

# **Establishing and Running an Advocacy NGO**

**A Hand Book**

**by**

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# Establishing and Running An Advocacy NGO

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# Introduction to the Handbook

Each Chapter has referenced footnotes to Boxes or Handouts which appear at the end of that Chapter, illustrate the point under discussion, and provide information on the topic from the best reference books available. Boxes are provided so that they can be photocopied onto transparencies for training purposes (see the Companion Trainers Guide) or can be photocopied for dissemination.

These attachments are available at the end of each of the 8 Chapters. It is hoped that the material in each section, plus the Boxes and Handouts, will give a clear idea to the reader of the subject matter and suggest how the reader can operationalise it.

The Companion Trainers Guide contains exercises that will enable the readers to try out for themselves some of the ideas contained in the individual sections and attachments.

Finally the Handbook has drawn heavily on a number of key documents written by other authors which are here acknowledged and acknowledged in the text. It would be valuable for an Advocacy NGO wanting to use this handbook to compile a very basic reference library composed of these books if it wanted to go into any of the 8 topics in greater depth.

The books are:

1. Human Rights Institution Building: a Handbook on Establishing and Sustaining Human Rights Organisations  
The Fund for Peace in association with The Jacob Blaustein Institute for the Advancement of Human Rights, 1994

*This book while addressing itself to Human Rights CSOs, has a lot of very valuable information on institution building.*

2. Strategic Thinking for NGO Leaders  
Institute for Development Research, Boston, 1996

*This is an updated version of an earlier document called "Managing Organisational Change" 1989, also by the Institute for Development Research*

3. Objectives Oriented Participatory Project Planning  
Richard Holloway, Pact 1997

*This is derived from GTZ's "ZOPP" (Zielorientierte Projekt Planung) and the work of Team Technologies Inc.*

4. Advocacy in Southern Africa - Lessons for the Future

- Phiroshaw Camay and Anne Gordon, CORE, Johannesburg 1998
5. The World Wide Fundraisers Handbook - a guide to Fund-raising for Southern NGOs and Voluntary Organisations  
by Michael Norton, Directory for Social Change, and International Fund-Raising Group, London 1997
  6. Organisational Capacity Assessment Tool (OCAT)  
Pact, Washington DC, 1995
  7. Capacity Building for Southern NGOs  
Richard Holloway, Pact. 1997
  8. Just About Managing? A guide to effective management for voluntary organisations and community groups  
Sandy Adirondack. London Voluntary Service Council, 1989
  9. Non-Governmental Organisations - Guidelines for good policy and practice  
Colin Ball and Leith Dunn, Commonwealth Foundation, 1995
  10. Striking a Balance - a guide to enhancing the effectiveness of non-governmental organisations in international development.  
Alan Fowler, Earthscan, London.1997
  11. Empowerment of the Blind - A Handbook for Organisations of and for the Blind and Visually Handicapped by W.Aubrey Wilson, World Blind Union Institutional Development Project, Massachusetts, USA. 1997
  12. Financial and Accounting Policy Manual for Indigenous NGOs in Ethiopia, by KUAWAB Business Consultants, published by Pact Ethiopia, Addis Ababa 1998.
  13. Towards Financial Self-Reliance – a handbook for civil society organisations in the South by Richard Holloway and published by Earthscan, London. 2001

# THE CONTEXT

This Handbook is designed to help those who want to change the world for the better to set up organisations which will provide an effective and sustainable way of doing this. It suggests that such organisations are likely to be NGOs, and it provides ideas for setting up NGOs with strong foundations, for managing them well, and make them effective in the fight against injustice and abuse. The Handbook does not deal with the particular topics on which you are advocating, be it abuse of the environment, abuse of human rights, corruption, abuse of children's rights – these are the province of very different books, and a lot of material is available on the Internet.

This Handbook rather deals with the problems of setting up an Advocacy NGO in your country, and the problems of running it so that it is effective. No Handbook which is addressing people in a large number of countries around the world can be equally applicable to all their circumstances. Where you find this handbook does not fit your particular circumstances, please feel free to modify and adapt it. Please translate all or any parts that seem applicable to your country circumstances - and please note the source of your material.

The Handbook may also cover more ground than is immediately relevant to your situation. Please look at the Contents list, and choose which part of the Handbook seems to you to address your needs. If, on the other hand, you are starting fresh, and are only now planning to establish an Advocacy NGO, then hopefully the whole book, in the order of its writing, will be useful to you.

This Handbook is directed at citizens who have already come together and realised that they have a common interest and enthusiasm in fighting for a particular cause. They are now concerned with the next stage of institutionalising their interest in the form of an organisation so that they can have some effect on the problems of the particular cause they espouse in their country. It is hoped that this Handbook will help concerned citizens move from a generalised enthusiasm to a functioning, effective, and sustainable organisation.

This book started life with a contract between two organisations, Pact Inc of the USA and Transparency International whose secretariat is in Berlin. Pact is an American NGO which specialises in capacity building of civil society organisations in countries of the South. More information is available on the internet in [www.pactworld.org](http://www.pactworld.org). Transparency International is the renowned anti-corruption organisation with Chapters all over the world: more information is available on [www.transparency.de](http://www.transparency.de).

The original contract was to provide training materials for and to conduct capacity building workshops of Transparency International's Chapters in Africa during 1999. The Macarthur Foundation paid for the production of this book and the accompanying Trainers Guide, as well as the Training Courses themselves. Transparency International and Pact is very grateful to the Macarthur Foundation for its support. The participants at the Training Courses (in Malawi and Ghana) contributed ideas for this final version of the books, and I am grateful to them. My thanks to Hansjörg Elshorst, Margit van Ham, Jeremy Pope, Gladwell Otieno and Gillian Dell of Trans-



parency International Secretariat; Nancy Zucker Boswell of Transparency International USA; and Nancy Bradley, Evelyn Miyasato, and Sylvain Browa of Pact Inc.

My role in the compilation of this Handbook is partly writer, partly compiler of valuable materials from other sources, and partly editor.

Good luck with the use of this Handbook. May your NGO be strong, and may your important work flourish!

Richard Holloway, Pact Lusaka, 1998

# 1. WHAT IS AN ADVOCACY NGO?

## 1.1 What do we mean by Advocacy?

In general the term "advocacy" means "organised efforts to effect systematic or incremental change". This definition could therefore cover the activities of any pressure group within business or government or civil society which is pushing for change. This might mean pushing for reform within a particular organisation, it might mean pushing for the interests of a particular group vis-a-vis others, it might mean the practice of politics. We could say that a chemical company lobbying government for lower tariffs on the imports that it needs for its production, or a government ministry lobbying for a greater share of the national budget - were both undertaking advocacy.

In many cases, particularly in the USA, advocacy is very big business and is carried out by lobbying firms retained by businesses or governments. They are staffed by professionals, often lawyers and they try and influence politicians and key government officials. The other common understanding of "advocacy" is the profession practised by lawyers who argue on behalf of their clients in a court of law.

These uses of "advocacy" say nothing about the nature or value of the advocacy undertaken. "Advocacy" in these senses could be (and often is) undertaken to further advantage rich and powerful clients, and could concern a variety of "causes" ranging from the ethical to the criminal. This use of advocacy is value neutral, and does not say anything about the cause that is being advocated or those who will benefit from the advocacy.

When we use the term "NGO advocacy" to describe the advocacy work of NGOs, however, we are using it in ways that are importantly different. NGOs are value based organisations of citizens whose motivation is a desire for a better world for the poor and disadvantaged. So "advocacy" as the word is used by NGOs, contains two specific and particular elements which underline the NGO way of doing advocacy:

- (i) the advocacy effort must involve citizens in the advocacy process. Their involvement should be conscious, intentional and democratic.
- (ii) the advocacy effort must be directed towards specific and identified disadvantaged groups, or must attempt to redress situations which the citizens as a whole find themselves in - situations which particularly disadvantage the poorer and less powerful citizens.

Advocacy, therefore, as it is practised by NGOs, is "a systematic, democratic, and organised effort by NGOs to change, influence, or initiate policies, laws, practices, and behaviour so that disadvantaged citizens in particular or all citizens in general will be benefited".

## 1.2. What kinds of Citizens Organisations are involved in Advocacy?

Amongst all the different kinds of citizens' organisations, which are likely to want to create awareness of a problem, lobby for change, and promote new ways of thinking and acting in accordance with the definition we have agreed above? In order to answer this question we need to look at the different kinds of citizens' organisations and the different functions they try to perform.

The term "citizens' organisation"<sup>1</sup> or the more commonly used term "civil society organisation" (CSO) is not one that is clearly understood, or understood in the same way all over the world. Civil society is generally understood to be a Third Sector of society distinguished from the First Sector (Government) and the Second Sector (Business). A useful definition of civil society is "*that sphere of social interaction (located) between the household and the state which is manifest in norms of community co-operation, structures of voluntary association, and networks of public communication*" (Michael Bratton, 1995). Concerned citizens who get together to change the world for the better outside the government structure, and without the profit motive of business, call themselves by many different names in different places – societies, associations, voluntary agencies, charities, clubs, non-government organisations, non-profit (and not-for-profit) organisations (and many more). The term "NGO" has become the most commonly used word to describe such organisations. Some civil society organisations are formed for mutual benefit of a particular group of people and some are formed to benefit the public as a whole or a particular group of the public. Unfortunately some organisations are also formed which pretend to be civil society organisations, but which are really using the name for other purposes (benefiting the founders, benefiting the government, benefiting commercial companies).

While concerned citizens are interested in changing the world for the better generally get together through the form of NGOs, NGOs use many different forms and perform many different functions<sup>2</sup>. Such organisations work through care and welfare at one end of the spectrum through to public information, education, and advocacy at the other. Any one NGO, moreover, may perform several of these functions at the same time. An NGO may, for instance, assist people with diarrhoeal diseases, help people build latrines, educate people about the dangers of water borne diseases, lobby government for a bigger budget for water and sanitation, and advocate for a change in hand washing habits amongst the people.

It is likely that advocacy, as a strategy of NGO work, will appeal to the following kinds of organisations:

### 1.2.1. Employment Related Organisations

These are membership and mutual benefit organisations which are likely to be interested in advocating on issues on behalf of their members. They could be trade unions, farmers associations, professional associations, students organisations - and

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<sup>1</sup> See Box 1A: "Civil Society & Civil Society Organisations"

<sup>2</sup> See Box 1B: *The Spectrum of NGO Activities*

other kinds of organisations which represent the interests of their members

### **1.2.2. Representative Organisations**

These are organisations which represent the interests of a particular class or category of people - like the blind, the unemployed, women, youth. They may also represent the interests of a much more specific group - like the inhabitants of village which is threatened by the waters of a dam, or consumers who have been afflicted by a malfunctioning product.

### **1.2.3. Public Service Organisations**

These are citizens organisations that have been formed to help particular groups of the public, or the public at large, and who carry out this work as delivering services to the public - like clean water, primary health care, literacy training, agricultural training, credit. As they carry out their public service work they find that their ability to do this is constrained by public laws, policies, practices or behaviour which block them. They are therefore interested in advocating for change in the perceived constraints.

### **1.2.4. Cause Related Organisations**

These are citizen's organisations which have targeted a particular cause where they consider that abuses are being carried out and reforms are sorely needed. They are formed specifically to advocate for change in areas which they feel are important. Likely targets for such organisations are: abuse of the environment, corruption, discrimination against women, consumers rights, democracy and good governance, human rights.

This Handbook is directed towards this last set of organisations - the Cause Related Organisations which have identified the cause that they consider important and whose main strategy in promoting their cause is advocacy. The Handbook may, however, be useful to the other kinds of organisations as well. There are many works which address the needs of both service delivery NGOs, and self-help groups, but few which address themselves to the needs of primarily advocacy NGOs. Such NGOs, moreover, are often recently formed, formed by enthusiasts without NGO experience, and are unaware of some of the requirements that experience has taught are necessary for citizens' organisations.

Their causes are important, and it is very necessary that they should be as effective as possible. This book, therefore tries to help them to work on the organisational issues which may, if not handled properly, limit their ability to change the world for the better.

An "NGO" in the sense that we will use the term means a legally constituted group of concerned citizens who have come together because of their shared values, their shared concerns, and their shared dreams of a better society. They basically say to other citizens – *"join us and we will together improve the world. We are forming this organisation not to improve our own lives (except insofar as we are citizens as well), but to improve the society in which we live"*. It is thus very important that the NGO

communicates clearly what it is striving for – so that others can know what it is, and whether they want to join it or not.

The NGO is also saying *"The cause we stand for is worth supporting. We are prepared to ask others to support us so that we can do this valuable work. We are prepared to solicit funds from others, hold it responsibly in trust for the people who have given it, and spend it according to their wishes to further the objectives of the organisation. We are asking for assistance not for ourselves, but for the cause we represent"*.

Many people, the world over, are suspicious of anyone who stands up and declares themselves for a cause, and seeks the support of others for that cause. Many people worry that such a person is covering up some particular advantage for themselves personally, or has some hidden (and possibly worrying) motive for his or her actions. For this reason those promoting causes (e.g. anti-corruption, the care of the environment, human rights) not only have to have the confidence to stand up and identify themselves with this particular cause, but also have to be ready for the responsibility to take others freely given contributions and use them for the cause. They also have to be ready for criticism - from many different quarters.

A most important first step is clearly to state what the organisation stands for, and how you intend to carry out the work of the organisation. An important start is to think through and then write a CONSTITUTION for your NGO.

### **1.3. A Constitution for Your Advocacy NGO**

A constitution is both a clear explanation of what you want to do and how you want to do it, and also the document that is usually required for you to have a legal identity, and, where necessary, a government registration<sup>3</sup>. All too frequently the lawyers have gained the upper hand in the framing of constitutions, and they become legalistic documents which the founders have difficulty in understanding, let alone outsiders. A Constitution should simply state:

- what the organisation is for
- what sort of things it wants to do
- who are going to be responsible for the organisation, and how they are chosen
- what their responsibilities are going to be
- how it will communicate its activities to the public
- what will be its legal identity
- how, and under what circumstances, the constitution can be changed

It may be, however, that the forms of legal identity or the forms of government registration in your country provide for a particular format for the Constitution. If this is the case, you do not have as much freedom to design the format yourself. Because the Constitution is a very fundamental document for your organisation, however, it is worth spending time composing it so that it can be handed out to all interested people to prove your bona fides and your good intentions. NGOs should be very concerned with issues of transparency - to make sure that their activities are open and

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<sup>3</sup> See Handout IC: "Checklist for Creating a Constitution"

clear. Such transparency is very important with advocacy NGOs because they are likely to be embroiled in conflictual situations and to be the target for a variety of both responsible and irresponsible criticism.

Most constitutions of citizen's organisations – or civil society organisations – provide for the organisation to have elected leaders, and for those elected leaders to have a fixed term of office. The thinking behind this is that a healthy organisation should not become the “property” of a single person, or a small clique of people – but should be open to the new ideas which spring from new people, and should stand the test of democratic choice, whereby the supporters can vote to show whether they are happy with the leaders or not.

At the same time many citizen's organisations have attracted unique and powerful leaders who can advance the cause of their organisation better than most. Often their leadership is the glue which keeps the organisation together, and if they are exchanged with others, it may harm the organisation. Such problems often arise because of a confusion between the governing, the advisory, and the executive functions of leadership. Powerful and charismatic people do not necessarily have to become the Executive Directors of organisations.

Let us, therefore, next look at the GOVERNANCE STRUCTURE of your NGO.

## **1.4. Governance - Being a Member of, Governing, Advising and Leading your NGO**

### **1.4.1. Membership**

The basis for a civil society organisation, as we have said before, is people voluntarily coming together who share a common vision of a better world. Decision making in such a voluntary group remains in the hands of any of the concerned people who decide to attend meetings, and activities are carried out by such people on a voluntary basis. It does not take long for such people to want to make themselves into a formal organisation, and to formalise their interest by becoming members of this organisation<sup>4</sup>. The members are the most fundamental aspect of an organisation – they are people who are prepared to pledge themselves in some way to an organisation and its values. They are also people who are prepared formally to help set up an organisation. Your advocacy NGO will be no different – it will have enthusiastic supporters who will at some point want to become more formal members. Often these formal members become the General Assembly of members which in turn has the authority to elect a Board.

Any advocacy NGO, however, has to consider how it will handle the question of membership. By its nature, an advocacy NGO can adopt different strategies for its membership depending on the vision of the founders, the culture of the country, and the political reality of the state in which you find yourself.

The first question to consider is whether you are seeking members in order to fulfil a

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<sup>4</sup> See Handout 1D: “From Volunteer to Voluntary”

legal requirement (and there may be some guidelines in legal or government documents) which specify, for instance, 20 or 30 minimum members needed to form a general assembly and get your organisation up and running - or whether you are actively seeking a large membership to show the strength of citizens feelings on this topic – in effect a mass membership.

An alternative question to consider is whether you are seeking a limited membership of people with particular qualities of status, expertise, influence or wealth so that they can sustain the organisation and give it visibility, credibility and access.

The third question is to consider whether your membership will be a fund-raising strategy for the organisation because each member will be required to pay for their membership, or whether membership fees will be nominal. We will look at fund-raising later, (See 6.3. and Handout 6D) but this is an important point.

A fourth question is to consider whether your membership will be overt or covert. There may well be people who support your work, but who are not inclined to publicly link their name with your organisation because of its name, because of the other people associated with it, or simply because of concerns about their public exposure. Such people might be very worried about having their name publicly on a membership list. Your NGO may be concerned with some sensitive issues, and has to be conscious of the feelings of its supporters.

A fifth question is to consider whether anyone can be a member of your organisation, or whether there are some criteria that need to be applied. If your membership elects the Board, then it may be very important to be sure that your membership is not dominated by a particular sector – like government officials, or employees of a particular company. Connected with the question of criteria is to ask yourselves whether it should be a condition that your members are well informed about the particular cause your NGO is addressing, or simply interested in it.

Whatever is your decision about your strategy for seeking and enrolling members, membership must mean something. The organisation must cherish in one way or another the people who have shown that they care about your cause, or the people who have shown that they share certain values with you. Such cherishing may be by involving them in campaigns, it may be by sending them a newsletter, it may be by giving them the chance to volunteer in some valuable activity. At its most basic, it is by giving them the responsibility to elect the people who will be in charge of the organisation.

#### **1.4.2. Governing**

A constitution of a civil society organisation usually involves (as well as the membership) a Board (who are the Governors of an organisation) and the Staff (usually led by an Executive Director). The Governors are usually (and initially) the people who have founded the organisation and they are the people who are legally responsible for it according to the different forms of legal registration that are used<sup>5</sup>. Sometimes they are called the Trustees, sometimes the Executive Committee, sometimes the

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<sup>5</sup> See Box 1E: "Ten Governing Responsibilities"

Governing Body, but usually the Board. They appoint the Chief Executive Officer, they agree the basic directions in which the organisation will travel, and they agree the resources that will be used by the organisation. If necessary they can also fire the Chief Executive Officer. Most Boards are elected by the members of the organisation – in effect the supporters of the organisation, but it is possible for the governing body (as with Trustees) to be self-selected, and self-perpetuating. The Board can appoint from amongst its number a Management Committee who are the regular contact between the Board and the Chief Executive Officer or the staff.

The Board will need to be people who have the confidence of the members and who have the time to attend to the business of the organisation. They also need to be people who believe in the organisation and are knowledgeable about its work. The Board members are volunteers (and this is usually fixed in law) – and so they do not receive any salary for their work. This is a fundamental principle of civil society organisations – that they involve some voluntary effort on the part of the Governing Body, and this distinguishes them from Businesses where Board members are paid for their work. Board members are allowed to receive expenses to cover what they spend on the Board business (i.e. travel, food etc) but may not be paid a salary.

The Board will need to be people who not only have the best interests of the organisation at heart, but also be people who can work together amicably and come to conclusions about actions that they will all agree and adhere to<sup>6</sup>. A Board which cannot function properly is possibly worse than no Board at all.

