

Building sustainability of civil society: Beyond resourcing

Reflections from INTRAC
staff and associates

November 2014



Introduction

To coincide with our Building Sustainability of Civil Society workshop on 25-26 November 2014, which will bring together representatives of civil society organisations, practitioners, funders, and researchers in Oxford, INTRAC has put together a special blog series exploring the different dimensions of sustainability.

The blog posts in this series offer reflections from a range of INTRAC staff and associates, exploring the sustainability of civil society organisations from different angles, looking well beyond resourcing issues. This special INTRAC publication compiles all the blog posts in the series.

Rachel Hayman, INTRAC Head of Research begins the series by fleshing out what we think a more multi-dimensional view of sustainability might look like. She explains our rationale and objective for focusing on the issue of civil society sustainability and some of the challenges faced by organisations around the world.

INTRAC Executive Director Michael Hammer shares his thoughts on what makes a civil society organisation legitimate and why it matters for sustainability. He asks us what are the challenges in gaining and maintaining legitimacy, and whether it is possible to be legitimate in the eyes of both local communities, donors and governments.

The question of financial resourcing is explored by INTRAC Associate John Hailey by narrowing the differences between restricted and unrestricted funding and why this matters for sustainability in our third blog post. Getting resourcing right is crucial for the long-term survival and effectiveness of all types of NGOs and civil society organisations.

In the fourth blog post INTRAC Principal Consultant Rod MacLeod, gives an insight on what leadership means and why it is important for sustainability. He argues that leadership must be part of any serious debate about organisational sustainability given that, "no individual NGO leader can last forever".

Suzanne Hammad, INTRAC Principal Consultant for the Middle East and North Africa, highlights the importance of taking the historical and contemporary context in consideration, of being "space sensitive". Only that way, support to local organisations will become more sustainable.

But, if only the fittest can survive, as in Darwin's theory, which INGOs will make the cut? What would they need to survive? INTRAC Principal Consultant Rick James addresses the importance of "lived" mission and values for sustainability, for survival. He concludes that "learning from practice" and being open to internal change are key elements to make a long-term difference to a sustainable civil society.

Civil society sustainability: Stepping up to the challenge

by Rachel Hayman

At INTRAC we believe that civil society sustainability is about more than just resourcing. Organisational legitimacy, strong leadership and a clear mission and values all matter, as does the context within which your organisation works.

Our objective

We want to push the thinking of NGOs, funders, civil society support organisations and governments on how to ensure a sustainable future for civil society in countries where people face challenges such as poverty, insecurity, poor governance, and social exclusion. In particular we are interested in exploring how civil society support – focusing on policies and practice – can be improved to address the sustainability challenges of civil society. We want to share good practice and lessons as well as foster debate that will lead to action.

Our challenge

For civil society to fulfil its role of empowering people to challenge and change the inequality that affects them, civil society organisations need to be effective, sustainable, rooted and legitimate in their own societies. Their supporters and funders need to back this endeavour, addressing weaknesses in programming, capacity building, and funding. They also need to engage with the regulatory and political conditions which affect civil society organisations. These weaknesses, individually and in combination, often undermine rather than strengthen civil society.

Over the past few years we have been observing big changes in the environment for civil society globally. The Civil Society at a Crossroads project, our work on aid withdrawal, our capacity building and evaluation work for international NGOs, foundations and donors, and our work on civil society operating space all highlight how organisations in the global south and north are grappling with profound questions about their role, purpose, legitimacy, relationships, and funding.

In this changing context, we have seen many organisations facing major reductions in traditional forms of funding, leaving them to seek alternative sources of income to sustain their work. Some strategies organisations are pursuing include diversifying their funding streams, generating income in new ways, and developing different types of relationships with governments, corporate bodies, private funders and others.

A multi-dimensional and integrated view of sustainability

However, funding is merely one aspect of sustainability. INTRAC's experience suggests that multiple interrelated factors contribute to sustainable civil society organisations and a sustainable civil society overall. We therefore need to think in a more integrated way.

Firstly, we will look at the relationship between sustainability and legitimacy. When organisations make claims about providing benefits to people, it is important that they have a clear mandate to do so. They must also be able to demonstrate accountability towards a wide range of internal and external stakeholders. How rooted organisations are in the communities they support is also emerging as a key factor.

