd., Zhou is a typical idealist among the first batch of college students after the Cultural Revolution in China and shares with other idealists of his generation a view that philanthropy is the way to promote the transition to a good society in China. Founder of the Project Hope dedicated to supporting children's education, Xu has been making continuous efforts to advance the development of China's philanthropic and non-profit sector and social innovation over the last three decades.

During the last decade since its establishment, Narada has been playing leading roles in the following aspects: As a supporter of philanthropy and grassroots NGOs, Narada has practiced and advocated the concepts of grant making foundations, contributing a large proportion of funds to grassroots organizations; As a constructor of the philanthropy infrastructure, by carrying out financial support, joint initiatives and network building, Narada has supported over ten significant networks, platforms and professional supporting organizations in corresponding industries, such as the China Foundation Center (CFC), Non-Profit Incubator (NPI), the China Foundation Forum (previously known as the China Private Foundation Forum, CPFF), the China Association of Fundraising Professionals (CAFP), the China Donors Roundtable (CDR), the China Social Enterprise and Investment Forum, and the Effective Philanthropy Multiplier; As a pioneer in philanthropy concepts and practices, Narada has been at the forefront of investing in NGOs leaders and providing unrestricted grants to leading NGOs, which are both seen as pioneering practices in foundation sector in China; and, As an advocate for enabling law and policy environment, Narada has been supporting the researches into and promotion of laws and policies by gathering peers to provide suggestions for the development and amendment of competent laws and regulations such as the Charity Law of China, with a view to proactively creating an enabling external environment for the development of philanthropic sector.

## Learning

During the philanthropy infrastructure building, Narada has learned that:

(1) The construction of philanthropy infrastructure is a long-term cause demanding great patience. Rome wasn't built in a day; neither will the philanthropy infrastructure be. As the public goods supporting the development of the philanthropic and non-profit sector, the infrastructure requires long-term investment and efforts from responsible and patient philanthropic capital. With this in mind, Narada has been offering continuous support to significant network and platforms, such as the CFC and the China Foundation Forum, which Narada has backed since their establishment.

(2) The multiplier effect of the philanthropy infrastructure will give full play to the leverage effect of the philanthropic capital. For instance, Narada initiated the Ginkgo Fellow Program dedicated to supporting leaders of grassroots NGOs and social entrepreneurs. The Program provides the honorees, or the "Ginkgo Fellows", with RMB 100,000 (around USD 15,625 ) each year for three consecutive years that can be deployed as they wish in living, learning or charitable activities, sparing them worries about the costs of living and helping them focus on the social cause they dedicated. The fellows have brought in changes in their respective organizations, which has eventually impacted the social sector in a positive way. Through this kind of support, Narada has been able to create a ripple effect and facilitate exponential growth.

(3) Collaboration is needed for philanthropy infrastructure building. The long time and huge capital requirement makes philanthropy infrastructure building a mission beyond the capacity of just one or a handful of foundations. For example, in 2015, Narada, with an average annual budget of around RMB 30 million (around USD 4.7 million), ranked 137th in charitable spending among all foundations in China<sup>[1]</sup>. Therefore, it is necessary to engage a wide range of collaborators. That is why when establishing CFC, as the main founder and sponsor, Narada encouraged more than 30 foundations to contribute to the establishment of the center.

(4) Funding is important, but it alone is far from sufficient. During the past decade, Narada has granted a total of RMB 246 million (around USD 38 million) to 783 projects initiated by 451 organizations or individuals. Despite the small amount allocated to each project, as a firm and reputed builder of the philanthropic sector, Narada has also helped with the governance of these projects and offered non-financial support including intellectual support, experience sharing and resource matchmaking based on its 10-year experience and significant influence, maximizing the effect of financial support.

## Challenges

First, the modern philanthropy infrastructure building in China faces a tough journey ahead. Despite the long tradition of philanthropy in China<sup>[2]</sup>, public goods have been mainly provided by the government since 1949<sup>[3]</sup>. It was not until 2004, or rather 2008, known as the "Year of Third Sector" after the devastating Wenchuan Earthquake, that the true grassroots philanthropy and non-profits started emerging. Therefore, China's civilian philanthropy, especially the institutionalized philanthropy represented by modern private foundations, has a history of less than 20 years and suffers from a serious shortage, if not a gap, of supporting philanthropy infrastructure, such as the media outlets dedicated to delivering information of the sector, database platforms and qualified intermediate agencies.

Second, the awareness of supporting the philanthropy infrastructure should be increased. As philanthropy infrastructure is public goods that require long-term commitment and a large amount of funds, and will not demonstrate benefits in a short time as other projects do, it is in need of patient philanthropic capital contributors. Given that most grant makers expect short-term achievements, it will be helpful to raise their awareness of the importance of the philanthropy infrastructure building or the support to it.

Last, philanthropy infrastructure lacks financial support. Despite the fact that even the US has to face this challenge<sup>[4]</sup>, it is more serious in China, due to the small scope of its philanthropy sector. According to the Ministry of Civil Affairs of China, in 2016, social organizations including all kinds of legal entities, contributed only 4.3 % to the country's GDP. As of 2016, foundations in China have numbered 5,555, but only 1% of them are grant making foundations<sup>[5]</sup>, with others operating on their own programs, or merely providing support to specific projects selectively.

A mindset of renewed learning, openness and collaboration are needed to explore suitable patterns for the philanthropic sector in China – by drawing on international practices on effectively and smartly leveraging the financial support and by improving the philanthropy infrastructure – for the benefit of effective development of the philanthropy and non-profit sector that can contribute to valuable solutions to social issues. Despite a late start, the grassroots NGOs and philanthropic foundations in China have been thriving quickly, with all concepts practiced in the country – from traditional charitable practice in meeting immediate needs, to modern scientific philanthropy, and further beyond social entrepreneurship and social investment. Narada believes that as a country that accounts for 20% of the world population, China's efforts and progress in building a prosperous philanthropic sector of its own can significantly contribute to global philanthropy.

[1] Source: China Foundation Center, see [http://data.foundationcenter.org.cn/content\\_52.html](http://data.foundationcenter.org.cn/content_52.html).

[2] Yu Yue Tsu, *The Spirit of Chinese Philanthropy: A Study in Mutual Aid*, 1912.

[3] For more information about the history and evolution of China's third sector, see Hui Qin, *Understanding China's Third Sector, Social Innovation and Social Transition in East China*, Supplement to *Stanford Social Innovation Review*, Spring 2017.

[4] Suzanne Perry, *Nearly 2 Dozen Groups Urge Foundations to Spend More to Strengthen Nonprofits*, May, 2016 see <https://philanthropy.com/article/Nearly-2-Dozen-Groups-Urge/236498>.

[5] Yongguang Xu, *Essay on the GDP of China's Social Organizations*, see <http://www.naradafoundation.org/con>