### **1.4.3. Advising**

Another useful instrument to help in the management of an advocacy NGO is an advisor (or advisory group). Such people will have particular skills and experience which are needed for particular topics that your NGO is likely to concern itself with. Advocacy NGOs are likely to need specialist help with their work from time to time - an environmental NGO may need water quality experts or pollution scientists; an anti-corruption NGO may need experts in company law, or managing elections, or banking; a human rights NGO may need expertise in medical examinations, the law and international conventions. Such people's names may not appear on any letterhead, but such people are of expert assistance when their talents are needed. The Board and staff of an advocacy NGO need to be pro-active in seeking out such possible and sympathetic expertise that can be called upon when needed. It is also possible to have Advisors who are concerned with the whole organisation, but are not registered Board members, and do not have the responsibilities of Board members. Such people may act more like Sponsors, or Patrons, or Figureheads who have largely symbolic roles, but who can be counted upon to support the NGO at time of crisis, or when access to some difficult circles is required. Some people use the term "Godfathers" to refer to such people!

### **1.4.4. Executing**

The people who carry out the policies agreed by the Board are the Executive. The Chief Executive Officer is appointed by the Board, and he or she usually has the

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<sup>6</sup> See Box IF: "Why People Join Boards"



right to appoint other members of staff, if there are the funds for them. These staff members should draw up a workplan for the organisation with its required budget, and, once it has the Board's approval, should carry it out<sup>7</sup>.

The experience of most advocacy NGOs is that the most useful NGOs are those in which there are full time staff. In the best of all possible worlds, all advocacy NGOs would have small, but full time staff – however, such staff have to be paid, and the money has to come from somewhere. We will deal with this more in the section on Fundraising (Chapter 6). At the moment, let us simply agree that an Executive Director is a most useful addition to an advocacy NGO, but that his or her role has to be clearly differentiated from the roles of Members, Board and Advisors. The Executive Director may well sit on the Board, but “ex officio” i.e. by virtue of the office, rather than as an elected Board member, and without voting rights.

Let us not underestimate, however, the tensions that can arise when an organisation begins to hire staff and moves from a purely volunteer driven organisation into one of paid staff – even if their numbers are small. People who worked “for the good of the cause” may well be jealous at others receiving salaries – even if they appreciate that the organisation needs full time people.

#### **1.4.5. Mixing the Functions**

New and small organisations do not necessarily have the luxury of clearly defined Members, Board, Advisors, and Staff. What often happens is that the Founders (that is, those who have given birth to the organisation) want to take over all functions. They want to be in charge of policy, they want to appoint Board members, they want to advise the organisation, and they want to earn a salary and execute the activities of the organisation. In the early stages of an organisation, the founders may be the only people prepared to give their time and energy, and so, *ipso facto*, they do all the tasks. This is, however, a birthing stage of an organisation, and as soon as possible an Advocacy NGO should seek to differentiate between the different roles and identify different people to play these roles.

One problem that often occurs with new organisations is that the organisation is identified with a small “clique” and does not reach out beyond this clique. Advocacy NGOs which seek large membership, in particular, have to guard against this. If the NGO gets the reputation of being a “one man band” or a “closed shop”, not only will it be open to ridicule as people will criticise the person or persons representing the NGO rather than the ideas represented by the NGO, but it will also discourage other people from joining the cause as they see no hope of having a role in promoting it.

It is likely that the driving force of a new Advocacy NGO will be the Chair of the Board. Such a person is likely to be one of the original founders. Such a person, however, is not likely to be able to give all their time to the NGO – they are likely to be fully employed in some other job. Most advocacy NGOs' experience to date has been that effective organisations are only likely to come about if the Chair of the Board (together with the other Board members) can find (and fund) a full time professional who will manage and put into effect their deliberations and policies. Such a

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<sup>7</sup> See Box IG: “Board/Staff Responsibilities”

person is usually called the Executive Director.

Initially perhaps the Executive Director will spend most of his/her time carrying out the instructions of the Board, but the Executive Director should be given a seat, *ex officio*, on the Board so that he/she can get involved in the policy discussions which he/she will eventually have to carry out.

A regular complaint from new and small organisations which have been started by a dynamic founder who then chairs the Board, is that this person cannot keep away from the day to day management of the organisation, even though people have been given specific tasks. Time and again experience has shown that a full time professional with guidance from the Board makes an effective organisation, rather than one person trying to do and be everything. The difficulty is drawing the line at the place where "guidance" becomes "management", and where a person moves from guiding an organisation to taking on a day by day management function<sup>8</sup>.

Another complaint that surfaces is when the newly appointed chief executive officer completely ignores the Board and decides on his/her own what the organisation is going to do. The purpose of a Board is to give guidance, and assume responsibility, based on the fact that they are wise and experienced people who have agreed to take on this responsibility. A Chief Executive Officer has no legal responsibility for the organisation, and must defer to the judgement of the Board (who, after all, can fire him). Older and more moribund organisations can find themselves in a situation where the Board is no longer creative, and all the fresh ideas come from the staff, but advocacy organisations are likely to be powered by people who have fresh ideas about the particular cause which inspires them. That is why they are in the movement in the first place.

Sometimes the Board members are very eager to earn a salary because they do not have a job, or because their existing job pays so little, and seek to become the Executive Director, or another staff member. This raises a conflict of interest: how can the same person disinterestedly make the policy, and implement it? How can someone be asked to judge their own work? At the same time, in the particular field of interest of the advocacy NGO, it may be that a Board member is the most useful person, with the most useful talents to further the work of the organisation. Why, therefore, should the organisation not employ him/her, just because they happen to be a Board member? A possible answer lies in the idea of a consultancy - meaning a limited time employment contract for a particular piece of work. This can be offered to the Board member who steps down from his position on the Board while he/she is undertaking the consultancy, and distances himself/herself from discussions subsequently on issues in which he/she had a hand. Once the period of identified work has been finished (and the fee collected) he or she returns to their full time role on the Board.

As has been said before, the roles and functions of the actors in an organisation are sometimes decided by the particular legal instrument that the organisation uses. We need to look at LEGAL INCORPORATION and GOVERNMENT REGISTRATION to clarify this.

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<sup>8</sup> See IH: "Typical Organogram"

But before we do that, it is important to reflect on the two basic and possible strategies which an advocacy NGO can use, and which will affect its attitude to and use of members, governors, advisors and staff.

## **1.5. Two Basic Strategies for Advocacy NGOs**

### **1.5.1. Mass movement:**

Here an advocacy NGO will try to identify other organisations that are sympathetic to what it is doing, and form coalitions with them. The members of all these organisations become, in turn, members of a coalition, and will form a mass movement that can be shown to express the concerns of the citizens for or against the cause for which the NGO stands - environment, corruption, human rights, women etc. An example might be a coalition of churches, trade unions, chambers of commerce and youth clubs – with the advocacy NGO as a catalyst helping to bring them together and give them direction. The power of the advocacy NGO is thus expressed through the way it has been able to raise people's awareness about an issue.

### **1.5.2. Powerful Lobby:**

Here the advocacy NGO will try to identify people who are very well placed in key positions and convince them of the power and right of their arguments. Such few, but key individuals, once convinced of the power of the cause espoused by the advocacy NGO will be able to effect change because of their reputation and their positions. They do not necessarily have to have a large membership behind them.

As you will be able to see the first kind of organisation will probably require a broad based and large membership, and a Board with roots in many complementary citizens' organisations. The second kind of organisation may well have a very limited membership, but a very well developed set of advisors and a very small staff, or perhaps no staff at all.

It is useful for those planning to start an advocacy NGO to think of the kind of organisation they are envisaging, but also to have the foresight not to set the organisations structures in stone - so that it can only ever be one kind of organisation. Who knows, in five years time, whether other people might have other ideas about how your advocacy NGO should be run.

## **1.6. Legal Incorporation**

It is important that your organisation becomes a legal entity - sometimes referred to as "gaining a legal persona". This shows that you are a serious organisation which exists within the laws of the country, and which is prepared to be judged by the laws of the country. It is also very important to have a legal entity if you are considering raising funds, since potential donors will want to assure themselves that you are not a purely private, nor a possibly fly-by-night operation, but you are solidly and legally established. A legal identity is also likely to be required for you to open a bank account, and conduct business. A legal identity allows you to both sue, and be sued if

there is some dispute which goes to a court of law.

The particular legal form that you will want for your organisation depends on :

- What legal structures exist in your country for civil society organisations
- How complicated and time consuming it may be to register NGO through each of these structures
- The degree to which your registration depends on individuals' powers of discretion.

In very many countries of the world the right of association is guaranteed by virtue of the constitution (and this is supported by the UN Convention on Human Rights), but once you move from a constitutional right to associate to a desire to establish a legal personality as an association, in many countries things become more difficult. In contrast to the forming of a commercial organisation – which is usually a matter of filing appropriate papers and paying a fee, the forming of a citizens association, or civil society organisation, is often complicated by Government regulations – often based on concerns with security.

You may or may not, therefore, have a choice for your legal incorporation, but it is important to look at the different options. Within the British legal tradition the choices are to be a society, a non-profit company, a trust, or a co-operative. The most important features of legislation for the setting up of citizens' organisations that you should be looking for, are:

- That it allows you to do the kinds of activities that you want to carry out
- That it does not involve too much Government oversight
- That it provides you with flexibility and a large measure of autonomy.

Try and find a legal persona which fits your case.

## **1.7. Government Registration**

In some countries a legal identity is all that is required for you to be established and able to start operating. And this is how it should be. It should be every citizen's right to form a legal body to provide a platform for them to act on issues that concern them (providing of course that they are not breaking the law). In some countries, however, the Governments have further imposed a government controlled "licence to operate" which brings with it a further level of Government control on civil society organisations' operations.

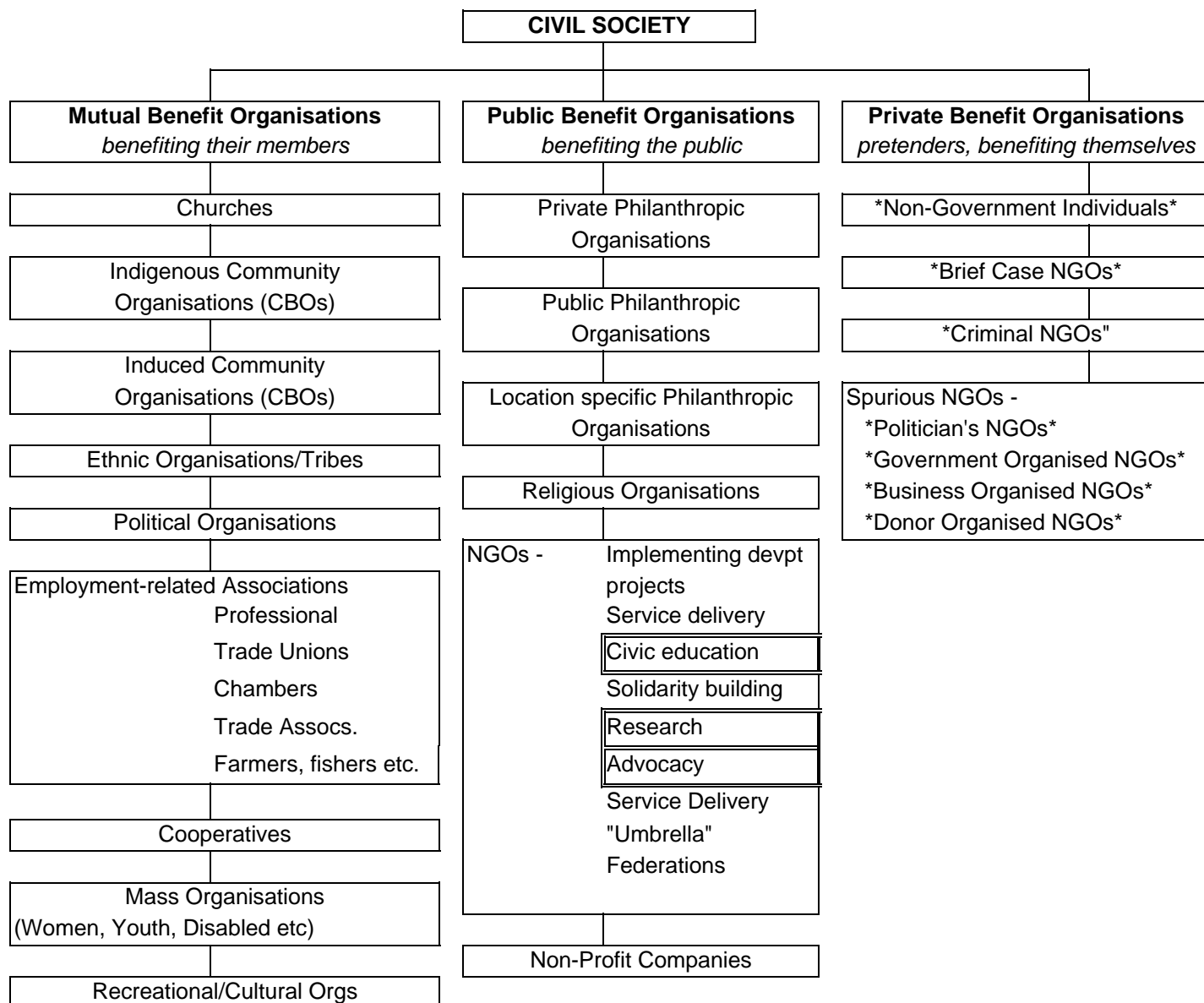
Governments have so brainwashed citizens that many of them believe that the Government's "licence to operate" in fact defines your legal identity – but this is false: a government's regulations are an extra level of regulatory control over and beyond the civil law. Government's licensing structures often concern themselves with the flow of money in and out of a civil society organisation, and sometimes they concern themselves with the kinds of activities of the civil society organisation – in particular the possibility that the organisation might be or become a political party, and that it might be a risk to internal security.

As has been said before, it is unlikely that your advocacy NGO will be breaking new ground in your country in seeking to set itself up as an advocacy and lobbying organisation. It is likely that others have established precedents before you, and that you will be able to follow their lead. The important point is for your NGO to quickly and with minimum interference establish itself in both the legal and regulatory environment so that it can get on with its business.

"Getting on with its business" may in itself be a problem for an advocacy NGO. If the government perceives that you are likely to be an irritant to it or more particularly to certain persons and practices in government, and you are asking it for a "licence to operate", you may well find your application subject to all sorts of extra-legal prevarications and delays. This is in itself a form of corruption and needs to be exposed, but pragmatically it is sensible to choose a legal form in which there is the least opportunity for government to interfere in your registration.

# Civil Society Organisations (CSOs)

Position of Advocacy NGOs within the range of CSOs are marked



# The Spectrum of CSO Activities

<b><i>CARE &amp; WELFARE</i></b>	
<b>Service &amp; Delivery</b>	CSOs may themselves define the services to be provided, or do so in consultation with beneficiary groups, or provide the services for government or funding agencies which define the services
<b>Mobilising Resources</b>	CSOs mobilise resources at an individual or collective level and the resources mobilised may be human, financial, and/or physical. These include production activities to generate resources
<b>Research &amp; Innovation</b>	These are activities which aim to get better understanding of and/or create or test new ways of responding to needs and problems affecting society in general or individuals and groups within it.
<b>Human Resource Development</b>	Often described as empowerment, these activities often focus on building the human capacity and skills of disadvantaged people or communities. Various methods are used to create consciousness and awareness and to enable people to participate in identifying needs, in taking action to address them, and in owning the process of development
<b>Public information, education &amp; advocacy</b>	These activities often built upon research. Mobilising public awareness, campaigning, and advocating change or reform are important activities of many CSOs
<b><i>CHANGE AND DEVELOPMENT</i></b>	

Adapted by Richard Holloway from "Non-Governmental Organisations - Guidelines for Good Policy and Practice" by Ball and Leith, Commonwealth Foundation. 1994

# Checklist for Creating a Constitution

adapted from:

"Just About Managing? - a guide to effective management for voluntary organisations and community groups". London Voluntary Services Council. 1989

New groups need to create a constitution: established groups may want to change theirs or have to create a new one if they change their registered status.

Whether drawing up a constitution on its own or consulting a lawyer or specialist agency which can help with registration, it will help to think through these questions first:

## **Legal Structure**

Have you learned about the various types of legal structure and considered whether it is appropriate for the organisation to become one or another? Have you considered the advantages and disadvantages of the different structures?

## **Objects**

What is the main purpose of the organisation? Why has it been set up? What are the subsidiary purposes? What does the organisation hope to achieve or do? Why? Who are the organisation's activities, services, and facilities for? Who are they not for? Are they only available to members?

## **Membership**

Should it be a membership association? Who should be members? Who should not be members? Are there different categories of individual membership, for example - full membership and associate membership? Who is eligible for each?

Can groups or organisations be members? What are the criteria for group (corporate) membership? How are groups represented? Are the representatives there to represent the views of the group, or in their own right?

Can staff be members?

How is membership approved or not approved? Can membership be terminated? How?

Should there be a category of co-opted members? Can co-opted members vote? (Co-opted members are people who are not regular members or may not be eligible for membership, who are invited to join because of their particular expertise, commitment or interest)



Should there be a category of honorary member? Can honorary members vote? (Honorary members are "names" like the Mayor, actors or other public figures who can lend prestige to an organisation)

### **Subscriptions**

Should there be a subscription? Should it just be a nominal amount, or enough to generate some income for the organisation? Should there be different rates for different types of members or for people who are unemployed? What about members who are unable to pay?

Who sets the subscription? When is it set? When is it due? What about people who do not pay by the deadline?

### **AGM and General Meetings**

When should the Annual General Meeting (AGM) be held? How long before the meeting must members be notified? Who is eligible to attend? What is the quorum? (a quorum is the minimum number of members required for the meeting to make decisions and transact business). What if a meeting is "inquorate" (not enough people for a quorum)?

Should general meetings (of all the membership) be held at specified intervals? What is the period of notice for general meetings? What is the quorum for general meetings? What if a meeting is inquorate? How are extra-ordinary (special) meetings called and what are the procedures for them?

What is the procedure for voting in elections at AGMs and General Meetings? What is the procedure for voting on resolutions? Can the Chair vote? What happens if there is an equality of votes (a tie)?

### **Officers**

How should officers be elected? The possibilities are:

- Elect officers and management committee at the AGM. Officers become management committee members and are officers of the organisation and management committee.
- Elect organisation's officers and management committee at the AGM. The organisation's officers become management committee members, but the management committee elects its own officers (different from the organisation's officers)
- Elect management committee at the AGM. The management committee elects officers who are officers of the organisation and the management committee.

Who is eligible to stand for election as an officer? What officers are needed? What are the duties of officers? Can officers resign? How are vacancies filled?

### **Management Committee**

How many members should the management committee have? Will you set a fixed number? If not, will you set a minimum? If you set a minimum, do you also want to

set a maximum? Who is eligible for nomination? Do Management Committee members have to attend a minimum number of meetings? Do they get asked to leave if they, for instance, miss three meetings in a row?

Should there be provision for co-opted members? Who will decide who is co-opted? Can co-opted members vote?

What about representatives of the government, the local authority or funders? Can they be management committee members? Can they vote?

What about representation from other organisations who are not themselves corporate members of the organisation? Can they vote?

Can staff be members of the management committee? Are they on as individuals or as staff representatives? Should the constitution say that staff are not entitled to vote on matters concerning their contracts of employment? (It is not good practice for committee members to vote on any contract in which they have a financial interest)

If staff are not on the committee, can they attend committee meetings? All staff or only some? As individuals or as staff representatives? Can they participate in discussion, or only observe and speak when asked to do so?

If staff resign from their job should there be a fixed period (usually six months or a year) before they can become a management committee member?

How will the first management committee be chosen? How will subsequent committees be chosen?