However, even if an organisation is perceived as legitimate in what it does and who it speaks for, it may struggle for a lack of resources. So the next blog post in our series will examine the resource issue.

Other factors that emerge as interesting to us within an integrated concept of sustainability are leadership, purpose, values, and structures. We will explore whether particular leadership qualities or approaches matter to sustainability. Organisations that prove to be effective agents of social transformation in the long term rarely exist without a distinct and recognisable base of values or purpose. We will therefore consider how sustainability is related to the clarity of mission or purpose of organisations and the extent to which institutional systems and structures are important.

Much more broadly, however, our experience shows that the social, economic, environmental, historical, geographic and political context in which civil society exists really matters. In many places the sustainability of civil society is challenged because the environment in which organisations operate does not enable them to fulfil their mission. The issue of space for civil society to operate freely and effectively is often fundamental to sustainability, as is the existence of a conducive legislative framework.

Many forms of civic organisation exist without funding (think of the multitude of voluntary associations which exist with minimal income), exist without formal or distinct leadership, or exist in contexts where the space to operate is extremely squeezed. The world is also awash with NGOs that fulfil a lot of formal criteria but have a dubious function. Therefore, the mere continued existence of an organisation – based on access to resources, acceptance by the state, and the presence of a formal structure and leadership – does not equate with sustainability.

Our experience suggests that the sustainability of individual civil society organisations, and of civil society overall, is determined by a confluence of factors. Greater priority needs to be given to the question of how the long-term sustainability of civil society organisations and civic organising can be supported more effectively. It is on this basis that civil society can then address the poverty, insecurity and discrimination that so many people continue to face.



Rachel Hayman is the Head of Research at INTRAC. She joined in May 2011 from the Centre of African Studies at the University of Edinburgh (2002-11). Her research expertise covers international development aid and development policy-making, *civil society*, aid effectiveness, democratisation and governance in developing and post-conflict countries, and education and health policy. As Head of Research, Rachel is responsible for facilitating the NGO Research Forum, overseeing research activities at INTRAC, and supporting INTRAC's *capacity building* work through providing advice on research methods, *monitoring and evaluation* approaches and trends affecting the sector.

Legitimacy and sustainability of CSOs

by Michael Hammer

Most civil society organisations make direct or indirect claims that they are providing benefits to society or specific groups within it. On these, many organisations build further claims for recognition of special status and for financial and regulatory support. Yet without the public's

recognition of the social value of its causes and ways of working, organisations cannot claim legitimacy. This is why a formal status of legitimacy is prized and the benefits are often very tangible: credibility with funders, different regulatory demands, improved access to key target audiences, etc. In short, legitimacy gives you access to many assets that contribute to the sustainability of your organisation.

Yet there are many challenges. First, legitimacy can only be given to you by those around you, but your own organisational set up and behaviour is critical. Claims to benefit particular groups in society should be backed up with accountability mechanisms, including transparency, participation, learning and for the handling of complaints and problems in ways that enable you to demonstrate not only how you relate to those who support you and control you, but importantly also those who you claim to support.^[1]

This is a harder nut to crack than it may appear at first sight. A focus on inner-organisational democracy and representation by many international NGOs may actually entrench existing power differentials as members and claimed beneficiaries are largely not the same groups. Although some international NGOs emphasise localism as part of campaigning strategies, this does not address the issue of accountability to claimed beneficiaries.^[2] Further, Bernstein and Coleman's work shows that representativeness arguments employed by international NGOs border on legitimisation strategies used by the state, which generates further tensions.^[3]

Second, what makes you legitimate in the eyes of one society, or parts of society, may not do so in another, or with powerful actors that make decisions about your status. It may even potentially harm you. A good example of this is in the wave of 'foreign agents' legislation rolled out in Russia^[4] and Central Asia,^[5] as well as in the limitations of action placed on NGOs in India^[6] and Israel.^[7] In other cases, such as in Brazil, the declining space for civil society action is the result of local political actors taking over typical civil society organisation (CSO) advocacy territory such as on poverty and rights.^[8] While resistance and discourse against the limitation of CSO space is very active, the pressure on CSOs exercised by governments involved is real.^[9]

