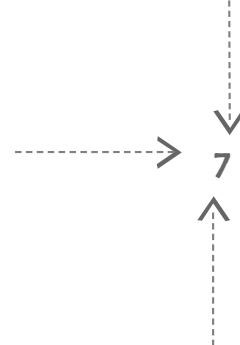


Introduction



The search for funding and financial management has been a challenge ever since organised youth activities began some 150 years ago. In Europe funding for youth activities has come from various sources over the years. Members of youth organisations and individuals have always been sources of financial and material support. Support from religious communities, political parties and the state flourished throughout the 20th century, though their respective roles changed dramatically as the century wore on. The latest change has been the re-definition of the state's role since the end of the Cold War division of Europe.

At the beginning of the 21st century the funding and financial management of youth activities in all parts of Europe are characterised by three major trends:

- a European mix of funding sources, combined with growing diversification and increasingly influential international/transnational funding;
- financial management is developing increasingly away from the mere administration and disbursement of money into a complex system of relations with funders and donors, whether public or private, individuals or groups, as well as with members, participants and young people;
- access to funding is increasingly competitive, the basic model being calls for projects in line with often rapidly changing political or organisational priorities. This is typified by a focus on project- as opposed to administrative funding and by a tendency for funders to have a mechanical vision of the effect of funding on long-term development.

The European mix of funding sources for youth activities

Funding for youth activities at all levels is increasingly raised from a broad range of sources. Often a single project raises funds from individuals at local level, gets support from the municipal or national level and may also receive support through the budget of the European Union. The project itself may have been conceived as part of a regional youth policy plan, which may have been developed in cooperation with a foundation that also gave some seed money for a pilot activity. The youth workers running the project may even have attended a Council of Europe training course at the European Youth Centre which has developed their ideas.

This example is not limited to the youth sector. The diversity of funding sources is an increasingly common feature of social policies in Europe. Admittedly, differences exist – for instance as regards the role of independent funders such as foundations and trusts. Independent funders have entered the scene in an unprecedented way. Only some 15 years ago they played almost no role in most of the 45 member states of the Council of Europe. Today, trusts and foundations, corporate giving programmes and individual philanthropists are funding youth activities in all parts of our continent.

European Union funding has also reached all corners of Europe. All European countries are able to benefit from it in one way or another. Young people and youth associations in countries which are not members of the European Union often have access to democratisation or civil-society activities or can even participate in specialised youth and education programmes.



Funding
for youth
activities



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Of course, the state and local self-government play an important role in supporting and funding youth activities. Thanks to Council of Europe capacity-building and co-operative action, government at all levels is contributing to youth activities, and certain Europe-wide trends can be observed.¹

Finding a way through this labyrinth has become yet another skill which volunteer and professional youth workers need to have. All too often youth workers are their own fund-raisers and are given little assistance by their boards of management. Ambitious plans often come with little financial provision except “Good luck with the fund-raising!” We hope the T-Kit will narrow that gap and provide a comprehensive overview of funding sources (Part I). As funding can be a labyrinth, we have drawn a large-scale map of the European funding community, in all its variety. It goes without saying, but it is better said: from the European level and perspective we cannot provide you with insights into the detailed operation of your local government scheme to support youth groups. But we can help you ask the right questions and find out about funding sources which you can access.

We focus on rationale and how the different funding institutions and funders work. Thanks to our co-operation with the European Foundation Centre we are also able to provide a deeper than usual overview of issues relating to independent funders in Europe.

Financial and relationship management

Knowing the sources of funding is one step, understanding your funders yet another. Financial management has developed more and more into relationship management. By this we do not mean that you will have to deal with your bank manager but that any youth project takes place in a continuum of relationships many of which are linked to financial transactions. Only if you are able to understand the motivation of your funding partners will you be able to raise funds successfully on a long-term basis. Securing the funding for your organisation means building a relationship and permanent dialogue with your funders. Ultimately, you want to be able to influence the agenda of your funding partners with your ideas.

Part II of the T-Kit looks at financial management from this perspective. We are not looking so much at your internal relationship management with members, participants and young people as such. These issues are covered in the T-Kit on Organisational Management.

We also look at the concept of accounting rather than at accountancy, though properly kept and certified accounts have never been so important, even for small youth groups. This trend, again, comes back to relationship management as a process of creating justified and institutionalised trust in your ability to run projects successfully and to spend money wisely and keep the necessary documentary evidence.

Competition as a basic idea in allocation of funds

The idea of competitive bidding for funds has taken root almost everywhere. Though, regrettably, not all competitions are fair or transparent, individual European funding institutions have taken many measures to ensure a fair and equitable process of project selection. Funding institutions' calls for projects reflect political and organisational priorities. By prioritising their fields of intervention, funders and funding institutions try to achieve certain objectives in partnership with others. As such this process is to be welcomed and reflects legitimate concerns of funding institutions and their political decision-makers.

Young people, however, do not live in project cycles. Youth workers think in terms of educational and developmental processes rather than management objectives. The move away from structural administrative support to calls for projects has a considerable

1. Cf.: Howard Williamson, *Supporting young people in Europe: principles, policy and practice*, Council of Europe, Strasbourg, 2002.



effect on organisations' work and culture. This effect is not all negative, as it allows changes of programmes and priorities. But organisations which are not clear about their own mission and strategy, purpose and goals, will find adapting to this reality difficult and dangerous, and they will not be in a position to strategically influence the terms of reference of the funding they need.

Clarifying your own mission and strategy and identifying clear objectives for your actions have become key tasks for youth organisations and workers. The T-Kit series is a good illustration of the shift to management principles. To compete, you need a good idea of what you can offer the funder and how you can integrate a call for projects into your own plans. The challenge becomes to identify priorities that you and the funding institutions have in common. If you are to maintain your own vision, this is crucial. Otherwise your organisation risks being a mere "implementing agency" for other people's ideas and policy. At the end of the day, this is also a question of taking part in debate in your society. It is essential for youth organisations to participate in the funding debate as actors and not just as passive beneficiaries of new funding doctrines.

Active participation in the funding debate will also allow you to react to quickly changing priorities and fashions. All too often we see funding institutions seeking to achieve long-term development goals through short-term funding programmes. In such an environment it is difficult to organise long-term funding for organisational development when public sources, in particular, are scarce.

How to use the T-Kit

With these trends in mind, the T-Kit has been divided into two main parts, one on *funding sources* and one on *financial management*. A third part contains a *glossary and recommendations for further reading*, on both paper and the Internet. Throughout the text you will find hints on issues which we – as a team writing this T-Kit – found relevant. Whenever possible, we also tried to find some good real-life examples of the issues discussed in the text.

You will find that you can read the T-Kit in one go and that there is a certain amount of repetition. The repetition is deliberate. Firstly, chapters of the T-Kit can be read separately and can be understood on their own. Secondly, many of the questions raised cannot be repeated often enough – there will always be incorrectly calculated budgets, late, inconsistent reports, missed deadlines etc. These are the types of problem the T-Kit will help you avoid.

The T-Kit does not set out to be exhaustive. Many aspects of funding and financial management had to be left uncovered. But with your help we may be able to develop it further in the future and adapt it to changing realities. Your comments are – as always – welcome.

Tobias FLESSENKEMPER
Editor



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