How often should the management committee meet? Who calls the meetings? What period of notice is required? What is the quorum? What happens if a meeting is inquorate?

What is the procedure for voting at management committee meetings, for elections and for resolutions? Are management committee meetings open to other members of the organisation? Can they participate or only observe? Can the chair vote? What happens if there is an equality of votes?

### **Sub-Committees**

Should there be a specific provision for an executive committee, made up of officers? Should there be specific provision for standing (permanent) sub-committees, such as personnel, finance or development? Should there be provision for sub-committees to be established as needed? Who decides? (AGM, general meeting, or management committee?) How are sub-committee members chosen? Can non-members of the organisation be members of sub-committees? Can they vote?

### **Amendment/dissolution**

How can the constitution be changed?

Who can decide to wind up the organisation? What happens if the assets of the organisation have to be wound up?

### ***Rules and Standing Orders***

In addition to its constitution, an organisation may have other rules or standing orders which set out how meetings are to be run, how decisions are made, when and how subscriptions are set or other procedural matters. These rules should be kept with the constitution, and if necessary the appropriate section of the constitution should be cross-referenced to the rule.

# From Volunteer to Voluntary

Many CSOs started as volunteer groups, with like minded people coming together for a particular purpose - to organise activities, to help or support each other, perform a service to the community or campaign for or against something. In these small, informal groups there are shared philosophies and politics, and differences are smoothed over in the interests of getting on with whatever the group has set itself up to do. If differences become irreconcilable people leave or the groups splits; this can be traumatic but the effects are generally short lived.

Decision making in volunteer groups is in the hands of any members who want to attend meetings, and activities are carried out by the members on a voluntary (unpaid) basis. Money for activities comes from members subscriptions, donations, fundraising events, and grants from foundations or local businesses.

Many CSOs which are now very large started in this way.

Two factors change a volunteer group into a voluntary organisation. One is if the group becomes too large for all members to be involved in decision making. The members appoint or elect a committee which becomes (whatever it is actually called) a management committee. Or the group receives a grant which requires the money to be paid to a formally constituted body which will take legal responsibility for ensuring funds are properly spent.

Decision making is no longer in the hands of all the members, but is done on their behalf by a committee. Later paid staff are added. Money provided by founders is mostly used for hiring staff and power gradually shifts from volunteers to paid workers. Volunteers come to resent working on an unpaid basis while staff receive good salaries, so in many organisations their role decreases.

The difficulties faced by many voluntary organisations have their roots in an unplanned or badly planned transition from a one-tier organisation (members/volunteers) to one with three or more tiers (members - committee - sub-committee - paid staff - volunteer workers)

Adapted by Richard Holloway from "Just About Managing - a guide to effective management for voluntary organisations and community groups" by Sandy Adirondack. London Voluntary Service Council.

# **Ten Governing Responsibilities for Boards of CSOs**

- 1. Determine Mission**
- 2. Select Executive Director**
- 3. Review the Executive Directors performance**
- 4. Organisational Planing**
- 5. Ensure Adequate Resources**
- 6. Manage Resources**
- 7. Determine/Monitor Programs**
- 8. Enhance the Organisation's Image**
- 9. Develop Policies**
- 10. Assess it's Own Performance**

adapted by Richard Holloway from Pact South Africa "Strengthening Governing Boards of South African NGOs/CBOs - a workshop for trainers and facilitators" in co-operation with the National Center for Nonprofit Boards of the USA

# Why People Join Boards

- **Desire to Give Community Service**
- **Desire to Share their Skills and Knowledge**
- **The Importance of the Particular Cause**
- **They are Asked by Friends**
- **There are Business Ties**
- **They Want to Belong**
- **They Want to be Needed**
- **For Recognition and Prestige**

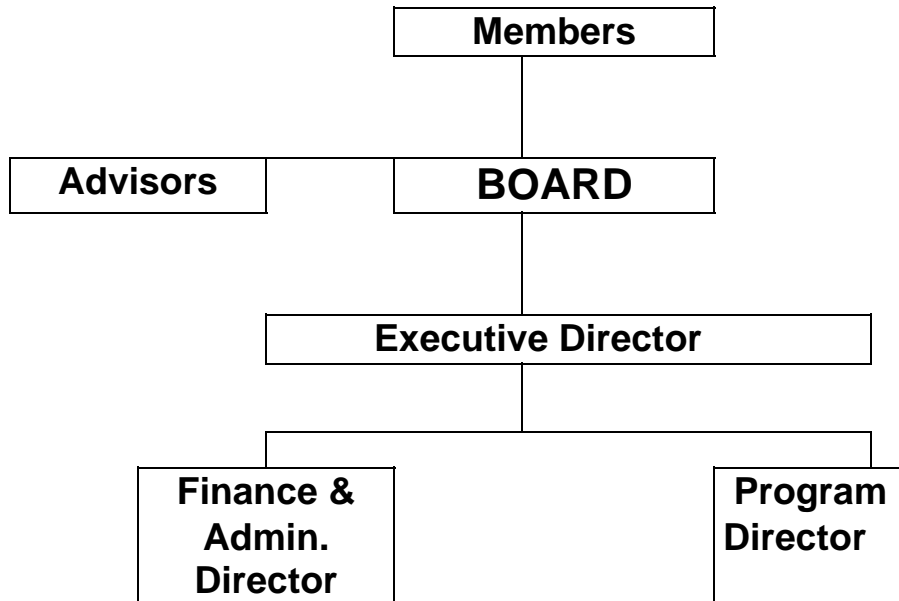
adapted by Richard Holloway from Pact South Africa "Strengthening Governing Boards of South African NGOs/CBOs - a workshop for trainers and facilitators" in co-operation with the National Center for Nonprofit Boards of the USA

# Board/Staff Responsibilities

<p style="text-align: center;"><b>Board Responsibilities</b></p> <ul style="list-style-type: none"><li>• Policy Determination</li><li>• Board Selection</li><li>• Fiscal Oversight</li><li>• Hiring, Supervising, Evaluating, and Firing Executive Director</li><li>• Establishing Priorities and Allocating Resources</li></ul>
<p style="text-align: center;"><b>Board/Staff Overlapping Responsibilities</b></p> <ul style="list-style-type: none"><li>• Policy Formulation</li><li>• Fund-raising</li><li>• Community Relations</li><li>• Budget Development and Fiscal Reporting</li></ul>
<p style="text-align: center;"><b>Executive Director and Staff Responsibilities</b></p> <ul style="list-style-type: none"><li>• Program Management</li><li>• Personnel Administration</li><li>• Day to Day Agency Operation</li></ul>

adapted by Richard Holloway from Pact South Africa "Strengthening Governing Boards of South African NGOs/CBOs - a workshop for trainers and facilitators" in co-operation with the National Center for Nonprofit Boards of the USA

# Organogram of typical small Advocacy NGO





## 2. WHAT YOU DO

### 2.1. Your Vision of The Future

Most advocacy NGOs are committed to changing some aspect of the current social, political, or economic reality. For instance, the original impulse of a new anti-corruption organisation may be to reduce the amount of bribes that poor people are forced to pay to government functionaries: or it may be to bring accountability to some "rogue" government department which is being run as a private source of funds. If it is a human rights organisation, the original impulse may be to reform the state of the prisons in the country, or to make sure that the country complies with international conventions that it has signed.

In time, however, the organisation may find itself involved in a wide variety of other activities beyond the original impulse - such as surveys, specific cases (of corruption, or environmental damage or human rights etc), advice to government and private businesses, book publishing, mediation, and consultancies.

These expanded activities will usually result from the advocacy NGO's expanded understanding of people's real needs and from people's expanded trust in the advocacy NGO's past successes. There is, however, the danger that the envisaged new activities may have little to do with the organisation's original purpose, or with the organisation's existing skills or capacities. If this is the case, there is the danger that the organisation's energies may be spread very thin, its effectiveness may suffer, and the organisation's members may begin to wonder about the usefulness of their work, or about what they should be doing.

Visions are of great use in maintaining an organisation's effectiveness. The vision of an advocacy NGO is likely to involve the particular cause that it is advocating.

An organisation's vision is its view of how it would like the world to be, its hoped for "reality to be" as opposed to its recognised "reality that is". Visions are expressions of ideals - and may not be obtainable in one lifetime, or even many lifetimes. A vision is expressed as a desired future state<sup>9</sup>.

Organisational visions often originate with an individual visionary founder, or with a group of people who have some ideas about how life could be better than it currently is. These ideas may spring from personal experience, or from a religious or ideological source. Whatever the source, visions are the lifeblood of effective development advocacy organisations in several ways:

- A shared vision is often the initial force that brings people together for collective action. People with visions of social and political change frequently decide they must join with others who share their vision if they are to have any hope of attaining it. Thus they join existing organisations, or start a new one

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<sup>9</sup> See Box 2A: "Influences on Vision and Mission"

- Once joined together in an organisation, members may re-examine or refine their individual visions until a truly shared or collective vision emerges. It is usually the role of the visionary founder or founding group to ensure that the vision is kept alive and stated in a way that it may be broadly shared by other members of the organisation.

Shared visions are important throughout the life of an organisation. Voluntary development advocacy work is often difficult, poorly paid, personally threatening, and results are sometimes invisible. A clearly articulated vision can provide energy, momentum, and strength to individuals working in development advocacy organisations. Visions can be a continuing focus for their social commitment. A shared vision can also help bind an organisation together in times of crisis, and provide the incentive to work through internal conflicts<sup>10</sup>.

A vision is, however, only a starting point for building and maintaining an effective organisation. There are many ways in which a single vision can be pursued. There is plenty of scope for many different ways of trying to reach the desired future state.

## 2.2. Your Mission

A statement of organisational mission describes the organisation's purpose for existing - given its vision of the "reality to be".

It describes in general terms how the vision is to be pursued. A mission is described as a purpose, using language signifying intention ("to do something....")

For example, if an organisation has a vision of creating "a world where no child ever dies of a preventable disease", then it may have as its mission: "to reduce infant mortality by providing health services to women and children in under-served areas".

Another organisation may have the same vision, but instead might choose a different mission - for example: "to engage in social mobilisation to change the economic conditions which foster malnutrition and disease". There are different ways to work towards your vision of the "reality-to-be", and the mission identifies those different ways.

A third organisation which is an advocacy NGO may have the same vision, but declare its mission to be "to reduce the proportion of the government's health budget which goes on hospitals in favour of primary health care".

A clear mission connects the vision to a method for achieving that vision: this has a number of benefits:

- A clear mission can guide an organisation's leaders in major policy decisions about alternative courses of action. It helps define both what the organisation will do, and what it will not do.
- If broadly understood and shared, the mission helps channel collective action in a

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<sup>10</sup> See Box 2B: "Creating a Vision and Sharing a Vision"

common direction, so that people's energy and organisational resources serve a common purpose. Otherwise even people with a shared vision may pursue individual paths to the vision and the power of collective action could be lost.

- For people working on day to day operations, a shared mission may provide them with meaning and motivation since it can help them see how their work contributes to the attainment of the vision.

The mission is the starting point for keeping an organisation focussed and effective. A shared mission functions like a compass, bringing the organisation back on course despite constantly changing demands from constituents, and shifting political and economic forces.

As with the vision, it is usually the role of the organisation's leaders to articulate the mission and help others understand it. But including other organisation staff, board members, and other constituents in formulating the mission can be an effective way of building joint ownership and understanding of the mission.

An organisation's common understanding of the social and political context is an important influence on its choice of mission. This can be seen in the different missions of the three organisations described above. Different theories of how social change happens and different understandings of the external context in which the organisation is working can lead to very different missions. One organisation may believe that the political space and structure exists so that change can be achieved by the existing avenues for citizens advocacy: another organisation may believe that citizen education is the most important activity, and will look forward to a day when citizens are all convinced of a particular idea and will make sure that it happens<sup>11</sup>.

Only rarely, and usually after extreme organisational tension and pain, will an organisation change its vision. Changing the mission is also a major shock to an organisation, and is a relatively unusual event. However, if there has been a big change in, for instance

- an organisation's analysis of development problems
- existing political space,
- constituents' demands,

then, a re-examination of the organisation's mission may be in order. This was the case in South Africa recently when social change organisations reacted to the end of apartheid by re-assessing their mission from one of confrontation with the state to one of working within the state in a variety of different ways.

Some people would say that a change in mission (i.e. the purpose for the organisation's existence) is rarely necessary - all that is required is a change in strategy, or a change in programs. It is important, however, to regularly test that your mission is still accepted and useful as a determination of the purpose of the organisation. We live in volatile times, and the external environment might well change to such a degree that your reason for existing might change. The mission needs to be occasion-

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<sup>11</sup> See Box 2C: "Formulating a Mission Statement"

ally tested against an analysis of the current situation, to make sure that the organisational mission does not cease to be an effective instrument for realising the vision.

The Mission is also your most public pronouncement about your organisation. It should be written in your office, appear in your brochures - maybe even on your letterhead, and be known by heart by all your staff.

Following on from an organisational mission is the strategy that the organisation adopts for pursuing that mission

### **2.3. Your Strategy**

Many organisations are quite clear about the vision of the world they want to pursue (for example "a world that protects the environment for the next generation", or "a world in which no bribes are paid"). Many organisations also have a clear understanding of their mission or reason for being (for example - "to reduce the effluents from manufacturing plants in the capital city" or "to reduce arbitrary and corrupt payments by poor people for government services")

Far fewer organisations have a clear understanding of how they should best use their resources in order to achieve their mission. In other words they lack a clear strategy.

A strategy is a set of concepts that guide an organisation's use of its resources to pursue its mission.

The same resources can be used in many different ways to address development problems that have been identified. Resources can be targeted to leverage points which will give maximum results - they can also be targeted to places where little impact results. The choice of how your resources are targeted is the meaning of strategy.

As is true of organisation mission, choice of strategy will also depend in large part on the organisation's ideas about how social change takes place, and on its analysis of the problem and contextual forces and trends. An accurate analysis and theory of social change should help identify leverage points where organisational activity will have the most impact. It is useful to draw a diagram or map of the context in which you are working which will help you to clarify which points of leverage are likely to be most effective<sup>12</sup>.

Organisations that are very ideologically driven must be careful that the purity of the ideology does not get in the way of their strategic options, and result in "knee-jerk" or irrelevant strategies. A strong Marxist, or a strong free market ideology may prevent you from seeing all the possible strategic leverage points.

Embedded in a strategy are answers to the questions:

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<sup>12</sup> See Box 2D "Sample Context Map"

- What is the nature of the development problems the organisation seeks to solve?
- How will the activities of the organisation contribute to substantial and sustainable change in those problems?
- How can the organisation use its strengths and avoid its weaknesses to accomplish its mission?

Most importantly strategy provides concepts that guide choices about:

- **What to do:**  
A Strategy allows decisions to be made about where and how to use scarce resources (time, money, people) for maximum impact towards accomplishing the organisation's mission.
- **What not to do:**  
A Strategy also allows organisations to avoid activities that:
  - a. require more people, time, skills or funds than it has available
  - b. will not produce results because of external constraints (such as government repression or lack of popular support)
  - c. will have few sustainable impacts
  - d. will drain energies away from more central concerns
  - e. for other reasons will not advance the organisation's mission.

All organisations have characteristic ways of using their resources, whether or not this "strategy" is ever explicitly stated. Some organisations may be successful in achieving their missions without an explicit strategy - but most will not. Changes in the problem, or in the external context, or in the organisation's abilities may make old programs and activities irrelevant to new situations. Organisations will need to re-think how they should work to achieve their mission, and this becomes their strategy.

For example, an advocacy CSO's strategy might be built up from:

- Vision: A world in which government agencies and policy decisions respond to all citizens needs, especially those of historically oppressed groups like women and indigenous people
- Mission: To increase the voice of poor people, especially women, in local policy formulation and implementation
- Strategies: (any or all of.....)  
"Build organisations and networks to influence political decisions"  
"Train activists to be effective policy analysts and lobbyists"  
"Mount campaigns to influence policies that affect poor people"

## 2.4. Your Strategic Fit

Strategies work best that reflect a close fit between:

- the problem

- the external context, and
- the organisation's own strengths and weaknesses.

For example, a strategy that relies heavily on media coverage will not work if the local media is antagonistic to the cause being espoused by the organisation. The result may simply be negative coverage. When, however, the media is sympathetic, and the organisation is skilled in getting its message across, a strategy involving media coverage can be very effective. In order to have a good fit, the organisation must have a clear understanding of these three components.

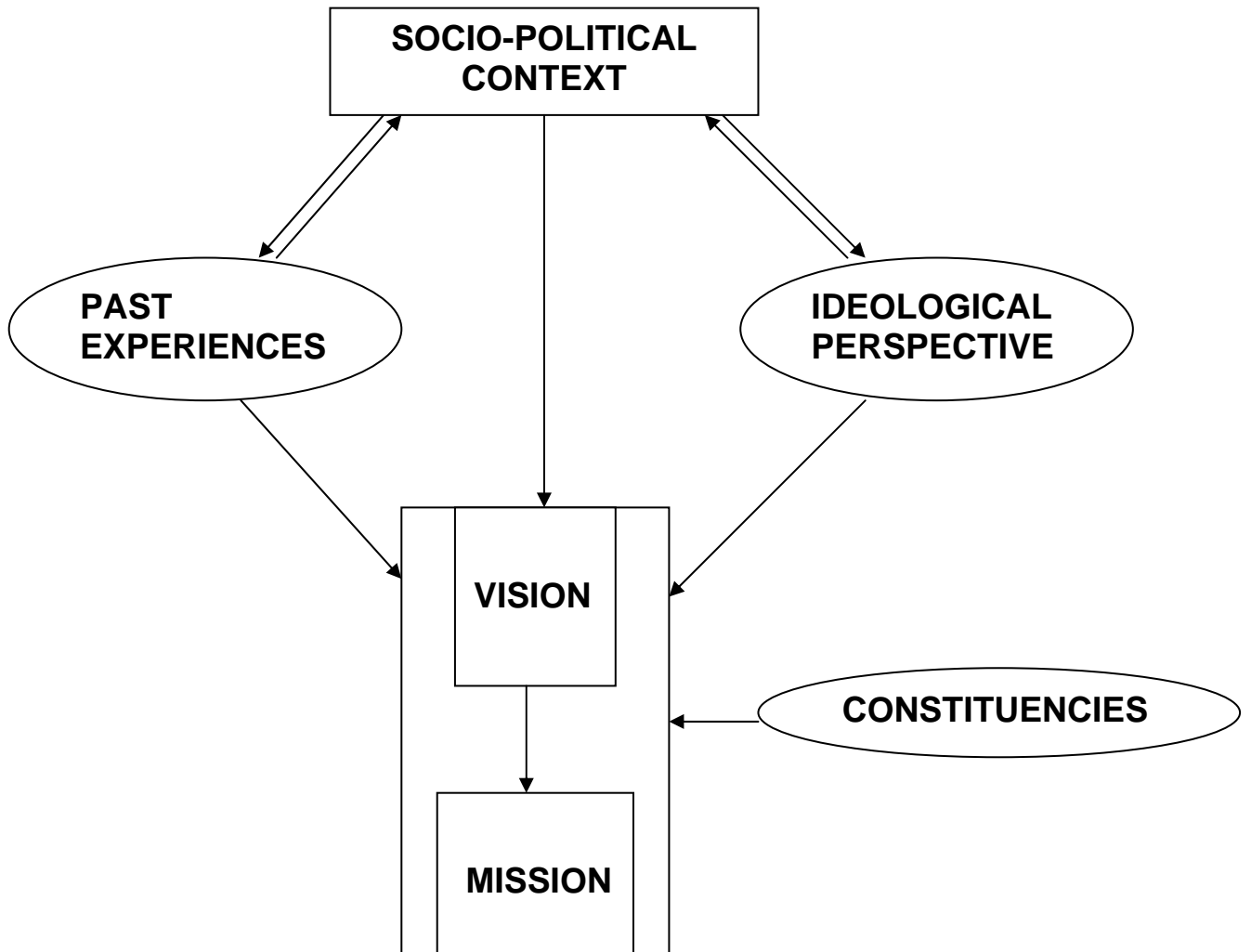
The process of formulating a strategy then is a process which moves through the following steps<sup>13</sup>:

1. The Vision
2. The Mission
3. An Assessment of the Situation
  - a. What new problems are there?
  - b. In what ways have old problems changed?
  - c. What external threats and opportunities exist for your organisation?
  - d. What internal strengths and weaknesses does your organisation have?
  - e. What possible future is there for your organisation?
4. Possible Alternative Strategies (see Section 4.1.4. later)
5. Final Choice of Strategy(ies)
6. Devise programs and implement them
7. Monitor and Evaluate your strategy for effectiveness.