Third, in many countries the status of legitimacy as a charity is increasingly tied to your ability to demonstrate that you know how your funds are being used deep into the chain of transfer. This is partly driven by concerns about the funding of terrorism.^[10] In other cases the results-based management approach promoted by major funders often generates counter-productive dependency of civil society organisations on donors. It also tends to result only in short-term social capital credentials, with limited longer-term prospects for self-sustainability.^[11]

These concerns are reinforced by serious questions about some donors' capabilities to learn

institutionally from the results they are pushing for, including making revisions to their ways of working.^[12] How important it is to make these revisions is shown in a study of the contracting model employed by the UK Department for International Development, which concludes the model is unproductive in achieving development outcomes.^[13]

Also, INTRAC's own experiences in programmes to strengthen civil society show that donor accountability and disbursement requirements often act as perverse incentives with regards to capacity building.

Organisations thus face a plethora of challenges on the topic of legitimacy. Exactly what it takes to establish legitimacy in society is very context-specific. Yet if legitimacy were just a matter of local acceptance, civil society would quickly lose its edge in terms of being a challenger of social norms and majority opinion. Some of the communities that organisations may be rooted in and which provide legitimacy to their work may not be in the mainstream of public opinion. In fact, they may be decisively and positively antagonistic to majority views about social norms in a particular context.

Legitimacy is therefore not an argument to be deployed parochially. Many organisational relationships beyond the local context matter. They need to be examined and worked through in terms of their implications for the legitimacy basis of the organisation. Organisations need to be able to identify the communities on whose behalf they speak and work, and towards which their efforts of building their basis of legitimacy has to be directed. To develop synergies between different sources of legitimacy for their work, civil society organisations need to make very conscious efforts on accountability and relationship building. Organisations also require structures around them that are supportive of such complex approaches to managing relationships.



Michael Hammer joined INTRAC in August 2013 and formally took over as its new Executive Director in December 2013. From 2006 to 2013, Michael led global governance research group One World Trust and prior to that worked as West Africa Programme Director for peacebuilding organisation Conciliation Resources. From 2000 to 2005 he was with Amnesty International as Researcher, Africa Programme Director and Head of Office of the Secretary General. Earlier in his career, Michael worked in sustainability and regional planning for Germany based Institut Raum & Energie. His main research and *organisational development* focus is on accountability, governance and effectiveness of international organisations involved in providing and advocating for access to global public goods.

The sustainable NGO: Why resourcing matters

by John Hailey

A sustainable NGO is one that can continue to fulfil its mission over time and in so doing meets the needs of its key stakeholders – particularly its beneficiaries and supporters. As such, sustainability should be seen as an ongoing process rather than an end in itself. It is a process that involves the interaction between different strategic, organisational, programmatic, social, and financial elements.

However, experience tells us that financial sustainability is crucial for the long-term survival and effectiveness of all types of NGOs and civil society organisations. The challenge is how to achieve such levels of financial sustainability.

What we do know is that the more different sources of funds you have, the more financially self-sufficient and sustainable you are. In other words, the financial sustainability of an NGO depends on its ability to diversify income and access new funds.

Restricted or unrestricted funds: A key indicator

My own experience working with NGOs around the world is the need to ensure a balanced mix between unrestricted and restricted funds. Restricted funds are those that can only be used for specific purposes that have been agreed with a specific donor, while unrestricted funds is 'free money' that can be used for any purpose that helps the NGO to achieve its mission. The balance between restricted and unrestricted funds seems to me to be at the heart of any debate about the financial sustainability of any NGO or civil society organisation.

An over-dependence on restricted funds is an indicator of potential unsustainability. Thus over-reliance on official aid funding with all the associated restrictions and conditions should be seen as an indicator of concern. In practical terms this means that a financially sustainable NGO is one that can continue with its core work and meet its mission even if external donor funding is withdrawn.

Strategies for Financial Sustainability

There are many strategies to achieve financial sustainability. Practice and experience tells us it is not just about developing new fundraising campaigns or writing clever funding proposals but as much about building relationships, risk management, and basic good financial practice. This is well-reflected in MANGO's analysis of the characteristics of financially sustainable NGOs, which suggests that they should:

- Invest in developing and maintaining strong stakeholder relationships including with donors, supporters, volunteers, staff, and beneficiaries.
- Effectively assess and manage the risks associated with funding and financial resources
- Obtain a range of different types of funding, particularly unrestricted funds
- Strategically manage and finance all organisational costs and overheads
- Build sufficient financial reserves

Source: <http://www.mango.org.uk/guide/financialsustainability>

Traditionally unrestricted funds have come through voluntary donations from the local community, the general public, or untied contributions from businesses or foundations. In the last 10 years, access to such unrestricted funds has increased significantly due to new approaches to web-based giving (e.g. Giving What We Can, GuideStar, JustGiving, etc).

