

Donors used to be large organizations only. They had sufficient budgets (e.g. from governments) and infrastructure to run projects. But that has changed. Now, through the Internet, users can engage as donors through donations or seek funds for projects. Platforms, such as [kiva.org](http://kiva.org), have shown how many small donations can micro-finance a small business. In the last years many initiatives have sprung up to bring people with project ideas and donors (large and small) together.

### Project idea meets donor

The Internet offers new ways to connect people with project ideas and donors. For example, [globalgiving.org](http://globalgiving.org), founded by former [World Bank staff](#), offers donors a long list of “community-based projects” to donate for. Globalgiving’s approach is to follow the project from start to end. For example, a project in its funding-raising phase is located at [Bitame Lucia School in Cameroon and has been conceived to provide solar technology & basic computer training](#). The latest status and all activities are documented on the website, [including the results](#). Donors can start with as little as \$10 US dollars up to many thousand dollars. Funds are received by the beneficiary via credit card, check or services such as PayPal.

### Crowd funding for everything

The social web has offered a whole new way to mobilize friends and colleagues for a cause. Through websites, such as [justgiving.com](http://justgiving.com), everybody can start an own charity initiative. For example, to promise friends to climb on three mountains when they [donate a certain amount of money to a children hospital](#). A term describing the concept is [crowd funding](#), and this approach is flourishing in many areas. On platforms such as [Kickstarter](http://Kickstarter) or [RocketHub](http://RocketHub), whose projects for fashion, music, movies and on many other topics are seeking crowd funding. One such example is the [Diaspora project](#), which was initiated by four students to program an alternative to Facebook, which guarantees more privacy. What started as an idea, generated within a few weeks

[more than 200 thousand dollars](#)

ironically thanks to large mobilizing through Facebook and Twitter.

## The growth of crowd-funding

One of the often cited examples for a successful online fundraising was Barack Obama's campaign to run for president. Obama raised about \$500 million US dollars online, with a large share of micro donations. Facebook [has an application called "causes"](#), where users can express solidarity. Although it has been criticized for not having much effect with [a one-click solidarity](#)

, all causes in

[Facebook still generated in 2008/09 \\$20 million US dollars](#)

in donation. The donations have quadrupled in 2009.

[Mobile phones](#)

play also an increasing role through

[SMS fundraising](#)

. During the Haiti earthquake, in the USA \$20 million US dollars were generated in the first two weeks through SMS, in events such as concerts, where the singer asks his fans to donate for a cause by sending a SMS. Sending an SMS to a special number is an automatic donation. In Africa there are also websites, which offer donations from overseas through different payment channels. Two examples are

[MamaMikes](#)

in Kenya and

[Mukuru](#)

for Zimbabwe.

## Trends

Statistics show that online micro donation is growing year by year, but it is still small compared to the overall fundraising budget. Project related donations are often more popular, where donors can follow a project from start to end and read the results. Here, social media offers a great way to document the project and show a different type of transparency. However, although such crowd funding efforts are quickly set up on a website, one needs a sufficient coverage or enough people in your network in order to raise a significant amount of money. Otherwise, such an online fundraising initiative would have little chance to reach a substantial amount.

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