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<sup>13</sup> See Box 2E: "Overview of Strategy Formulation Process"

# Influences on Vision and Mission



From materials prepared by the Society for Participatory Research in Asia (PRIA) appearing in "Managing Organisation Change - a module for facilitators and trainers" by Jane Covey, David Brown, and Mark Leach, Institute for Development Research. 1989.

## **Creating a Vision**

**Imagine the "reality to be" that you would like to see. Try closing your eyes and paint a picture in your mind of this reality.**

**What are people doing and feeling?**

**What do their surroundings look like?**

**What changes have there been in the institutions and systems that effect people's lives?**

**What are the most important ways that the world would be different from what it is now?**

***After you have created this picture, write down the key elements of this vision, or, if you prefer, draw a diagram or a picture that represents these central ideas.***

***How much agreement exists within your organisation on this vision of the future?***

Adapted by Richard Holloway from materials prepared by the Society for Participatory Research in Asia (PRIA) appearing in "Managing Organisation Change - a module for facilitators and trainers" by Jane Covey, David Brown, and Mark Leach, Institute for Development Research. 1989.



## **Formulating a Mission Statement**

**An organisation's Mission is its purpose for existing, given its vision of the "reality to be".**

**The Mission is more concrete than the Vision, since the Mission describes:**

- a. the method for moving toward the "reality to be"**
- b. the expected results of the method.**

**Try writing a statement of your organisation's Purpose, using "to.....", and how it hopes to achieve the "reality to be". Make it one paragraph, no more than 50 words.**

***To what extent is your mission shared by the organisation as a whole?***

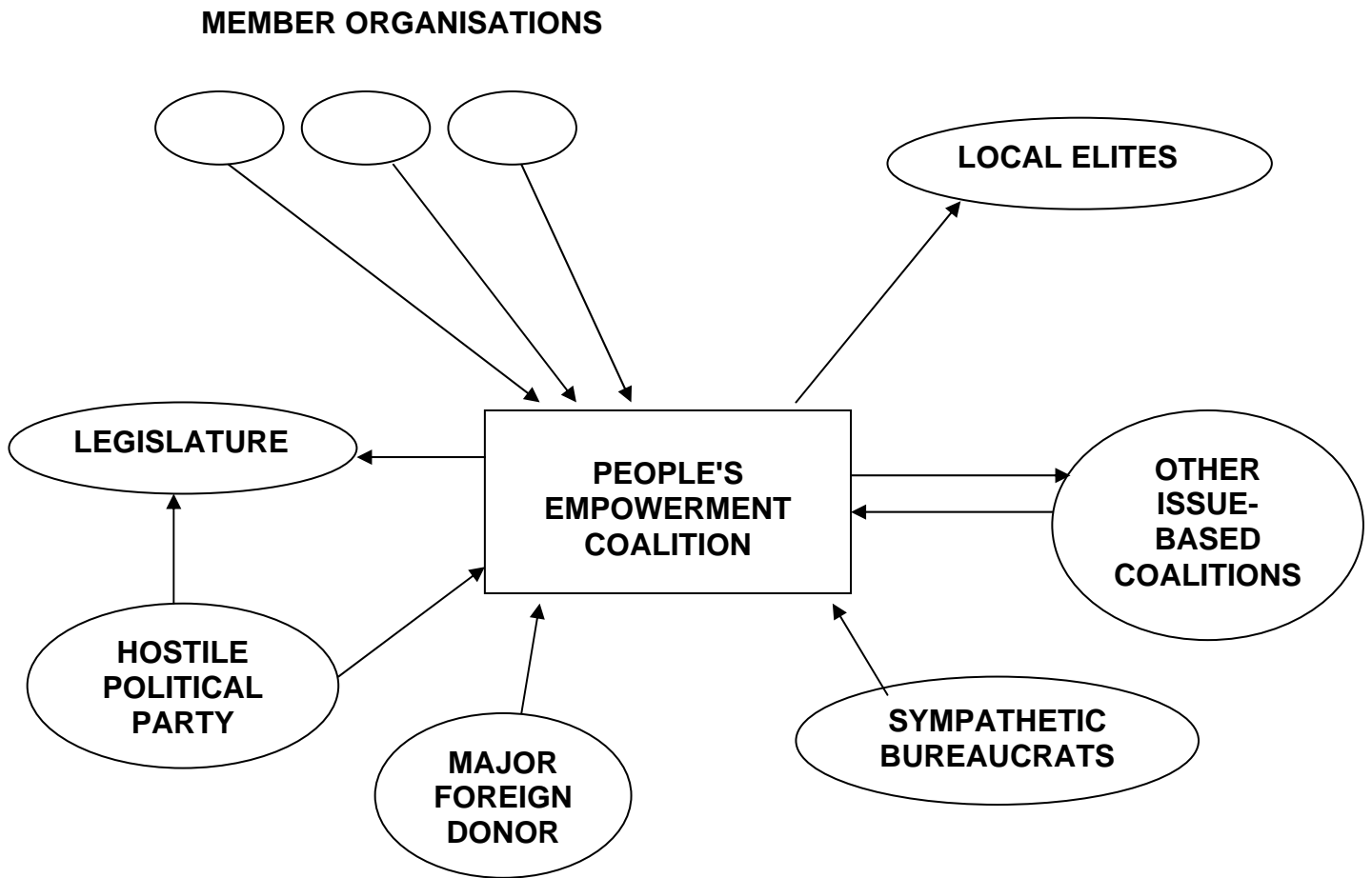
***How can you build a shared mission for your organisation?***

Adapted by Richard Holloway from materials prepared by the Society for Participatory Research in Asia (PRIA) appearing in "Managing Organisation Change - a module for facilitators and trainers" by Jane Covey, David Brown, and Mark Leach, Institute for Development Research. 1989.

# A Sample Context Map

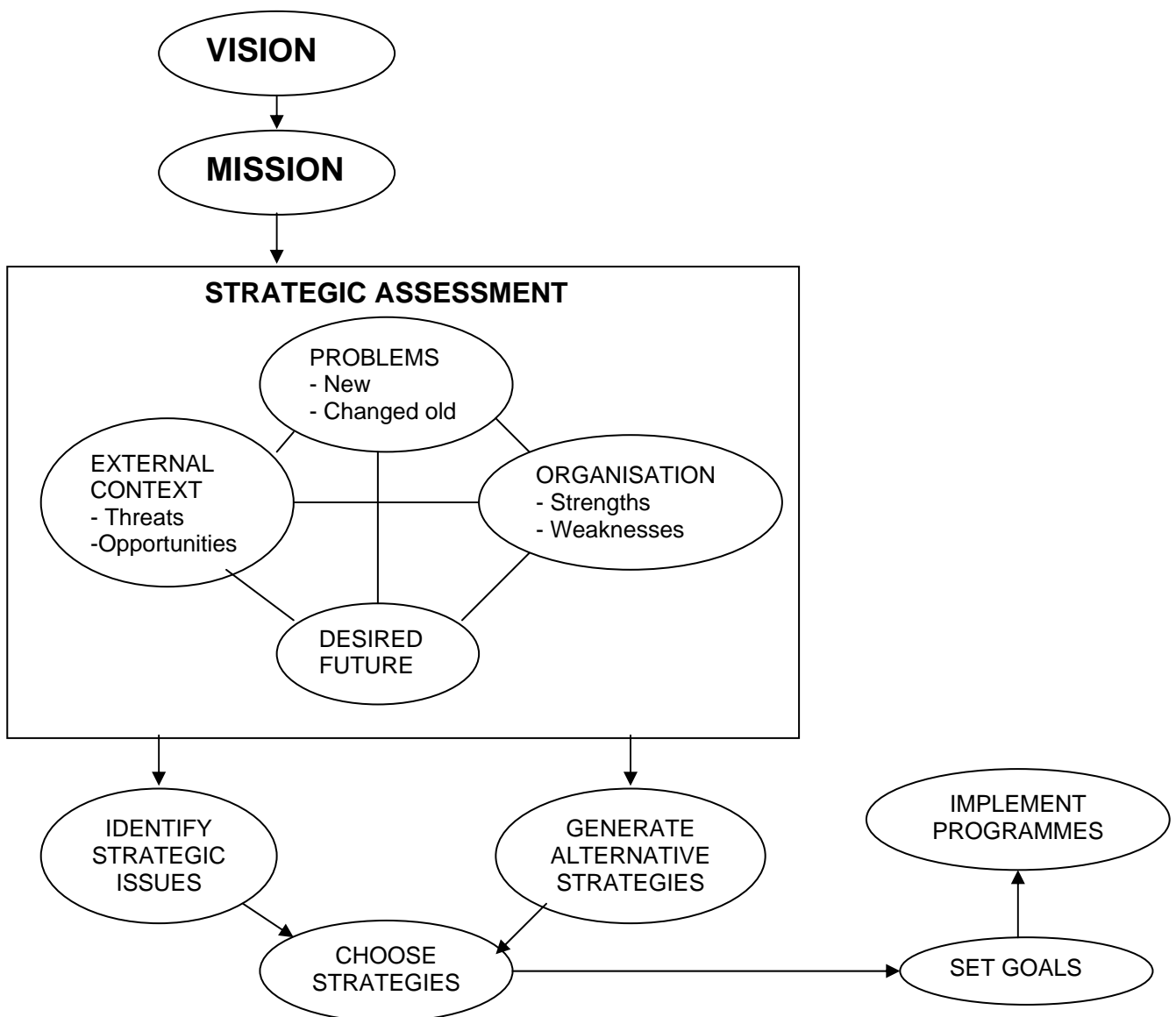
**A Strategy is a set of concepts that guide an organisation's use of its resources to pursue its mission.**

**A context map can help you clarify the context in which you need to make strategic choices.**



From *Managing Organisation Change - a module for facilitators and trainers* by Jane Covey, David Brown, and Mark Leach, Institute for Development Research. 1989.

# Overview of Strategy Formulation Process



Adapted by Richard Holloway from materials prepared by the Society for Participatory Research in Asia (PRIA) appearing in "Managing Organisation Change - a module for facilitators and trainers" by Jane Covey, David Brown, and Mark Leach, Institute for Development Research. 1989.

## 3. HOW YOU DO IT

If you have a legal and independent existence, a good governance structure, and if your advocacy NGO is clear about its vision, its mission, and its strategies, how do you go about operationalising these concepts in and through a sustainable organisation? How do you try and ensure that the organisation has consistency, solidarity, confidence, and effectiveness - and is unlikely to be rendered impotent by squabbles, rivalries, and divisions?

It is important for civil society organisations to reflect that internal divisions are one of the major (perhaps the major) reasons for their lack of impact and effectiveness in their chosen work. If you do not want your organisation to break up through infighting and factionalism, it is sensible to be clear, from the beginning, about values, structures, organisational rules and internal democracy.

### 3.1. The Values of your advocacy NGO

Your advocacy NGO may be bringing together a wide range of different kinds of people, and they may have a wide range of motivations and operating styles. It is very worthwhile to consider systematically the kind of organisation that you want to be and the kinds of values that you would like your organisation to have<sup>14</sup>.

Rather than assume that everyone is in agreement on this, it is very valuable to formally agree and state these values. Once this has been done, such a statement of values can act as guidelines to people involved with the NGO, and can act as reference points if certain individuals start to behave in ways that conflict with the agreed group norms<sup>15</sup>.

If the values have been formally agreed, then challenges to individuals who are breaking them become an organisational matter and not a personal matter. For example, if a Board member seems to be using the organisation for his/her own advantage, rather than advancing the purposes of the organisation, it is useful to have already agreed some statement like "This NGO agrees to maintain high ethical standards at both an organisational and personal level".

Statements of values might include reference to the following points:

- respect for human rights
- respect for gender equity
- devoting the maximum possible proportion of the resources to advance the organisation's mission
- adopting a thrifty and simple organisational life-style
- regular consultation with constituents
- respect for issues of conflict of interest
- respect for the law

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<sup>14</sup> See Box 3A: "Organisational Values"

<sup>15</sup> See Handout 3B: "Typical Management Problems"

- commitment to transparency

### **3.2. Structures and Systems**

Any organisation which wishes to implement its mission successfully must have a functioning internal structure. There are no formulas for internal structures. Each organisation must carefully assess its mission, its composition, its constituency, and the prevailing social, cultural, political and economic conditions in determining how to structure its procedures, relationships, and decision making structures. However, we can learn from experience, and many Civil Society Organisations have faced common problems and regularly repeated issues.

One regular problem has already been discussed in Section 1 - that is, the relations between the different parts of the governance of the organisation. An effective organisation will think carefully about the relations between its members, its volunteers, its staff, its Board, and its constituents. An effective organisation will clarify these relations in writing, and will also write out the duties and responsibilities of each part of the organisation. Our suggestion was that this should be handled in the Constitution.

When we move onto the daily running of the organisation as it is handled by the staff of the organisation, it is important to be systematic and methodical. Methodical procedures are important because they have a direct impact on an organisation's ability to be efficient, trustworthy and credible - pre-requisites of their effective functioning. There are a large number of elements in an organisation and all of them have to be managed well.

Will anyone trust the efforts of an organisation with a reputation for being perpetually disorganised and in turmoil? Can Donors trust NGOs which submit incomplete financial reports with missing receipts? Your NGO's staff need to be methodical in their work because they risk discrediting their efforts if they are not.

Most advocacy NGOs start with only a few initiating members. In the early days the initiators may not have an office, but are generally in constant contact, working together to get the organisation off the ground. At this stage it may seem unnecessary to develop formal procedures. It may seem a waste of time to worry about who should be doing what and where or how information should be stored.

As a group grows, however, and accumulates both people and data, the absence of specified procedures can lead to disorganisation, as time is wasted looking for documents, and duplicating the work of colleagues. Although it takes a little time and a strong commitment, establishing formal procedures, in the long run, enhances efficiency and minimises conflicts about how things should be done.

Finally, it is very helpful if an organisation, while it is in the process of establishing formal procedures, develops a manual to describe these procedures. Such a manual is very useful as staff can easily refer to it when they are not clear, and new members can quickly orient themselves by it. The process of preparing a manual can also

bring to light areas where no procedures exist, but where they may need to be devised<sup>16</sup>.

If such a manual is devised it is very important to periodically review, and (if appropriate) revise the procedures listed - to make sure that the manual is helping the office to be more efficient, and not simply making it more bureaucratic<sup>17</sup>.

A special mention must be made of meetings - one aspect of organisational life that causes the most stress, and probably wastes the most time. Meetings do not have to be awful. They can be useful, informative, challenging, and even exciting. But good meetings do not magically happen. They need careful planning and managing.

### 3.3. Internal Democracy

Organisational styles of governance fall somewhere on a spectrum between the "hands off" and the "autocratic" approaches - with "democratic" somewhere in between<sup>18</sup>.

- **"Hands off"**: In the 'hands off' approach, leadership is essentially avoided. The Executive Director feels uncomfortable making demands, and is more interested in the staff simply liking him or her. This type of director tends to avoid problems and lets members of the staff fend for themselves. Such a decentralised system may at first look democratic, but is, in fact, a system in a vacuum. Without clearly defined leadership roles in place amongst the staff, and a clear and unified vision for the organisation, members of the organisation are likely to be working at cross-purposes without co-ordination or mechanisms for sorting out conflicts when they arise. Especially in new groups, when staff may feel a keen desire for leadership at the top, they may feel cheated of the guidance and mentoring they expected. The "hands off" approach can lead to chaos, internal strife and paralysis, prematurely grinding an organisation to a halt.
- **"Autocratic"**: the autocratic model usually involves one person who wields absolute authority. Goals and standards may be kept largely to him or herself, enhancing the exercise of unilateral decision making power. The autocratic leader generally keeps his or her eye on every detail, regardless of its importance, in an effort to control all aspects of the organisation's functioning. Everyone is completely dependent on his or her judgement and go-ahead. Although very common in NGOs, this style of management creates enormous problems which generally become more and more acute over time. It leads to resentment, low morale, decreasing productivity, and high staff turnover.

While it is understandable that decisions on program related matters may need to be handled by those people in the organisation who are directly involved with those programs, it is not so understandable to strip staff members of the right to participate in decisions that affect them. This nearly always results in employee dissatisfaction and internal strife.

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<sup>16</sup> See Handout 3C: "What kinds of procedures should be considered?"

<sup>17</sup> See Box 3D: "Meetings Cycle"

<sup>18</sup> See Handout 3E: "Styles of Management"

- **"Democratic"**: democratic governance supports staff consultation and broad participation in policy and decision making, even if the Executive Director or Board have the last say. In the democratic model, staff are accountable to each other as well as to the Executive Director, and the Executive Director is accountable to the staff, board and membership. This is done by insisting on responsiveness and transparency from Executive Director and staff alike, and by establishing mechanisms for effective redress. By all accounts, building a truly democratic organisation is a difficult (though extremely worthwhile) process, especially if its members have little personal or societal experience with democratic governance. This is especially true of many NGOs in Asia and Africa coming out from one party or autocratic states.

### 3.4. Accountability

This word is one of the most difficult to see actually being implemented. Many organisations speak the rhetoric, but offer only the appearance of accountability. Accountability means being prepared to set up (and live by) mechanisms, which will allow duly appointed people to evaluate the work that you are doing, and make decisions based on that evaluation.

If people's views are sought, but then ignored, accountability is not taking place - only token accountability. If people are consulted, but decisions have already been made before that consultation, again accountability is not taking place.

Accountability is partly clarified in the CSOs' constitution where the voting rights and the governance structure are laid out. It is also part of the working procedures of the organisation which may require staff decisions to be endorsed by other groups within the organisation.

Be warned, however, about ways in which the concept of "accountability" can be subverted for other purposes. Be aware that membership organisations which have strong procedures for accountability to its membership can be hijacked by "hostile take-overs". In such cases unsympathetic parties can pack the members lists with their own supporters, and then effectively control the work of the organisation, using the name of accountability.

Be aware also that organisations which require all organisational matters to be accepted by a larger governance body and which surrender the leadership's ability to take decisions itself, may well paralyse the organisation - again in the name of accountability<sup>19</sup>.

### 3.5. Effective Leadership

In most cases the leader of a group tends to one of its founders who has assumed the position of Executive Director. This is most often the person with the vision, commitment, and ability to inspire and mobilise people to get the group off the

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<sup>19</sup> See Box 3F: "Effective Leaders"

ground. But organisations cannot ultimately rely on the talents and skills of one person alone. Leadership is ideally shared by a number of people within an organisation, delineated according to people's specific talents and areas of responsibility. A good leader will be committed to build an institution that can outlast him or her. To do this s/he must be willing to develop other leaders within the organisation<sup>20</sup>.

Partly this is helped if the leader is determined to build staff competence. The chance to attend training workshops and seminars should not be monopolised by a few people, but shared around, in order to build leadership in a variety of different fields.

It is useful to develop a list of all the aspects of your advocacy NGO in which leadership is needed - for instance, some leadership is needed in the specific subject matter of the cause that your NGO is associated with, some leadership is needed in diplomacy, some leadership in public relations, some leadership in staff management. Then try to identify which people are most likely to lead the organisation in these different but necessary spheres.