One of the strategic dilemmas for those NGOs with particular identities or specific values, such as faith-based NGOs, is the extent to which they raise unrestricted funds through the gift economy (whether they be church collections, zakat funding or whatever) or through the tied aid system with all the conditionalities attached – which may threaten their independence and identity.

Local civil society organisations face similar strategic choices, though I suspect they are often more strategically pragmatic in the way they access funds. In practice most civil society organisations depend on limited community funding. This can be seen as a form of unrestricted donation, but which in reality can be quite restricted in the sense that such donations are heavily influenced by a range of local issues, personalities and socio-political dynamics. All of which suggests that such supposedly unrestricted local funding may not be as free as hoped or may not lead to the levels of sustainability expected.

The sustainable NGO: The future

Possibly of more strategic significance is the trend for NGOs to develop new social enterprise or social franchising models as a strategy to ensure sustainability. Examples of such innovative social franchises include Marie Stope's global network of BlueStar clinics, or Basic Need's franchise model for the provision of mental health support in the poorest communities.

Another potentially significant trend is where an established international NGO evolves (or incubates) an autonomous social enterprise, or works with local businesses to form new collaborative enterprises. There are a number of recent cases where an existing development NGO transmogrifies itself into a viable, market-driven social enterprise. The ambition is that their future income will come from selling products or services rather than relying on donor income or commissions. For example, in the area of solar power, SolarAid has evolved from a traditional funded NGO that focused on promoting the use of solar power in Africa to a new social development enterprise selling high-quality solar lighting.

In 2008, SolarAid created the social enterprise SunnyMoney to run its operations in Africa. SunnyMoney uses an innovative distribution model to sell solar lights in rural off-grid communities dependent on costly, toxic kerosene for lighting. By building a sustainable market for solar products, SolarAid and SunnyMoney aim to eradicate the kerosene lamp from Africa by 2020. Similarly, in Bangladesh, the Grameen Bank's social business affiliate Grameen Shakti has become one of the largest providers of solar systems and other renewable technologies in the local market.

The trend therefore seems to be one of exploring strategies that help NGOs ensure their survival and independence; not just through diversifying income sources but adopting more entrepreneurial routes to financial sustainability.

This trend will have major consequences for NGOs, not only in terms of managing change but also in the types of competencies needed by staff and board members. It will have significant implications for the identity, values and culture of many NGOs. However, the benefits will be seen in terms of greater independence, resilience and sustainability.



John Hailey has extensive consultancy experience with international NGOs and the United Nations, and has worked in over fifty countries. He is also Visiting Professor of Non-Profit Management at City University's Cass Business School in London. John was one of the founders of INTRAC, for whom he continues to work as an Associate. Formerly, he was a Professor of International Management at Oxford Brookes University Business School and Director of the International Development Centre at Cranfield School of Management. He has published extensively, and his research has been focused on the leadership and management of NGOs and the strategic issues they face.

Sustainability: Why Leadership Matters

by Rod MacLeod

'What will happen when you leave?', I once asked the charismatic founder leader of a Ugandan HIV/AIDS NGO. 'That is not a problem' she replied, 'I am not planning to go anywhere'. Sadly her defiant refusal to accept the march of time ultimately proved no more successful than King Canute's legendary attempt to hold back the waves.

But if no individual NGO leader can last forever, *leadership* must be part of any serious debate about NGO sustainability.

This assertion is most easily proved in the negative: when leadership is weak, myopic, uninspiring, indecisive, inflexible, tired or otherwise inadequate, the results for an NGO can be catastrophic. We can probably all point to examples of organisations which lost their way, failed to adapt to changed circumstances or quite simply went out of business. While a regular income will usually secure continued existence, unless there is a strong leadership to deploy those resources, then continued relevance and effectiveness – the point of any organisation in the first place - must be in doubt.

So what leadership qualities and approaches are needed to prevent this?