It is not necessary for one person to have all those attributes himself or herself. Few people possess all these qualities and abilities in one person. Organisations, therefore need to prioritise them according to what they think the organisation needs and assemble a staff that collectively possesses as many of them as possible. These lists of organisational attributes should not discourage or overwhelm us - they are ideals that few of us may reach: striving for them, however, makes our organisations run more smoothly and efficiently.

### **3.6. Good Team Work**

If internal democracy, accountability, and effective leadership are in place, good team work is sure to follow. Teamwork thrives in an environment of collaboration rather than competition. All members of the organisation, through they may be working in different areas, are willing to help out in each other's areas because they recognise that they have a stake in the success of the organisation as a whole<sup>21</sup>.

### **3.7 Good Management**

At its most basic, management can be defined as ensuring that an organisation makes the most effective and efficient use of resources (people, money, time, premises, equipment, materials) in order to achieve agreed objectives. Within this lie the rudiments of good management:

- a clear understanding of why the organisation exists and its overall aims or long term objectives
- clear - and shared - shorter term objectives or goals
- a good understanding of the resources available
- an ability and willingness to plan, organise, and co-ordinate the use of these re-

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<sup>20</sup> See Box 3F: "Effective Leaders"

<sup>21</sup> See Handout 3G: "Team-work"



sources to meet the objectives

- clarity about how the organisation will know that it has met its objectives
- an ability and willingness to set and try to meet expectations and standards
- flexibility to change plans or objectives when circumstances change
- being clear about who has responsibility for making decisions or taking action
- being clear about the information that is required for effective and efficient decision-making or action
- being clear about who deals with situations if things go wrong.

### **3.8. What Needs Managing?**

Management operates on many levels simultaneously. Some of the areas which need managing are:

- Resources: staff, volunteers, money, premises, time, equipment, materials
- Work: tasks (what needs doing), process (how the tasks are done), standards (how well they have to be done)
- Development creating and following appropriate policies, setting long, medium, and short-term objectives
- Decision making
- Information and communication

## **Organisational Values**

**A common bottleneck with defining organisational values is that the task is not taken seriously enough because it is not recognised as building the foundations of effectiveness.**

**Instead it is perceived to be an abstract, academic luxury. A lesson when defining values that underpin Vision, Mission, and Identity is therefore that:**

- Clarifying values must be seen and treated as an organisation-wide priority endeavour, and**
- Allocating time and resources to dissemination must be built in. The process of grappling with values amongst the stakeholders is more important in the long run than the actual working of value statements.**

**Value statements are not an optional extra for professional NGOs.**

Taken from "Striking a Balance - A Guide to Enhancing the Effectiveness of Non-Governmental Organisations in International Development" by Alan Fowler. Earthscan, UK. 1997

# Typical Management Problems (1)

**It seems that certain problems appear in voluntary organizations of all shapes and sizes:**

- **Lack of clarity about, or an unwillingness to set long-term, medium term, and short term objectives and priorities**
- **Confusion about the boundaries and relationships between management committees, sub-committees, staff, and volunteer workers**
- **Unconfident and/or over-committed management committee members**
- **Badly planned, badly run, and badly minuted meetings**
- **Unclear decision-making and management structures within the staff**
- **Unclear job descriptions and job expectations for staff and volunteers**

# Typical Management Problems (2)

- **Unclear or inadequate procedures for dealing with unsatisfactory work performance or behaviour**
- **Haphazard administrative systems which hinder rather than help effective running of the organisation**
- **Inadequate procedures for financial management and control**
- **Unwillingness to recognise and deal with disagreements or conflict within the organisation**
- **Unwillingness to look after each other, thus contributing to stress and burn-out**
- **Unwillingness to address any of the above problems, or inadequate procedures for dealing with them**

From "Just About Managing - a guide to effective management for voluntary organisations and community groups" by Sally Adirondack. London Voluntary Service Council. 1989.

# What Kinds of Procedures Should be Considered?

The nature of each group's procedures and which ones it decides to employ will depend on its unique structure and mandate. Although it is impossible to suggest specific procedures that will be relevant to all groups, we thought it might be helpful to highlight some of the areas which typically benefit from systemisation. The following is a modified version of an Amnesty International memo entitled "Organisational Matters".

## 1. Incoming Materials

- a. Who deals with what?
- b. What is the procedure for opening/registering/handling the different categories of materials (correspondence, newspapers, requests for help etc.)?

## 2. Outgoing Materials

- a. What outgoing materials need to be approved beforehand ? (i.e. what are the rules regarding press releases: letters to government officials: board of directors or membership: campaign documentation etc.)
- b. Who gets copies of what?
- c. Where are copies of outgoing materials filed?
- d. Is there any standard format for letters, documents etc.?

## 3. Storage and Retrieval of Information

- a. Where are press clippings, case files, statistics, information on abuses, background information, employee and fund-raising information etc. filed and by whom?
- b. Are there any general guidelines regarding information storage and retrieval? (i.e. centralised or decentralised, chronological with most recent documents at the front or the back of the file etc.)?
- c. Will specific issue or project files be kept?
- d. Where will the files be located and who will have access to them?

## 4. Financial Procedures

- a. Who is authorised to sign cheques?
- b. Who is authorised to make purchases? How is this done? Is prior approval necessary?
- c. How are incoming funds handled?
- d. How can petty cash reimbursement be claimed? What petty cash expenditures are justifiable?
- e. How are salaries paid?
- f. How will the budget be monitored and by whom?

**5. Employee Procedures**

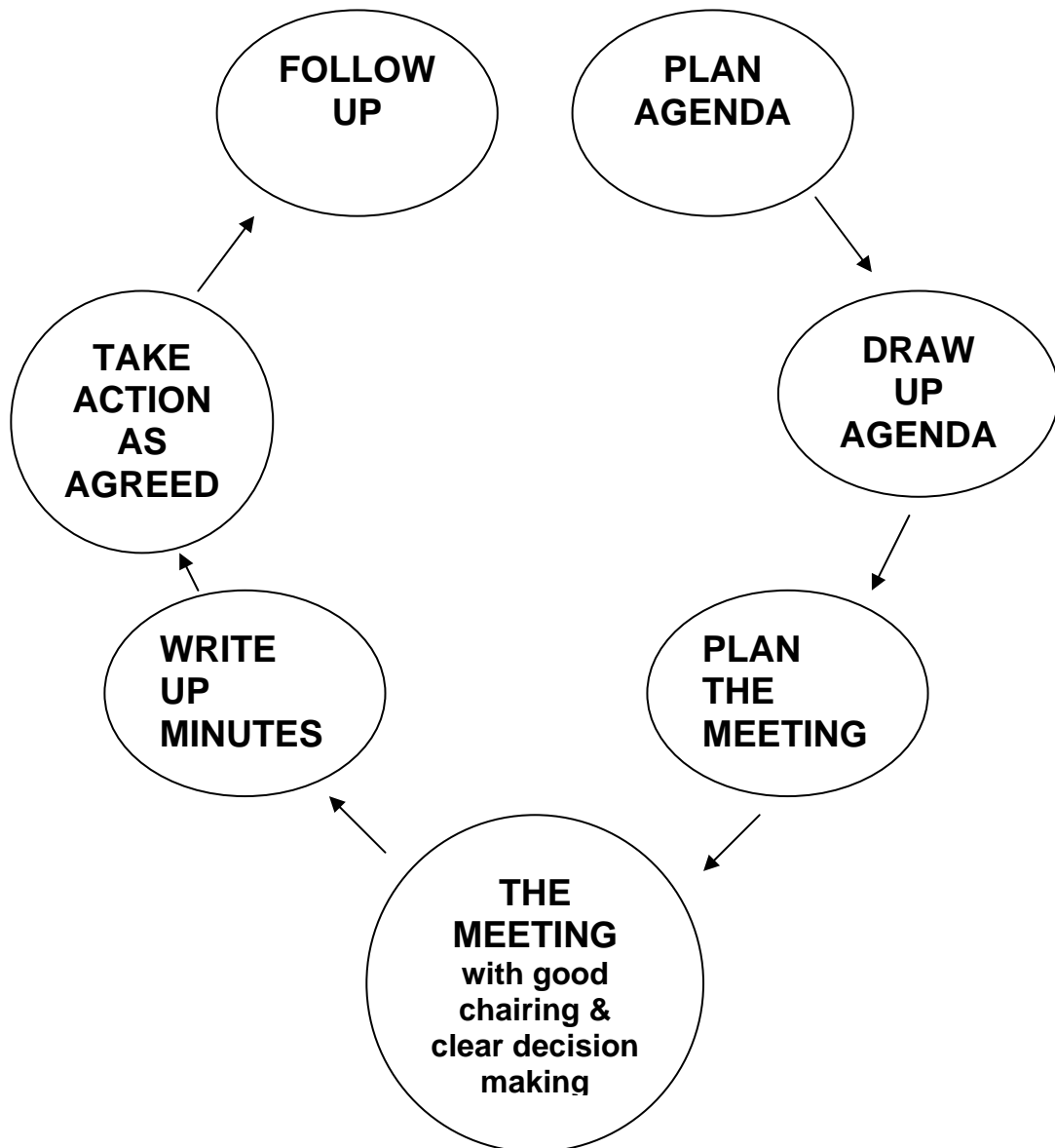
- a. How will staff, board, members etc. be recruited and by whom? Are there any special considerations such as minority status? What will be the conditions of service?
- b. Under what conditions can a member of the Board or Staff be removed? Are warnings necessary?
- c. Will staff performance be regularly reviewed? According to what criteria and how often?
- d. Who will handle employee grievances and how?
- e. How will the staff, board, and membership be kept apprised of each others' activities? (i.e. regular or periodic mailings, newsletters, annual meetings, staff meetings etc.)?
- f. What vacation and sick day policies will be instituted?
- g. How will a prolonged absence (due to illness, family emergency, etc.) from the organisation be dealt with?

**6. Other Procedures**

- a. How will requests for information that do not directly pertain to your mandate be handled?
- b. If the information you handle is sensitive or you are working in a hostile environment, what security precautions need to be taken?

From "Human Rights Institution Building - A handbook on establishing and sustaining human rights organisations" by the Fund for Peace, New York, 1994.

# Meetings Cycle



From "Just About Managing - a guide to effective management for voluntary organisations and community groups" by Sally Adirondack. London Voluntary Service Council. 1989.

# Styles of Management

## Authoritarian

**Repressive:** "We have this problem, and here's what I have decided to do about it".

**Benevolent Dictatorship:** "We have this problem, and I am sure that this is the way you would like us to proceed".

## Authoritative

"We have this problem, and its my responsibility to decide what to do about it. Here's what I have decided: are there any questions or comments?"

## Individualistic

**Management Vacuum** "We have this problem, and no one seems to be doing anything about it. So I've stepped in and decided....."

**Intrusive** "I know you are supposed to be dealing with the problem, but you seem to be having difficulties. I'll do it for you".  
(or, even more intrusive: "I've dealt with it for you")

## Participatory

**Consultative** "We have this problem and its my responsibility to deal with it. Whose ideas or opinions do I need before I decide what to do?"

**Democratic** "We have this problem and the whole group should be involved in finding a solution. What information do they need before the next meeting?"

**Representative** "We have this problem and the representatives from various departments should be involved in finding a solution. What information do they need before the next meeting?"

## Abdicative

**Denial** "We have this problem, but I don't think we need to do anything about it. If we leave it alone it will sort itself out".

**False Democracy:** "We have this problem and its my responsibility to do something about it, but I want people to feel involved so



I'll mention it at the next staff meeting" (without providing appropriate information or ensuring adequate time for discussion)

### **Chaotic**

"We have this problem and I'm not sure who supposed to deal with it. I'll mention it to the management committee chair...no, perhaps it should go to a staff meeting first ... I wonder if it's the sort of thing that I should deal with?"

**Authoritative and participatory styles are good. The others are not.**

From "Just About Managing - a guide to effective management for voluntary organisations and community groups" by Sally Adirondack. London Voluntary Service Council. 1989.

## **Effective Leaders**

**"Effective Leaders formulate and articulate a clear picture, a vision of where the organisation is headed and of what is important. In achieving this mission, making the vision a reality, the leader builds trust and commitment and is the architect of coalitions of support for the vision.**

**Through the exemplary deployment of his or her own talents, and the nurturing and development of the talents of others, this leader seeks to lead by vision, inspiration and the empowerment of others"**

"Leaders: the strategies for taking charge" Bennis and Nanus, quoted in "Human Rights Institution Building - A handbook on establishing and sustaining human rights organisations" by the Fund for Peace, New York, 1994.

# Teamwork

If internal democracy, accountability, and effective leadership are in place, good team work is sure to follow. Team work thrives in an environment of collaboration rather than competition. All members of the organisation, though they may be working in different areas, are willing to help out in other areas as necessary because they recognise that they have a stake in the success of the organisation as a whole.

Unfortunately a competitive rather than a collaborative spirit plagues many larger human rights groups with multiple projects. It is easy for those working on a project to feel that theirs is the most vital to the organisation. Competition between project leaders within the same organisation often develops - for funding, greater recognition from leadership and peers and/or greater control over decision making. Unchecked competitive attitudes can lead to communication breakdown, as information is hoarded to maximise control over "private domains" and people no longer feel that they can rely on each other. Solidarity may even break down to the extent that activities begin to give priority to, and stress to outsiders the importance of their own particular program over the rights group itself. The integrity and future of the whole organisation may be jeopardised as trust evaporates.

A human rights group can avoid such a situation by ensuring that all projects and the organisation itself are designed to necessitate teamwork. Team work is facilitated by many of the same mechanisms cited earlier in connection with developing internal democracy and good leadership.

1. Enthusiasm and a sense of belonging are usually prerequisites to building team spirit. Persons exercising leadership within an organisation can help to foster a positive group dynamic from the beginning by taking an interest in staff workers as people and not just as human rights activists: exercising tolerance and understanding and offering constructive criticism when staff make mistakes: treating staff with equal respect no matter what their position: and providing for equal access and opportunity for development among staff members.
2. Employee opinions and ideas should be regularly solicited and the maximum number of staff possible should be included in discussions and decision making
3. Compartmentalisation should be avoided from the start. Everybody working within or associated with a human rights group should have a shared understanding and unified position on the overall mission and work of the organisation. For this to happen, it may be necessary to periodically review the goals and objectives of the group. It is easy to lose sight of your founding principles when you are caught up in the day-to-day work, so there needs to be a con-

tinuous process of verification that everyone shares the same values and agenda.

4. All staff and in some cases volunteers should be informed on a regular basis (for example through staff meetings) as to what the various projects are doing, and informal networking within the organisation should be stressed as strengthening everyone's work.
5. Care in the recruitment process should be taken to hire activists with complementary skills and talents so that they have a personal interest in collaborating.
6. Human rights organisations should, to the maximum extent possible, reflect expertise, high levels of responsibility, and commitment in the salary and benefits given to staff so no-one feels that his or her effort is unrecognised or undervalued.
7. Conflicts that arise between staff members should be immediately and openly addressed, encouraging compromise and co-operation.

From "Human Rights Institution Building - A handbook on establishing and sustaining human rights organisations" by the Fund for Peace, New York, 1994.

# What Needs Managing ?

The Contents list of "Just About Managing" sums up what needs managing:

1. **Managing Team-work and Decision Making**
2. **Managing Meetings**
3. **Managing Stability and Change**
4. **Managing Monitoring and Evaluation**
5. **Managing People**
6. **Managing New Workers**
7. **Managing Performance**
8. **Managing Training**
9. **Managing Time**
10. **Managing Administration and Paperwork**
11. **Managing Money**
12. **Managing Differences and Conflict**
13. **Managing Stress**
14. **Managing Management**

From "Just About Managing - a guide to effective management for voluntary organisations and community groups" by Sally Adirondack. London Voluntary Service Council. 1989.

## 4. PROGRAMS AND PROJECTS

It is likely that you will use the terms "programs" and "projects" for the activities of your advocacy NGO. This is particularly so if you are looking for some external funding for your activities. Nearly all founders think in terms of programs and projects - particularly projects. (see later in 6.1). They will probably make sure that you are forced into thinking in the same terms.

A program is a linked series of activities that have some common objective to be achieved over time. It is expressed in general terms and does not presuppose that the organisation can control all the components. A project is, on the other hand, a shorter time limited activity with a very specific objective and a planned and agreed budget which will lead to measurable beneficial impacts. It assumes that the organisation can control all the components. As has been well pointed out by Alan Fowler in his book "Striking a Balance" (1997), "Projects' are most suitable when we are considering physical infrastructure, and least suitable when we are considering complex change involving human beings. However, we have to get used to it because the unit of development that is used so commonly is "the project" and the project mode is unlikely to be replaced by something more suitable".

Your advocacy NGO may be thinking of a longer and more general program of altering human behaviour or it may have a specific time limited objective in mind (i.e. a "project"). We would like to encourage advocacy NGOs to consider the former, but appreciate that the dictates of donors often mean that an NGO will have to negotiate the latter. Let us spent some time looking at the two alternatives:

### 4.1. The Program Approach:

Here you start with a vision of the role that the organisation will have in the next five years as it tries to deal with the cause that it has taken up and consider what your NGO can do to move towards this vision. You also consider what other actors might do to deal with this cause, and where you can collaborate with them. Your aim is to have a sustainable impact on the cause you espouse (be it corruption, environment, human rights etc.), and both your NGO and other organisations have a role to play.

You realise that your NGO has certain strengths and capacities (mostly based on the fact that it has identified the particular cause as the main target for its energies) but that making an impact on the situation of that particular cause will require changes in human behaviour (which in turn involves changes in power relations, motivations, and cultural values). You can have an impact on some of these changes, but many of them will require the involvement of other actors that you cannot control, although you may influence them.

You are interested in the final impact that your organisation is making on the problems of the cause you espouse, but you appreciate that an assessment of that impact will involve looking at the many other actors than just your NGO. The skill of your NGO will be in identifying the most pertinent set of collaborators you can find who will, together with your NGO, make the most impact.

## **4.2. The Project Approach**

Here you assume that you can design certain inputs (or activities) for the problem area of (e.g.) corruption which will logically result in certain outputs which are under your control. These outputs will then result in development outcomes which will change the problem of corruption as you have defined it.

The Project approach puts the NGO at the centre of the operation. It concentrates on what the advocacy NGO will do and assumes that if it carries out these activities then the development outcomes are guaranteed. It tends to ignore the large number of uncontrollable other factors that impinge on whether the activities of your NGO will actually translate into a lessening of corruption.

NGOs and the donors who fund them seem to prefer a situation in which they can determine what they want to do and can be held responsible for certain results. It is based on a view that a planned project can determine future outcomes, and that the planner and executor of the project can be held responsible for the realisation of these outcomes.

## **4.3. Combining the Two**

The Program Approach looks towards future impact on a problem and considers mobilising whatever collaborators it can work with to add their strength to its own. It also tends to work opportunistically, taking advantage of the changes in the external environment that may open up an avenue or approach, or, alternatively close one down. The key words are Vision, Collaborators, Opportunity and Impact.

The Project Approach looks towards future outcomes which have been planned, and considers the ways in which the particular organisation can optimise the resources that it can bring to bear in solving achieving objectives that it has defined. Its key words are Goal, Purpose, Outputs, Inputs and logical connections between them all. It is quite difficult for a relatively new organisation, like your advocacy NGO, to handle the program approach. It requires on the one hand skills in the Board and Staff which may not be present, and on the other hand, trust and confidence in your new organisation from those who are being asked to fund it that may not be there. Donors are very wary of anything else but a project approach, because this is administratively convenient for them, and because it allows them to monitor and assess your organisation's performance according to benchmarks of what you say you will do.

Because your NGO is unlikely to be able to mobilise resources from donors without presenting your ideas in the form of a project, and a project proposal, that is what is presented in the rest of this Chapter - the elements of "Project Thinking". The tool of Logical Framework Analysis and the construction of a Logframe are skills that are suggested as being necessary for you to get funded. They are also skills which are valuable for clear thinking about your work irrespective of the funding consideration. The advantages of the Program Approach should not however be forgotten, however, and they are incorporated wherever possible in the Project Approach. Be prepared, however, to engage your potential donor in "Program Thinking" whenever you see the opportunity.