Horses for Courses

At least part of the answer must lie in getting the right leaders at the right time. At inception, a visionary, entrepreneurial leader who can spot a gap in the market and ignore the 'nay-sayers' is often what's needed, as seen with the founding of a well-known Oxford-based civil society strengthening organisation in 1991. As an organisation develops, it may need a more managerial approach, to help professionalise and embed systems – a Thabo Mbeki type to follow a Nelson Mandela type. Further down the road, there may be stability verging on stagnation, and a more transformational style is in order to reinvigorate and renew.

But it would be misleading to assume that there is a simple, linear progression to an ideal model of leader here. John Hailey describes four types of leaders: Paternalistic, Activist, Managerialist and Catalytic; he concludes that it is this latter Catalytic type (with a wide world view and able to engage actively with external stakeholders), who is more likely to generate longer-term strategic growth. Rick James argues that leaders need to overcome their tendency to autocracy and become more humble.

Both are right, at least some of the time. But it does depend on the time. There are moments when change is the last thing anyone needs. One staff member of a UK-based INGO expressed the hope that the newly appointed CEO would not embark on yet another destabilising staff restructuring when he arrived (he did). On the other hand, while autocratic management styles may not be popular, there are moments when the well-padded posterior of a complacent NGO is ripe for a good kicking. NGOs are notoriously bad at getting rid of mediocre, underperforming staff and tough decisions can be hard to make with a collegiate style.

Of course, leadership is more than one person, covering both the Board and Senior Staff: smart organisations try to ensure that the weaknesses of one part of this composite are compensated with the strengths of another.

Leadership development

Then there is the question of how to nurture and develop leadership from within. The maxim that 'leaders are born not made' is contradicted in the numerous leadership development courses now on offer and the array of 'How to be a Great Leader' books shouting at us from airport bookshelves. Much of this is of questionable value.

Traditional skill-based programmes are generally not relevant at this level and the idea that leadership development can be reduced to a checklist of competences does not reflect the softer skills like judgement and intuition, which are often more important. More flexible, personalised processes seem preferable, which respond both to the individual and to the context in which they are working. Peer to peer processes can be useful here.

A particular challenge is for organisations moving on from the Founder Director: how far to break the ties with that person and how to fill what is usually a large gap without losing organisational momentum? Succession planning has been popular in recent years as a way to address this, but with mixed results.

INGOs working with INTRAC on partnership exit strategies have observed that the best prospects for sustainable local organisations are when they have strong leaders. But to help local NGOs build their own leadership is complex and requires patience. The understanding and commitment of INGO senior management is needed to support the efforts of staff liaising directly with partners. Civil society 'champions' within donors can also play a part in making the case for the more flexible, open-ended support needed for leadership development, in a context increasingly dominated by tightly constrained results-based funding.

How to get it right?

Considering how to get the right leadership at the right time must be part of the debate on sustainability. These are tough times to be the leader of an NGO anywhere. The pace of change is unrelenting: in the nature of problems that NGOs seek to address, in the funding environment, in dealing with local governments, in the nature of the competition and in the complex web of relationships that NGOs must now manage. Without the necessary leadership to navigate all this, the real sustainability of any organisation must be doubtful.



Rod MacLeod joined INTRAC in March 2007 as programmes director and became a principal consultant in 2011. Previously he worked with Concern Worldwide in Cambodia, India, Sudan and Haiti, in a range of management positions including three at Country Director level. He has also worked at Save the Children Norway as an adviser covering East Africa and the Horn of Africa, and at Y Care International as Director of Programmes, based in London. In addition, he has worked as a freelance consultant based in Uganda. Most recently he was International Programmes Director for Progressio (formerly the Catholic Institute for International Relations) based in London. He has a bachelor's degree in politics from Bristol University and an master of arts in rural development administration from the University of East Anglia.

Sustainability: Why space and context matter

by Suzanne Hammad

Civil society organisations can be well resourced and legitimate with established structures and strong leadership, yet still struggle to become truly sustainable. One reason for this might be challenges posed by the broader context within which they exist.

Extreme poverty may make it difficult to find sustainable local sources of financing. Conflict and political instability can create uncertainty, making it harder to plan and think strategically about the future. A restrictive political environment may compel organisations to keep a low profile or shift priorities to avoid scrutiny. In these circumstances, even organisations otherwise considered effective, can find themselves severely constrained in terms of what they can do and the results they can achieve.