## 4.4. Project Thinking

Project Thinking involves the four elements of planning, implementation, monitoring and evaluation, as follows:

- Planning - to make sure that you have thought through all the elements in your project in advance so that the planned activities are likely to achieve the intended result
- Implementation - to carry out your plans as they were designed
- Monitoring - to check that the elements in your project are being carried out as planned
- Evaluation - to check that the planned (and implemented) activities are having the result intended

"Project thinking" can help you to think clearly and logically, and to make sure that your planned activities are connected to your longer term objectives. This is something that many NGOs do not get right. It is not unusual for an NGO to get involved in a long list of activities without reflecting whether these activities do actually contribute to the mission of the organisation. They may just be activities which occupy the NGO, without having the hoped for impact. The NGO may have no way of checking that they do have the intended impact. A good way to make sure that your activities will support your mission is deliberately to design them that way. The technique called Objective Oriented Project Planning (OOPP) helps you to do that - and will be described here. Most donors now use a variant of this technique which incorporates the concept called "Logical Framework Analysis" (LFA or Logframe).

The design process for a project needs a trained facilitator, and will take 1-2 days. There are trained facilitators available in most countries these days who can help you with this exercise. The process involves brainstorming and then modifying and synthesising the ideas of a group of people: these ideas are written and displayed on cards which can be moved around and clustered in different combinations.

## 4.5. Objective Oriented Project Planning

### 4.5.1. Stakeholder Involvement:

An advocacy NGO which is planning a project should bring together a varied collection of its stakeholders to help it design the project. Provided that they are sympathetic to the vision and mission of the NGO, a greater variety of different people gives a greater variety of perspectives, who can think through the different possible outcomes of the activities. It is best if the group can stay together for the whole exercise. It is worthwhile thinking through who should be invited to participate in the planning exercise. The stakeholders should, wherever possible involve other organisations and people which your NGO thinks it may collaborate with in the future to have a combined impact on the problem of the cause with which you are concerned<sup>22</sup>.

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<sup>22</sup> See Box 4A: "Stakeholders"



In the following pages participants will be able to practice project planning by working through an example - in this case, the problem of bus accidents in Manila, Philippines. In each case you will be shown the stages in Objectives Oriented Project Planning as it relates to this example, and asked to think how you would do a similar exercise for your own advocacy NGO.

#### **4.5.2. Identifying Problems:**

At the start of a 1-2 day planning session, the facilitator should help the group brainstorm all the problems within an agreed problem area by asking participants to write their ideas of problems on cards. These cards are then displayed for the whole group to see and think about. Depending on the cause you are concerned with, the problem area may be corruption, or environment, or human rights, or consumers or many others<sup>23</sup>.

Participants will then look at the problem ideas they have generated and think through which problem is the cause of another one and which is the effect - i.e link the problems logically. They will re-arrange the cards to show these links. Finally the group will re-arrange their cards in the form of a Problem Tree - identifying the main and focal problem and the relations between the different parts of the problem. The example<sup>24</sup> that is shown gives the results of brainstorming the problem area of bus accidents in Manila and produced a board full of unorganised problems: The next example shown is the Problem Tree which systematises the problems from the brainstorming into relationships of cause and effect.

#### **4.5.3. Problems into Objectives**

Following this exercise, participants are asked to think of what they would like to see happen in the future which would cause these problems to be solved. This is done by taking all of the problems shown on the problem tree and changing them into their opposites - re-writing them as cards which express a desired future state. These cards are then displayed to take the place of the problem cards. Such new cards now become a collection of your objectives. They may easily follow the same logical relationship ("cause and effect" now becomes "ends and means"), or they may need to be looked at again to see they are logically connected.

Participants will end up with an Objectives Tree. The Objective Tree will show the main (focal) objective, what are the means towards this objective what are the ends<sup>25</sup>.

#### **4.5.4. Choosing Alternative Strategies**

It is likely that the Objectives Tree will show groups of objectives. These are, in fact, alternative strategies to reach the main or focal objective. At this point the group's participants need to think through which is the most appropriate strategy for their or-

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<sup>23</sup> See Box 4B: *Brainstorming problems with cards*"

<sup>24</sup> See Box 4C: *"The Problem Tree"*

<sup>25</sup> See Box 4D: *"The Objectives Tree"*

organisation, looking for the strategic fit, as we have noted before, between the problem, the external context, and the organisation's own strengths and weaknesses. Once they have thought this through they must choose which of the strategies is the one they want to use in their organisation<sup>26</sup>.

This is the moment to reflect on other possible collaborating organisations: what strategy can other organisations employ to collaborate with you in reaching the objective? This may be the moment in which the comparative advantage of your organisation and the comparative advantage of other organisations becomes clear.

#### 4.5.5. Hierarchy of Objectives:

Once your group have chosen the cluster of objectives that seems to have the best strategic fit to your organisation, it now needs to clarify which Activities fit the Outputs of the project, and think what are the contributory objectives that help you to reach the Purpose. These should be written as a series of four levels (or hierarchies) of objectives. Each of these levels of objectives is logically connected to the next. Starting at the top<sup>27</sup>: -

- **Goal** - this is the highest level objective. It is the future state desired by the organisation to which several other projects might also contribute. This general goal of the project is probably not seen in the Objectives Tree and will have to be clarified by the participants.
- **Purpose** - this is the future state that will be the result of this specific project, and will be taken from the Main Objective shown in the Objectives Tree.
- **Outputs (or Intermediate Results)** - these are the results which together will achieve the result desired. This will be taken from the "means" section of the Objectives Tree.
- **Activities** - these are the elements of work that must be done to achieve the outputs. Some of them may be present in the Objectives Tree, but most likely the participants will have to brainstorm what activities are needed to cause the output to happen. They need to be checked for logical fit by asking "If the Activity happens, will the Output result?"

This list of Objectives, organised logically by cause and effect, is the start of a Logical Framework Analysis or Logframe. Its value is that it keeps in mind the purpose of your activities, and makes sure that the activities lead somewhere - specifically to the output, purpose and goal that you have previously identified. It helps you avoid the "NGO disease" - which is activities that do not add up to anything.

Your plans, however, do not exist in isolation. You need to think through what will be done by other people within your problem area that may help or hinder your plans.

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<sup>26</sup> See Box 4E: "Alternative Strategies"

<sup>27</sup> See Box F: "Objectives Established in Logical Sequence"

This involves making assumptions about the process you have drawn up - assumptions about what other external actors may need to do.

#### **4.5.6. Assumptions:**

One of the best features of the Objectives Oriented Project Planning process is that it makes us accept that the project designers cannot control everything themselves. The process recognises that actions carried out by other people who are not under the control of the project will also influence the success of the project. This is not such a surprising thought since in real life our plans are often changed by the influence of other people, but this "common sense" approach is often ignored in many projects. Project planners often make the mistake of thinking that they control all the components. It is very valuable deliberately to consider other components that you cannot control<sup>28</sup>.

This also brings us back to the Program Approach mentioned in 4.1. above. A project, however hard it tries, cannot control all the elements that will result in development impact. The assumptions column allows you to consider, as far as you are able, the other factors that you will not be able to control.

OOPP therefore considers these possible actions separately and works out what assumptions have to be made about these possible actions if the project is going to succeed. It looks at these possible actions at each level, thus:

- **Activity level** - apart from what the project is going to do at this level, what else is necessary from elements that lay outside the control of the project which will allow us to reach the Outputs?
- **Output level** - apart from what the project is going to do at this level, what else is necessary from elements that lay outside of the control of the project which will allow us to reach the Purpose?
- **Purpose level** - apart from what the project is going to do at this level, what else is necessary from elements that lay outside the control of the project which will allow us to reach the Goal?

Once you have got your hierarchy of objectives decided, and you have linked them to necessary assumptions, then you are ready to construct a Logframe - and this will be your guide to implementing, monitoring and evaluating your project. A Logframe takes your 4 levels of Goal, Purpose, Outputs, Activities (and the assumptions you have identified at those levels) and looks at them in terms of "Indicators" and "Verification".

## **4.6. Implementing**

Once you have written down your plans for what you would like to happen in the project, you must realise that that is all they are - only plans. Implementing a plan may not necessarily result in what you expected - and you need to know whether your

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<sup>28</sup> See Box G: "Assumptions about External factors"

plans have had the intended impact or not. You need to think what will prove that the plan has actually been implemented in the way you wanted and achieved the objective you had in mind. You need to consider what will indicate to you that success has been achieved, the hoped for result has indeed taken place, and you have had the intended impact.

This is called establishing indicators, and you need to think of an indicator for each of your planned objectives.

#### **4.6.1. Indicators :**

An indicator is a piece of information that signifies that an intervention has been successful - and that an objective has been reached<sup>29</sup>. It is not just to say that an intervention has taken place - but that an intervention has had the desired result. This is not the same thing as you can see from the following example:

For instance, the objective may be "*creating trained people*", and the activity to achieve this objective may be "*carrying out a training course*". It is not enough, however, to say that a training course has taken place as an indicator of success - the training course may indeed have taken place, but (for instance) the teachers may have been useless, the trainees not interested, and the course badly designed. If that was the case, the objective of creating trained people may not have been achieved. An indicator of success is not whether or not the training course took place, but whether the trained people are able to carry out what they have learned.

Indicators therefore help you to see whether you achieved something - not just whether something you planned actually happened.

You need to think through what could be an indicator of success at the Activity, Output and the Purpose level. Each time you implement an activity you must check to see whether the activity achieved its objective or not. This is a very important way of making sure you are not simply carrying out ineffectual activities that have no impact on the problem<sup>30</sup>.

Indicators should be as specific as possible, and should include some information which tells you how you can measure them, and from what sources. We need to know what means we can use to get the measurements we need. This is called "Means of Verification" and is the last column in the full logframe<sup>31</sup>.

### **4.7. Making Workplans**

Once you have your Objectives, Assumptions, Indicators, and Verification in place arranged in the form of a Logframe, you need to provide yourself with a useful tool that will help you to implement the project, and monitor its implementation. This "tool"

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<sup>29</sup> See Box 4H: "Indicators"

<sup>30</sup> See Box 4I: "The Complete Log Frame"

<sup>31</sup> See Box 4J: "The Logframe Format"

is a Workplan<sup>32</sup>. It is derived from the Logframe, and has a few more pieces of information added to it to help you in implementation and monitoring.

A Workplan links all the elements of a logframe to a time schedule and also clarifies whose is responsible for each intervention and how much it is scheduled to cost. A workplan has:

- The Outputs
- The Activities linked to each output
- The Tasks (a new category breaking down activities into smaller units)
- A Time schedule (in months, or weeks)
- The Responsibility (who is going to carry out each task)
- The Budget (what money is allocated for each task)

A workplan is a document that should be regularly consulted so you can check:

1. Are the tasks being done on time, by the right people, within the agreed budget?
2. Are the completed tasks contributing to the achievement of the activities?
3. Are the activities contributing to the achievement of the outputs

#### **4.8. Monitoring:**

Monitoring<sup>33</sup> is the process by which you keep checking that the implementation is being done in accordance with your plan - i.e. "are we doing the project right?". It is a comparison between planned and actual results at the level of activities and outputs. It means that you check regularly that the activities and outputs have actually occurred as you planned them (using the workplan to help you do this) and also that they have achieved the indicators that you planned for them (using the Logframe to help you)

It is sensible to check this every three months - to make sure that things are going as planned, and in accordance with the design of the project.

If problems arise with your monitoring - if things do not get done, or if they are done badly and do not produce the planned result, or if they are done beyond budget, then you need to re-think your workplan, and consider the reasons for your problems. It may be that you were too optimistic in your planning, and estimated too little time for the task or activity: it may be that outside events stopped you from carrying out your planned activity (natural disasters, for instance, or the arrest of one of your staff). In such a case think through how you would re-work your workplan, and alter it to reflect your new plan. It is very important to re-write your work plan every three months to reflect your actual monitoring experience - it is pointless to be using a workplan which is out of date and no longer reflects reality.

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<sup>32</sup> See Box K: "Workplans"

<sup>33</sup> See Box L: "Monitoring"

## 4.9. Evaluation

Evaluations<sup>34</sup> are larger and more thorough investigations into the difference between planned and actual results - and they look at the difference at the level of Purpose and Goal. An Evaluation is actually checking to see whether the project was well designed - did the activities lead to the Outputs? Did the Outputs lead to the Purpose? Did the Purpose contribute to the Goal? In other words it asks "Are we doing the right project to get the Purpose and Goal we wanted?" or "Did we design this project properly?".

An Evaluation questions the Purpose of the project to see if, in fact, it helped in reaching the Goal. Monitoring accepts the Goal and the Purpose as given, and just questions whether the Activities and Outputs were achieved. Evaluations should be done after the project has been running some time, and has had a chance to show results - typically after two years or more. Evaluations can be done by insiders (i.e. project stakeholders) or by outsiders who are brought in to make such an evaluation. Evaluations should not be thought of as judgements. They can:

- Guide and improve project implementation
- Assess overall project success at completion
- Improve future design work.

Too frequently they are considered as a trial with the donor as judge, juror and executioner. They really can be a help to learning as you try and establish what worked as intended and what did not in your project.

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<sup>34</sup> See Box M: "Evaluating"

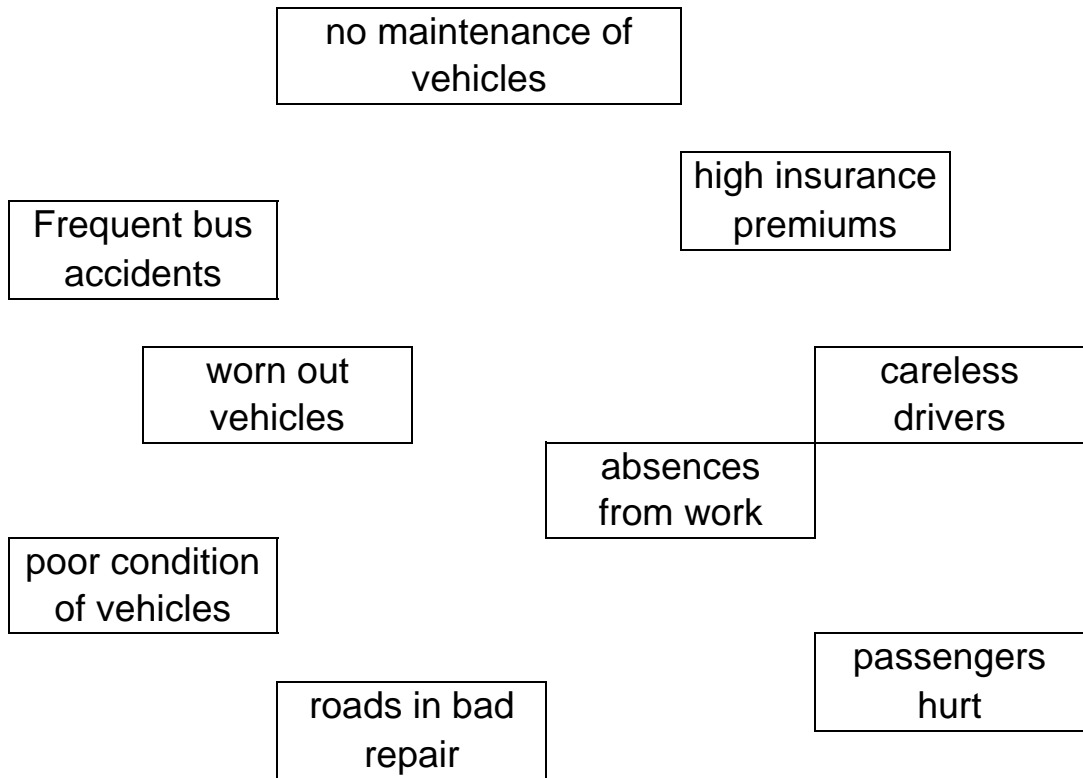
# Stakeholders

**The best plans are formulated by those involved and by a variety of different backgrounds.**

- **Who is affected by the problem environment that your organisation is concerned with?**
- **Whose voice is usually heard - and whose voice is usually not heard?**
- **Who will be on our side - and who will be against us?**
- **Whose views will we give priority to?**