Organisations often work in contexts where political and operating space for civil society can be limited. This space can be restricted in a number of ways. The most high profile is the use of illegal and extra-legal measures such as harassment, arbitrary detention, and even assassination of civil society activists. Another is the presence of a repressive or restrictive legal framework governing civil society.

Good legal frameworks are crucial to creating a supportive operating environment. Their absence, misuse, or arbitrary application can lead to an insecure and unpredictable environment, confusion, and inadequate protection for the freedoms of certain elements of civil society.

Legislation may also limit the amount of foreign funding and constrain the topics they can work on. In many regions, lines are blurring between the political, the civic and the social. This further constrains the work of civil society as it takes on politically sensitive issues in contrast to its historically 'safe' service provision role.

However, there are other more mundane factors that can squeeze civil society space, posing serious challenges to the effective functioning of civil society groups and consequently their sustainability. These can include controlled or tokenistic participation in policymaking, co-optation into service provision on behalf of government or dependency on external aid. Internal dynamics within societies make a huge difference to the sustainability of organisations and programmes following the withdrawal of external assistance. They can either support organisations and programmes to move successfully to the next stage in their life or make continuing operations more difficult. From my experience, what matters most, is the creation of a transitional locally owned space that can allow for continued deliberation and embed the process or change that was begun.

The issue of civil society space has been on INTRAC's radar for a while, as well as that of other organisations such as Alliance 2015, CIVICUS and the Carnegie Endowment. Through our work, we have come across examples of organisations that have either ceased to function or been forced to operate in a severely restricted fashion because of the environment in which they find themselves.

Yet, we have also uncovered many positive stories. No matter how repressive or restrictive the context, there are always organisations that find ways of operating that allow us to continue to

work towards their vision and mission.

These might include smaller social movements or community based groups that choose to remain informal and unregistered so they can stay under the government's radar. Larger, more established organisations may change their ways of working and mobilising resources; as well as tools that are harder to regulate or clamp down on such as social media. They might choose to operate at the local level, where scrutiny is less intense than at the national level. They may change the language they use to be less confrontational, speaking about building women's confidence and awareness instead of referring to women's rights for example. Others are able to 'play the game'. They understand how the INGO scene works and they 'get' the politics of aid. Such organisations can influence funders to tweak and extend ear-marked funds so they can go further within their local contexts.

The organisations that thrive – not just survive – in these environments are savvy. They understand the context they work in inside out and they know how to navigate it. I believe that we can learn a lot from these organisations and it is good for this learning to be shared.

One way we can do this is by being more 'place-sensitive'. I use the word *place* deliberately as it is much more specific and nuanced than *context*. It reminds us to view the locations in which we work in geographical, political, economic, and historical terms. More importantly, it reminds us that places are also repositories of cultural (and sometimes religious) norms that shape socio-political attitudes and behavior. It encourages us to seek an understanding of local peoples' own sense of place, which is deeply rooted in emotional attachments and interpretations of these places.

For international actors working with local groups in complex and restrictive environments, embedding a strong analysis of context that is 'place-sensitive' in our planning and thinking is important. This means being more participatory, letting local people, as well as indigenous experts and researchers, be our advisors. It also means continually reviewing and adapting to changing dynamics, perspectives and power relations within these societies. If we do not do this, we will become outdated and irrelevant, a recipe for failure as far as sustainability and positive meaningful impact are concerned.

In volatile contexts, finding and maintaining civil society space is even harder. INTRAC's research has shown that this requires an in-depth reading of the historical and contemporary context within which civil society exists together with solid partnerships with those who know their contexts best. So taking space and context seriously, being 'place-sensitive', is a necessity. It helps ensure that we, well-intentioned outsiders, do more good than harm, and ultimately support local organisations to become more sustainable in ways that are *best-suited* to their own respective local realities.



Suzanne Hammad joined INTRAC in 2013. Prior to that, she worked extensively in various countries of the Middle East and North Africa, with a number of organisations including UNICEF, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), American Friends Service Committee (AFSC), among other consultancies for international and local *civil society* organisations. Her area of expertise is in researching the human geographies of marginalised groups within politically contested areas, and the evaluation of programmes and policies that target these groups - As principal consultant at INTRAC, Suzanne is responsible for developing the strategic direction for INTRAC's work in the Middle East and North Africa, as well as leading on consultancies in research evaluation, assessment and *capacity building* support.

Sustainability: Why Mission and Values Matters

by Rick James

The NGO sector has plenty of dead wood. NGOs are set up with good intentions, but simply not making much difference. They go through the motions, but seem tired and traditional. They are less than the sum of their parts. Good staff appears almost imprisoned by stifling structures. If they closed down tomorrow, few people other than staff would notice.

As someone passionately committed to civil society and with many years of experience facilitating organisational change with NGOs, it feels almost heretical to say such things. What has happened to my belief in the Holy Grail of sustainability? Have I sold out to a 'Goldman Sachs' commercial slash and burn approach? Have I converted to Darwin's 'survival of the fittest'? Or am I just getting older, grumpier and less tolerant?

I'm not sure...

But I do know that in the NGO sector we have a completely unrealistic view of organisational life cycles; how they are born, grow, live and die. In the business world, we know that only 20% of new businesses live beyond the first 18 months. But in the NGO sector, our proposals promise and target 100% organisational success and sustainability to partners. This is a damaging fiction. Organisations are not machines. As with people, organisations have a natural life span. Some even die early. Tragic accidents occur. Infant mortality exists. Death is a normal and natural part of life.

Furthermore we know from nature that death is essential to creating new life. If some NGOs closed, dynamic, motivated staff would be released. They could start their own things. And so the NGO world would be renewed...

But in the NGO sector, death is viewed as the ultimate failure. Failure is not good for funding. We ignore the wisdom from the Native Americans who advise: *'When you are riding a dead horse, the best thing to do is dismount.'* So we expend increasingly limited resources on keeping our partners on expensive life support machines, rather than enabling strategic funerals...

Our own survival also becomes paramount. Despite our rhetoric, income takes precedence over impact. Income is certainly easier to measure. Few international agencies seriously question their existence and have the courage to follow EveryChild's lead of working themselves out of a job, closing down and handing over assets. Others, like Afrikids, are transferring ownership and assets to Ghana, leaving just the bare minimum for fundraising in the UK. To what extent are these examples the way forward or simply the exceptions that prove the rule?

Whether we like it or not, sustainability for NGOs is about the 'survival of the fittest'. But what really matters is how we define 'fittest'. The aid system sees fittest in pretty meaningless terms – the ability to write a good proposal and find convincing numbers quickly. Fittest is limited to the ability to manage a grant. This is too superficial.

Fittest must be about mission and values. But NOT about mission and values statements. These are aspirational. All CSOs have them. It is much deeper than that. It is about whether they are lived, not whether they are on paper. It is about whether the organisation is genuinely

realising its mission of changing lives; about whether or not the organisation's behaviour is aligned with its values. 'Fittest' is about the NGO's character – how much they are truly focused on changing lives in an empowering (and therefore sustainable) way; how open they are to learning when things do not go as planned; what they do when they do not live up to their values...

So if we are serious about sustainability, we have to focus on what really matters. Mission and values – the character of the organisation – must be at the forefront of all our thinking, our policies and our practices in promoting sustainability. Funders need to radically adjust their partner selection processes, their management processes and their measurement processes to focus on organisational character. Not just on whether they can write well and report on time. For too long, we have let ourselves get away with superficial proxies for performance which do not promote sustainability. What would it look like if we moved beyond the rhetoric and we genuinely rewarded 'learning from failure'? Making an effective contribution to sustainability has major implications, almost every aspect affecting the funders work – they too need to be open to their own internal change if they are to make a long-term difference to a sustainable civil society.



Rick James has worked in NGO management for more than 20 years, primarily in Latin America, Africa and Europe. After working for a Honduran NGO for four years, he completed an MBA in the UK. He has been with INTRAC since its early days in 1992. Rick has trained, consulted, researched and written extensively on NGO *capacity building* and organisational change issues. He spent 10 years with INTRAC in Malawi, where he trained a team of Malawian organisational development practitioners, provided capacity building support to Malawian NGO support organisations, undertook research into leadership change issues and consulted for international NGOs on the *monitoring and evaluation* of capacity building. He has a PhD in NGO management.

References:

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