# Brainstorming Problems with Cards

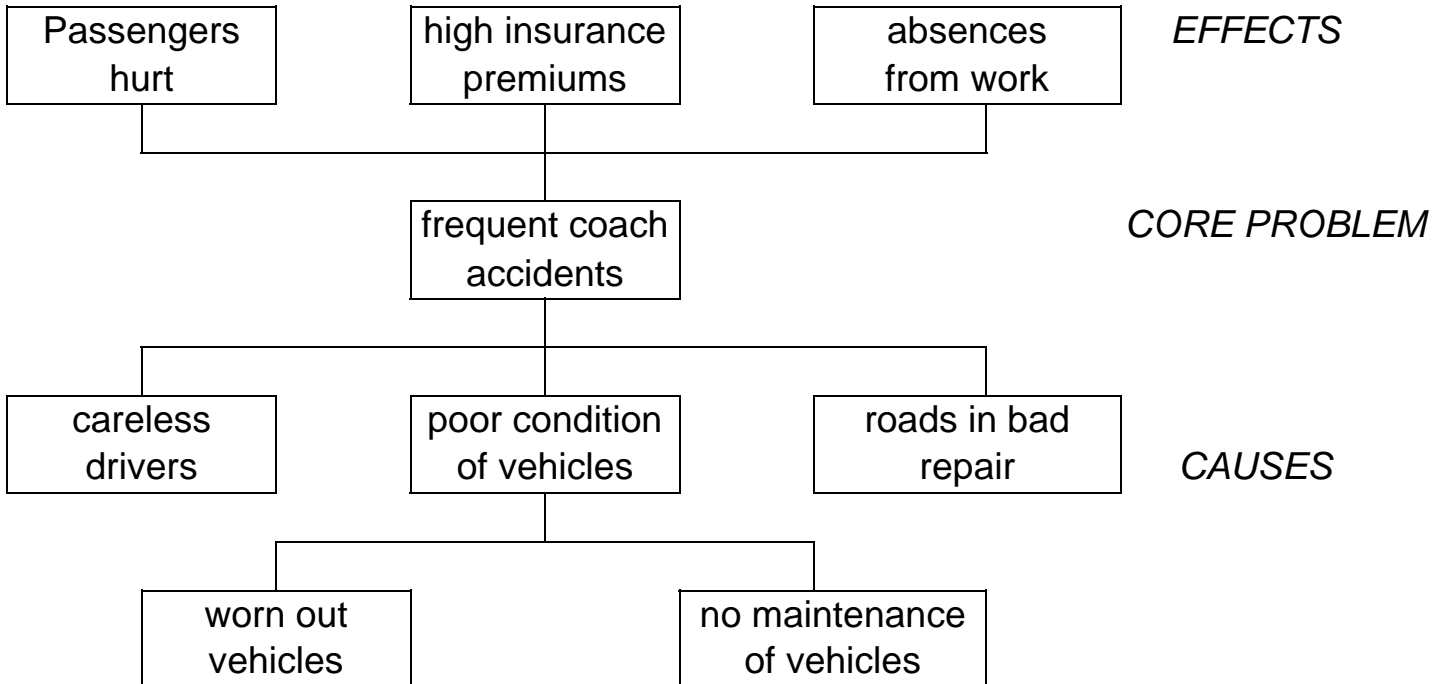
## Manila Bus Problems - illustration





# A Problem Tree

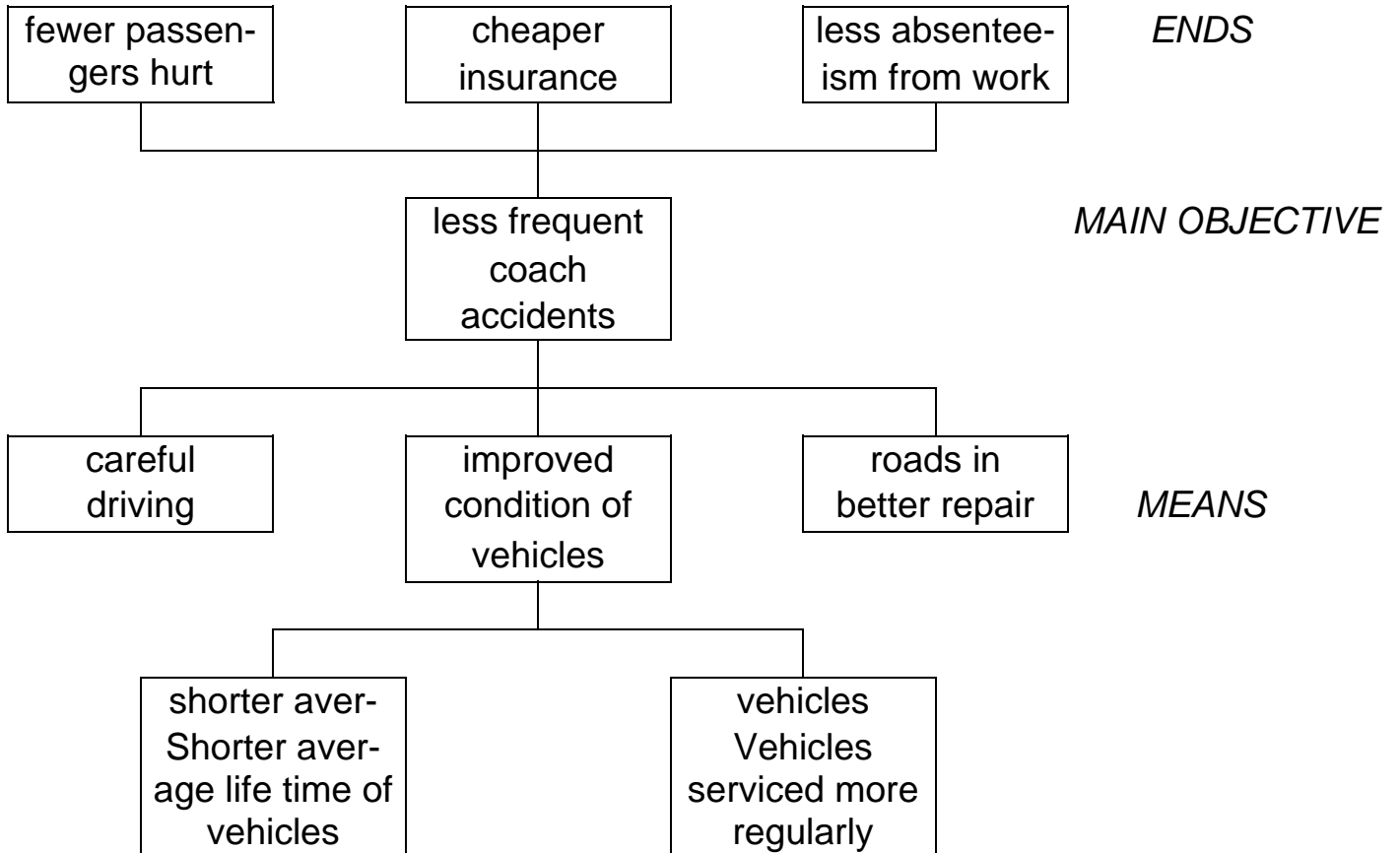
## Manila Bus Problems - illustration



Adapted by Richard Holloway from "Goal Oriented Project Planning" by UNDP/GTZ

# An Objectives Tree

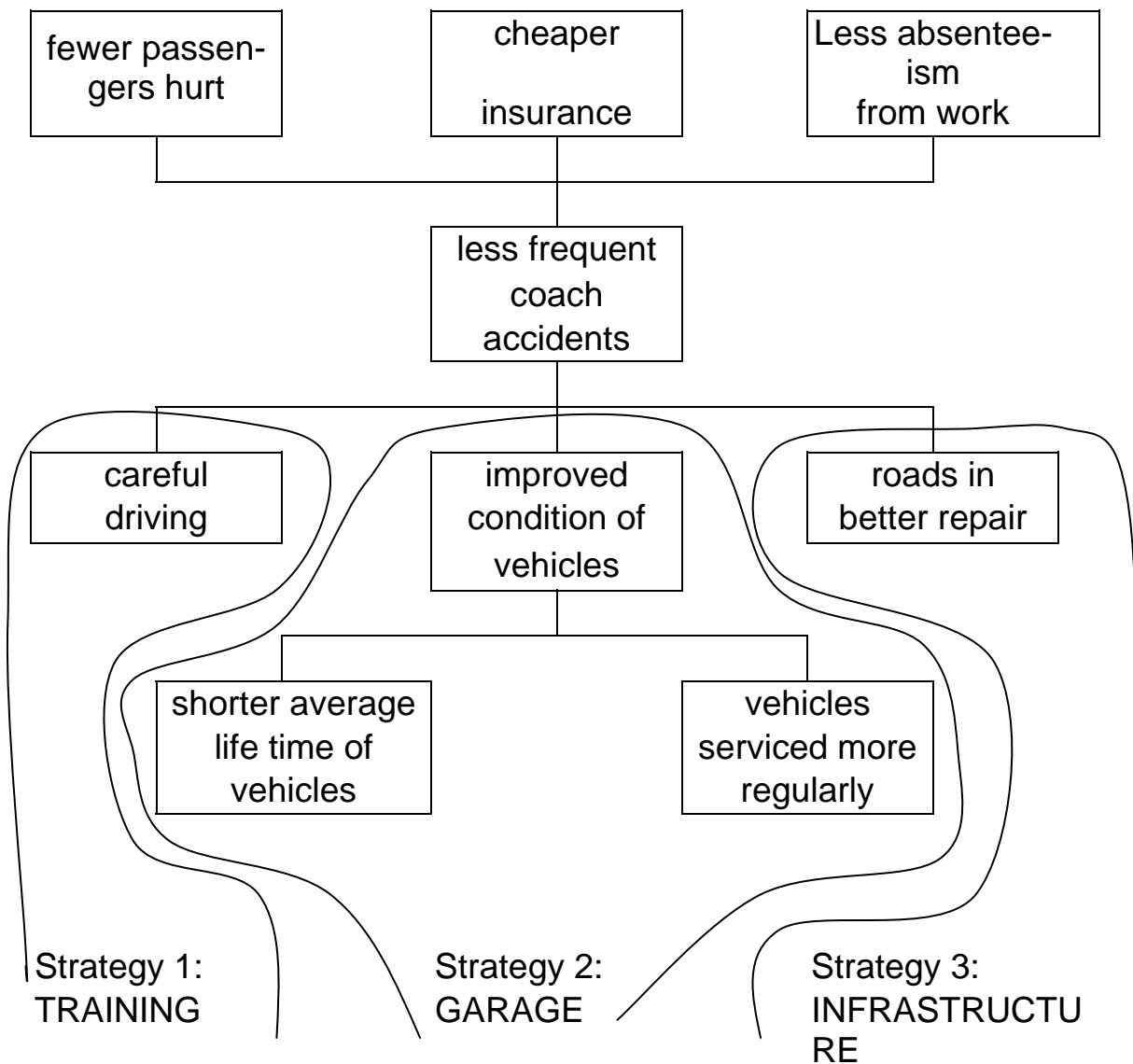
## Manila Bus Problems - illustration



Adapted by Richard Holloway from "Goal Oriented Project Planning" by UNDP/GTZ

# Alternative Strategies

## Manila Bus Problems - illustration (Choosing the Training Strategy)



Adapted by Richard Holloway from "Goal Oriented Project Planning" by UNDP/GTZ

# Objectives Ranked in Logical Sequence

## Manila Bus Problems - illustration (Using the Training Strategy)

<p><b>Goal</b> Safe Roads in Manila</p>	<p><i>Produce a new high level objective which is the end result of the objectives</i></p>
<p><b>Purpose</b> Less Frequent Bus Accidents</p>	<p><i>Put the Main Objective as the purpose of the project</i></p>
<p><b>Output</b> Drivers of buses driving carefully</p>	<p><i>Make the "Means" into the "Output"</i></p>
<p><b>Activities</b></p> <ol style="list-style-type: none"> <li>1. Conduct Surveys of accident areas</li> <li>2. Set up incentive scheme for careful drivers</li> <li>3. Introduce legislation for licensing bus drivers &amp; driving schools</li> <li>4. Apply stronger fines to careless bus drivers</li> <li>5. Set up bus driver training Schools</li> <li>6. Build capacity of existing bus driver training schools</li> <li>7. Develop media campaign to create awareness of road safety</li> </ol>	<p><i>Brainstorm lower level activities which will contribute to achieving the Output</i></p>

Adapted by Richard Holloway from "Goal Oriented Project Planning" by UNDP/GTZ

# Assumptions about External Factors

## Manila Bus Problems - illustration

(look for external factors that are important for project success)

OBJECTIVES	ASSUMPTIONS
<p><b>Goal</b> Safe Roads in Manila</p>	<p>Police will assist project</p>
<p><b>Purpose</b> Less Frequent Coach Accidents</p>	<p>Traffic laws enforced</p>
<p><b>Output</b> Drivers of coaches driving carefully</p>	<p>vehicles in better repair roads in better repair</p>
<p><b>Activities</b> 1. Conduct Surveys of accident areas 2. Set up incentive scheme for careful drivers 3. Introduce legislation for licensing drivers &amp; driving schools 4. Apply stronger fines to careless drivers 5. Set up driver training schools 6. Build capacity of existing driver training schools 7. Develop media campaign to create awareness of road safety</p>	<p>Police will assist  Source of money found  Parliament will pass bills  Police and courts willing to get involved Enough driver trainers exist Existing driving schools will join scheme Media willing to participate</p>

Adapted from "Objectives Oriented Participatory Project Planning" by Richard Holloway, Pact Ethiopia

# Indicators

## Manila Bus Problem - illustration

(How you know you have had the desired result)

OBJECTIVES	INDICATORS	ASSUMPTIONS
<b>Goal</b> Safe Roads in Manila		Police will assist project
<b>Purpose</b> Less Frequent Coach Accidents	10% fewer accidents over 2 years	Traffic laws enforced
<b>Output</b> Drivers of coaches driving carefully	50% less people injured in accidents	vehicles in better repair roads in better repair
<b>Activities</b>		
1. Conduct Surveys of accident areas	Good information assembled	Police will assist
2. Set up incentive scheme for careful drivers	1000 drivers success- fully rewarded	Source of money found
3. Introduce legislation for licensing drivers & driving schools	Legislation passed and implemented	Parliament will pass bills
4. Apply stronger fines to careless drivers	revenue increased by 50%	Police and courts willing to get involved
5. Set up driver training schools	2 driver training schools set up and running	Enough driver trainers exist
6. Build capacity of existing driver training schools	50% more capacity built	Existing driving schools will join scheme
7. Develop media campaign to create awareness of road safety	Public more aware of road safety	Media willing to participate

Adapted from "Objectives Oriented Participatory Project Planning (OOPPP)" by Richard Holloway, Pact Ethiopia

# Logframe Format

	<b>OBJECTIVES</b>	<b>INDICATORS</b>	<b>VERIFICATION</b>	<b>ASSUMPTIONS</b>
<b>GOAL</b>				
<b>PURPOSE</b>				
<b>INTER-MEDIATE RESULTS (or OUTPUT)</b>				
<b>ACTIVITIES</b>				

Adapted from "Objectives Oriented Participatory Project Planning (OOPPP)" by Richard Holloway, Pact Ethiopia

# Complete Log Frame

## Manila Bus Problems - illustration

(Verification shows how you can check on your indicators)

OBJECTIVES	INDICATORS	VERIFICATION	ASSUMPTIONS
<b>Goal</b> Safe Roads in Manila			Police will assist project
<b>Purpose</b> Less Frequent Coach Accidents	10% fewer accidents over 2 years	Survey	Traffic laws enforced
<b>Output</b> Drivers of coaches driving carefully	50% less people injured in accidents	Accident statistics	vehicles in better repair roads in better repair
<b>Activities</b>			
1. Conduct Surveys of accident areas	Good information assembled	Data	Police will assist
2. Set up incentive scheme for careful drivers	1000 drivers success- fully rewarded	Lists of awardees	Source of money found
3. Introduce legislation for licensing drivers & driving schools	Legislation passed and implemented	Parliament records	Parliament will pass bills
4. Apply stronger fines to careless drivers	revenue increased by 50%	Accounts	Police and courts willing to get involved
5. Set up driver training schools	2 driver training schools set up and running	Records of schools	Enough driver trainers exist
6. Build capacity of existing driver training schools	50% more capacity built	records of graduates	Existing driving schools will join scheme
7. Develop media campaign to create awareness of road safety	Public more aware of road safety	Survey	Media willing to participate

Adapted from "Objectives Oriented Participatory Project Planning (OOPPP)" by Richard Holloway, Pact Ethiopia



# Workplans

## Manila Bus problem - Illustration

(adding Tasks, Responsibility, Budgets and Schedule)

Output	Activity	Task	Who	Budget	Schedule									
					Year 1				Year 2					
					1	2	3	4	1	2	3	4		
Drivers of buses driving carefully	1. Conduct Surveys of accident areas	1.1. Choose sites	MJ	?	x	x								
		1.2. Find surveyors	wb			x	x							
	2. Set up incentive scheme for careful drivers	2.1. Design scheme	wb				x	x						
		2.2. Identify funds	mj			x								
	3. Introduce legislation for licensing drivers & driving schools	3.1. Draft bill	cc						x	x				
		3.2. Get MP to sponsor	cc							x	x			
		3.3. Draft rules	mj								x			
	4. Apply stronger fines to careless drivers	4.1. Draft rules	wb							x	x	x		
		4.2. Train Police	wb/mj								x			
	5. Set up driver training schools	5.1. Advertise	cc							x				
		5.2. Set standards	cc							x				
	6. Build capacity of existing driver training schools	6.1. Get more cars	mj					x	x					
		6.2. Train more drivers	mj					x	x					
	7. Develop media campaign to create awareness of road safety	7.1. Contract advertiser	mj/cc								x	x	x	
7.2. Buy TV space		wb											x	

Adapted from "Objectives Oriented Participatory Project Planning (OOPPP)" by Richard Holloway, Pact Ethiopia

# Monitoring

## Manila Bus Problem - illustration

### Checking on Project Activities and Outputs

OBJECTIVES	INDICATORS	VERIFICATION	ASSUMPTIONS
<b>Goal</b>			
<b>Purpose</b>			
<b>Outputs</b>			
<b>Activities</b>			

Adapted by Richard Holloway from Team Technologies Inc.

# Evaluation

## Manila Bus Problem - illustration

Checking on Project Purpose and Goal

(Did we design the project properly?)

OBJECTIVES	INDICATORS	VERIFICATION	ASSUMPTIONS
Goal			
Purpose			
Outputs			
Activities			

Adapted by Richard Holloway from Team Technologies Inc.

## 5. RUNNING AN ADVOCACY NGO

Individuals with views about the direction society should be headed often choose to associate together and join civil society organisations as a means of affirming their views. They like to join with others in a common identity and give their views some substance through an organisation specifically created for that purpose. They recognise that by adding their voice to others who hold similar values and beliefs, they will have both a stronger voice and greater impact, often choosing to work in the field of advocacy.

Individuals (and the NGOs to which they belong) choose to engage in advocacy because they are dissatisfied with certain aspects of the society in which they live. If they find that their values and beliefs are not reflected in society, they will seek to persuade others and bring about appropriate change. This is the basis of advocacy.

### 5.1. What is Advocacy?

Advocacy is a sustained effort, organised by NGOs (sometimes by others), in cooperation with other like minded groups or individuals, for systematic, peaceful change to policy or other conditions which affect peoples lives. It seeks to involve citizens in the process of change, especially as regards their participation in policy making processes on matters which directly affect their lives. It implies the use of influence to persuade others (Government, MPs, judges, opinion leaders) to change their previous position to one which is consistent with the mission and the objectives of the advocating NGO. Advocacy is not, however, just about public education. Advocacy has specific targets of laws or policies that it wants to change. TI may be engaged in both public education and advocacy, but needs to be clear about the differences between the two.

Advocacy is not against any person or institution, nor is it specifically against government. It is against policies which are hampering development - while supporting those policies which benefit the people and reinforce the purpose of the NGO. Advocacy is a positive force because it brings like-minded people together in a common interest. It also promotes the co-operation of different segments of civil society to some useful end. Advocacy builds support for change through dialogue and persuasion, not coercion. It uses a wide range of methods and approaches to communicate its message, but eschews violence. Rather, it uses - and thereby strengthens - the instruments and practice of democratic governance<sup>35</sup>.

### 5.2. The Principles and Policies of an Advocacy Organisation

Your NGO is likely to spend much of its time in advocacy work. There are certain principles and practices which need to be understood

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<sup>35</sup> See Box 5A: "The Risks and Benefits of Advocacy Work"

### **5.2.1. Independence**

The advocacy NGO must be credible as an independent organisation, and must regulate its own affairs in such a manner as to maintain its independence and autonomy. It should not accept the imposition of external conditions, local or foreign, especially those which might compromise their stated mission. It should feel free to develop its own positions or responses on policy issues - and, if necessary, to take on new issues which it has not dealt with in the past.

### **5.2.2. Non-Partisanship**

The Advocacy NGO should be non-partisan and ensure that the cause which it is advocating is advanced without favours to any political party. This will protect it from accusations by other stakeholders that it is pursuing a party political agenda in its advocacy campaigns, or that it is 'anti' the government of the day. If its advocacy work is politicised, this may severely limit its ability to persuade both politicians and civil servants (as well as other stakeholders) of its integrity and credibility in pursuing a particular issue<sup>36</sup>.

### **5.2.3. Peace Obligation**

An Advocacy NGO should attempt to find peaceful solutions to contentious issues. It should anticipate and head off any violence which may result from advocacy work. It is therefore essential to monitor the effect its campaign is having on the community. It needs to be aware if, for instance, expectations are raised and results are slow - for people can then become frustrated and even angry. An advocacy NGO should use its influence to limit such tensions, but at the same time press for a resolution of the issue at hand. It should try to find creative and constructive uses for the energies it encourages so that people do not turn to violence.

### **5.2.4. Governance**

An Advocacy NGO must have democratic, transparent, and accountable internal governance. It should have an independent governing body making policy which is separate from the staff which run the day to day operations (see Section 1). Both the Board and the Management must be involved in key strategic decisions regarding the NGO's advocacy activities in order to fully assess their potential implications for the organisation. This should not be left to just one or the other.

### **5.2.5. Resources**

An Advocacy NGO must try to understand its own capacity to undertake advocacy activities at any given time. It should be realistic about the resources that are required. It must ensure that the specific resources which are needed are currently available - or know where/how/from whom to obtain them, such resources to include: finance, expertise, skills, materials, transport etc. The NGO should plan carefully and budget for their advocacy in advance. Otherwise it may find itself unable to continue

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<sup>36</sup> See Handout 5B: "Credibility Questionnaire"

its campaign at a crucial stage for lack of resources. It should also make provision for unexpected expenses.

#### **5.2.6. Realistic and Winnable Issues**

An advocacy NGO should assess each potential advocacy issue in terms of its own capacity to bring about the desired change and its ability to mobilise the support of others. The NGO requires a broad understanding of the socio-economic and political context in which NGOs operate. It also needs to be aware of the challenges that external factors pose to the potential success of an advocacy strategy. An NGO needs to determine what observable short term objectives it might be able to achieve with a limited investment of time and resources. It has to consider whether such short-term gains will build the momentum of the campaign and attract broader support for the future. Winning short-term achievable gains will also give it an opportunity to assess the situation before allocating further resources for the longer term. It will also prevent failures due to some of the common problems of NGOs - selection of "lost causes", too long a menu of objectives, bad timing, lack of resources, or changing external conditions.

#### **5.2.7. Making Plans of Action**

An Advocacy NGO must clarify the actions that need to be taken towards achieving the campaign objectives, and how each action should help to do this (see use of the Logframe 4.5.5.).

Your advocacy NGO should construct plans which reflect the need to ensure that the first activities show initial success and thereby build momentum in a campaign. The schedule of activities should of your NGO. It should be selective in the timing of activities and use scheduled events (relevant holidays, rallies, budget speeches, parliamentary hearings, etc.) to attract additional attention reflect a realistic assessment of the time required to prepare and under-take each activity (see Workplanning 4.7.) and the capacity

#### **5.2.8. Identifying Messages**

An Advocacy NGO should make sure that the messages on which a campaign will be based are correct, clear, concise, concrete, complete and communicable, and should be directly relevant to the target audience(s). The message may need to simplify the problem so that it can be understood among the general public. It may also, for instance, need to be expressed differently for different audiences. The message should reflect the complexity of the problem and be designed to convince specifically the policy and decision makers. Most importantly the messages should lay out a specific desired outcome or result.

#### **5.2.9. Identified Potential Support Groups**

An advocacy NGO should identify potentially supportive organisations which might share broad interests and values with it - or might have a specific interest in the particular issue being addressed. The NGO's strategy should assess how such groups

may be able to contribute to the campaign (e.g. through mobilisation of their constituency and provision of volunteer support, through provision of funds, materials, transport, through research or information, access to media, access to decision makers and so on).

At the same time the NGO should identify potential opposition groups that may feel their interests will be harmed and they will be the losers, if the campaign succeeds. The NGO's strategy should also assess how these groups will likely articulate their opposition e.g. what arguments they will make, what evidence they may claim to have, what tactics they will use, and who they are likely to target to gain support. This anticipation of opposition activity will allow the NGO to prepare its responses in advance and thus argue more effectively against the opposition.

### **5.3. Using the Media**

The media which is to be used in an advocacy campaign should match the message and the target groups. The media can play the role of an educator through information dissemination, or the role of an opinion maker through persuasion. Before choosing the most appropriate media, there are a number of criteria to apply, viz:

- Availability (to whom is the media available?)
- Effectiveness (does this media have any impact on its audience?)
- Accessibility (Can we get our material into this media?)
- Outreach (How far does this media extend?)

Once an NGO has considered the potential effectiveness of a particular medium for use with different target groups, it should take into account literacy levels, language, social status, age groups, culture and religion. This is generally the field of the advertising profession and the NGO can help itself considerably if it can recruit into its ranks as a volunteer someone with experience in this field. Several media can be used in a single campaign and each type of media should be used where it has the greatest impact. Your NGO should be creative and strategic in the ways they use the media for advocacy purposes.

Advocacy NGOs should sensitise the media to the specific advocacy issue they are concentrating upon, and, if possible, involve the media in their campaign. For example, they can lobby the media to contribute to the campaign through offers of free space/time, or expertise to help with campaign publicity. Alliances can be created with media organisations or individuals, especially those who are affected by the issue or who can articulate the problem well.

This is not likely to be a problem since the media usually enjoys the kinds of issues or causes that NGOs espouse (e.g. corruption, environmental pollution, human rights abuses etc). Problems may occur, however, if you are criticising government and trying to use Government controlled media (Newspapers, TV, Radio) to do so.

Some of the specific types of media that can be considered are:

- Audio-visual materials - posters, leaflets, badges, audio cassettes, video cassettes
- Newspapers
- TV or Radio - news coverage, debates, documentaries
- Community radio programmes
- Drama and music
- Paid advertisements

Good relations with the media are most important for your advocacy NGO and your Board and staff need systematically to meet and educate the media about the particular cause you are interested in. The media are, however, a two edged sword and should be handled with circumspection.

- a. Some media organisations have their own agenda and can distort issues or stories to serve their own interests - or can simply be incompetent in putting over the story you want them to. Advocacy NGOs should retain as much control as possible over the message and related content of media coverage of the advocacy issue.
- b. In some countries the media will be looking to your NGO as a source of "exposure" stories: Such "exposure stories are two edged weapons - they may be very powerful in exposing a shameful and abhorrent practice - but they may also bring a load of vicious attacks on the NGO from those exposed. The NGO has got to consider whether it is ready and able to defend itself. It may consider that the place for such exposure stories is the press, and that its role is to feed the information to the press. NGOs should certainly support the work of investigative journalists, but consider whether it is in their best interests to take on that role themselves.

It is best to try and control, where possible, the information that the media uses. Try to carry on the campaigning work through the provision of press releases, manifestos, texts, newspaper articles and so on that your NGO has written. Your NGO can suggest angles for media coverage and/or provide information, data, cases etc. It can ask to see articles or programs before they are made public, but the media will not always agree to this. Wherever possible your NGO should produce it's own publicity materials.

#### **5.4.10. The 10 Elements for an Advocacy Strategy**

Before an NGO starts an Advocacy Strategy it is very important to think systematically about what needs to be done, and in what order<sup>37</sup>.

NGOs need a range of skills if they are to work in Advocacy, which they may not always possess at the start of the process. They are not the sort of skills that can be obtained from manuals or training courses, either. They probably have to be learnt by apprenticeship to other advocacy organisations<sup>38</sup>.

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<sup>37</sup> See Box 5C: "The Ten Elements for an Advocacy Strategy"

<sup>38</sup> See Box 5D: "Six Organisational Factors"



Advocacy NGOs are not likely to be short of issues about which they wish to advocate. However it is very important, particularly for a young organisation, to choose winnable issues, as we have said before. Care should be taken in choosing the issue<sup>39</sup>.

## 5.5. Collaboration with other NGOs and CSOs

There are three general ways in which NGOs and other CSOs group together:

- An Alliance - this is a union or agreement to co-operate, without necessarily obligating any resources or having any formal rules
- A Coalition - this is a temporary alliance for combined action, in which each of the coalition members obligates some resources (financial, human, in-kind) without a formal structure.
- A Network - this is a group of individuals or organisations who share information, contacts, and experiences for specific purposes. They may have established a set of rules and protocols to assist them.

Building alliances, coalitions, and networks amongst NGOs and CSOs around an advocacy issue is a complex and fluid process. Such groupings offer a number of advantages to an advocacy campaign

- They provide strength in unity and numbers, and therefore facilitate greater impact
- Broad based campaigns which are national in character gain greater legitimacy with the public and decision makers
- They enrich advocacy campaigns through the pooling of resources and the availability of a broader range of services and skills
- They provide sharing of information and experience
- They offer additional capacity for nationwide monitoring
- They help to build support within and across sectors.

The requirements for creating and maintaining successful alliances, coalitions and networks will vary depending on the context, purpose and the stakeholders involved, but some effective guidelines for most situations are:

- Members of alliances, coalitions or networks should agree a plan of action based on shared values and objectives, and a time frame. Members should not, however, compromise their long term goals through short-term alliances - their work in any of the three groupings should be compatible with their own organisational mission and goals. Members should be warned, however, that they are collaborating for a specific advocacy action - they do not need to agree with all the actions of the other members of the grouping.

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<sup>39</sup> See Box 5E: "Checklist for Choosing an Issue"

- The capacities and constraints of each member should be determined and tasks assigned accordingly making realistic time and resource commitments. Members should be held accountable to these commitments.
- Some kind of secretariat, formal or informal, should be created to manage, co-ordinate, and control joint efforts, on the basis of clear operating guidelines.
- These groupings should be democratically run, inclusive and transparent. Provision should be made for regular consultation and information dissemination amongst members.
- A distinction should be made between core groups that make decisions and peripheral support groups that help with specific activities.
- Mechanisms should be agreed for intergroup bargaining and conflict resolution.

Many things can go wrong as NGO/CSO groupings undertake their joint activities - especially if key issues are not dealt with initially. Some of the often reported problems to watch out for are:

- Uneven commitment by members
- Power struggles over ownership or inequality of power
- Lack of co-ordination
- Difficulties in reaching consensus and/or the need for too many compromises in order to keep all members happy
- Territorialism and competition amongst members
- Domination by experienced NGOs
- Hijacking of the grouping in pursuit of individual or organisational objectives
- Conflicts of interest
- Unnecessary bureaucracy in decision making
- A few members burdened with too much work, especially where members have different capacity levels
- Inadequate sharing and mutual building of capacity
- Expense of maintaining long term groupings
- Derailment of individual CSO objectives

Alliances, coalitions and networks may be short or long term, specific or general. They may provide for very positive results, or they may only divert energies and resources from the real issues at hand. Your advocacy NGO potentially has a lot to learn from other advocacy organisations (particularly if it is newly formed). It might well be useful to attach a staff person to another advocacy organisation (particularly one that has been longer established) to learn the "tricks of the trade", or to ask for one of their staff people to be seconded to your NGO.

## **5.6. Linking yourselves to International Advocacy Organisations**

There are likely to be international organisations which are fighting internationally for some of the same issues that you are fighting for nationally. Examples might be Transparency International on issues of corruption, Greenpeace on issues of the environment, Amnesty on issues of human rights, Consumer International on issues of consumer interests - and many more. Such organisations may have a lot of information that could be useful to you, and many people sympathetic to your situation. It

may be that there is some way for you to affiliate yourself to such organisations - it may even be that you can join such an organisation as a local chapter. This may or may not be to your advantage, depending on local circumstances, and the ways in which these organisations are regarded in your country.

Increasingly valuable information for advocacy organisations is handled through computer communication, particularly e-mail and the Internet. Advocacy NGOs are well advised to try and acquire the hardware, the software, and the familiarity with the techniques so that they can access the information that will be useful for them.

# **Risks and Benefits of Advocacy Work**

## **Risks**

- **NGO becomes the target of attacks by opposing forces**
- **NGO needs more resources than expected**
- **Negative perceptions develop about the NGO's political affiliation or other biases**
- **Alienation of some target groups**
- **In case of a failed strategy, NGO becomes demoralised**

## **Benefits**

- **Popularity or public recognition of the NGO**
- **Positive impact on policy - achievement of desired policy change**
- **NGO's ideas put on the policy agenda**
- **NGOs belong to a larger group, coalition or network**
- **Improved policy environment for NGOs' work**
- **Has positive influence with donors or government**

Adapted from CORE, South Africa Training Materials

# Credibility & Legitimacy Checklist

	Rating
Size of Membership	_____
Status of Membership (e.g. professional status)	_____
Provider of Quality Services	_____
Links with client group or community	_____
Size/status of client group	_____
Mechanisms of internal accountability	_____
Links with funding agencies	_____
Links with supporter or affiliated bodies	_____
Status of Board members or patrons	_____
Perception of staff integrity and competence	_____
Perception of leaders' integrity and competence	_____
Links/contacts with government	_____
Executive	_____
Legislature/Parliament	_____
Agencies/Ministries	_____
Judiciary	_____
Police/Military	_____
Local government officials	_____
Contacts with political parties	_____
Quality of information: research, publications, briefings	_____
Recognised theoretical or practical experience in a given field	_____
Age of organisation	_____
Size of organisation	_____
Wealthy of organisation	_____
Efficiency of organisation	_____
Financial transparency of organisation	_____
Legally incorporated organisation	_____
Perceived independence of organisation	_____
Level of positive media exposure	_____
Level of public recognition of organisation	_____

**Rate your organisation from one (low or poor) to three (high or excellent)**

## **10 Elements for an Advocacy Strategy**

- 1. State the problem**
- 2. Develop a set of goals and objectives**
- 3. Identify the target audience(s) to engage**
- 4. Identify other groups who are affected or could be affected through your advocacy campaign**
- 5. Formulate the advocacy message and identify the media needed to get the message out to the target audience**
- 6. Prepare a plan of action and schedule of activities**
- 7. Identify resource requirements: human, organisational, and financial**
- 8. Enlist support from other key players, other NGOs, the Public, the government**
- 9. Identify monitoring and evaluation criteria and indicators**
- 10. Assess success or failure and determine next steps**

From: "Advocacy in Southern Africa - Lessons for the future" by Camay and Gordon. CORE, Johannesburg. 1998

# Six Organisational Factors

## **Untainted Leadership**

This does not mean someone with no allegiances or affiliations, but a leadership which - while perhaps radical - cannot be legitimately accused of personal promotion, egotism, and pursuit of self-interest on the backs of those in whose name policy change is advocated

## **Development Legitimacy**

This derives from the quality of the work being done, with practical alternatives to existing policies being one of the most powerful features for leverage

## **Analytical Ability**

To be heard by policy makers, CSO staff have to be able to use compelling arguments, which usually calls for a high level of abstraction and analytic powers often spanning more than one discipline: because professionals feel a natural affinity towards those with the same training, they are more likely to listen to and respect CSOs who provide a professional match

## **Relational Capital**

This is drawn up from collaborative experience generating the trust which can be drawn on when mobilising pressure on many fronts. Creating this capital requires previous investment in networks, coalitions, and exchange of assistance. While opportunistic links are obviously useful, they cannot be relied on in the same way.

## **Professional Competence as Advocates**

Policy influencing is also a specialism where professional competence is vital. This includes: intellectual integrity, good interpersonal verbal and written skills, links to a variety of organisations including the media, and ability to conceptualise complex processes, a sound grasp of technical details and evidence, good judgement of timings for actions, and a clear analytic framework. Also critical is respect for those at the periphery who are not in the public eye, but on the edge where the struggle to meet the organisation's mission is less glamorous, conditions are harsher, and personal harassment a real concern.

## **Documentation Ability**

Often CSOs need to prove what leaders and officials have said or committed themselves to, which calls for the ability to document information and retrieve it accurately

From "Striking a Balance - a guide to enhancing the effectiveness of non-governmental organisations in international development" by Alan Fowler. Earthscan London. 1997

# Checklist for Choosing an Issue

## Will the Issue:

1. Be widely felt? By many people?
2. Be deeply felt? Are people angry, frustrated etc.?
3. Result in real improvement in peoples lives?
4. Provide opportunities for people to learn about and be involved in politics?
5. Give people a sense of their own power?
6. Challenge the relations of power?
7. Be Winnable?
8. Raise awareness about politics and power?
9. Help build alliances with other groups and CSOs?
10. Have a clear time frame that advantages you?
11. Link local concerns with broader issues?
12. Build grassroots leadership?
13. Strengthen CSOs' links/accountability to the grassroots?
14. Be consistent with your values and vision?
15. Provide an opportunity to promote peoples rights and challenge stereotypes (e.g. of women)?

From : "Advocacy in Southern Africa - Lessons for the future" by Camay and Gordon. CORE, Johannesburg. 1998



## 6. FUNDING AN ADVOCACY NGO'S ACTIVITIES

Most advocacy NGOs will immediately think of seeking foreign funding for their activities, and they have a good chance of getting such funding since the issues with which they are concerned are attracting a lot of international interest at the present (1999) under the overall donor interest in good governance. This Handbook will suggest ways of seeking foreign funding, but it will also point out the limitations of foreign funding, and the need for NGOs to consider alternatives to it - particularly domestic funding. It is important to appreciate the range of funds available North and South - from the gift economy, government, and the market<sup>40</sup>.

### 6.1. Foreign Funding

Foreign funding is, in theory, available to your advocacy NGO from any or all of international NGOs, international foundations, bilateral aid agencies, and multilateral development agencies. Some of these agencies are likely to have offices in your own country - and this is obviously the place to start. Others do not have a local presence, and need to be contacted through their head offices. You should discuss funding sources with other advocacy NGOs in your own country and follow up on their suggestions.

There is need for some realism, if not scepticism, in dealing with foreign donors. The best situation is where your organisation and the foreign donor organisation are united in a common desire to fight abuses in the field you have identified for your work, and decide to work together. Be aware, however, that foreign donors' actions do not always stem from simple altruism. They may be prepared to help your organisation for a number of other reasons. You need to be aware of these since they may affect your relationship with them.

- A political decision in the donors' own country (and this decision may subsequently be reversed)
- A desire by the local representative to impress his head office
- A desire by the local representative to expand his/her portfolio
- A political signal to the government of your country
- A desire to use up "left over" funding from some other project
- An attempt by the organisation to involve themselves in some development "fad" or fashion

Try and assess the motivation of the donor you are dealing with. If you are satisfied with it, and you are clear that you want to raise foreign funding, then you need to make the approach. An advocacy NGO's ability to raise foreign funding depends on factors both internal and external to the organisation. To start with the first:

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<sup>40</sup> See Box 6A: "The Big Picture of Funding"

### **6.1.1. Factors internal to the organisation**

(i.e. questions that the prospective foreign donor will be asking about your NGO)

- Is the organisation independent and non-partisan?
- Is the organisation effective? What is its track record?
- Is the organisation credible?
- Is the organisation well-managed?
- Does the organisation have a clear idea of where it is going?
- Is the proposal clear and well-written?
- Does the proposal provide all the information that the prospective donor needs to know?
- Does the proposal reflect a planning process?

### **6.1.2. Factors external to the organisation**

(i.e. questions that your NGO will be asking about the prospective donor)

- Is the donor interested in the subject of advocacy?
- Does the donor have funds available in your country?
- Does the donor provide funds in the amounts that you are asking?
- Does the donor provide funds for the time periods you are asking for?
- Are you prepared for the rules and regulations of this particular donor?
- Does the donor have a good track record of keeping its word, delivering on time etc.?
- Are you prepared to take money from this particular donor?

As we have mentioned earlier, donors think in terms of projects - time limited specific activities with fixed budgets. You will almost certainly have to request support for the work that you want to do in terms of a project, even if what you really want is long term budgetary support for your organisations program - particularly when you are starting. It is very likely that a foreign donor will want to start small with a short time scale project. This, if carried out successfully, will get you established, and you can build on the success of this to request larger funds and more general programmatic funds.

Occasionally you may find a donor who will be prepared to talk to you about long term sustainability for your organisation - such as an endowment or the gift of a building which could be used both for your office, and also be rented out for organisational income. Be prepared to raise such issues, emphasising the need for sustainability of your NGO, but such donors are indeed rare.

Be aware of the following factors that limit the attractiveness of foreign funding:

- International aid is fickle: it changes with political considerations in the donors home country, and development "fashions". You may find that support is withdrawn, or not renewed for factors unconnected with the success of your work.

- International aid comes as projects - this may not fit what you need, and you may find yourself having to twist and shape what you really want to do so that it fits donor options.
- International aid does not build up support for your NGO within your own country. It can make you vulnerable to accusations of being a stooge of a foreign government or organisation.
- International aid generally does not help you to become more self-reliant. It usually makes you dependent for your activities on resources which you cannot control. Most people would say that this is developmentally unsound. It is possible to get funding to build up self-reliance, and you should ask for this where possible - see later - but it is difficult.

## **6.2. Foreign Non-Funding Support**

Although it is foreign money which is normally the most attractive aspect of foreign development organisations, your NGO should also consider some of their important non-monetary aspects. These can be:

- Technical help with the subject of corruption - either through information, books, technical data, or people
- Solidarity - the readiness of foreign organisations to stand with you and back you - through defending your work, affirming your commitment, publicising your achievements, helping you when you are attacked.
- Links to other sources of help or information overseas
- Collaboration in pursuing information from their own country which has repercussions in your country.

## **6.3. Foreign Companies**

Increasingly foreign businesses are open to proposals to help NGOs in the South. In most cases this follows their expansion in setting up manufacturing plants in the South, and their desire to be recognised as a good corporate citizens just as they hope to be back in their own country. In some cases local branches or affiliates are given the authority to use their promotions or advertising budget to help NGOs, in other cases, proposals have to be made to the headquarters of the company or the foundation that the company has set up.

## **6.4. Alternative Resource Mobilisation**

When we look away from international funding to domestic sources of support we must be clear that we are looking at all kinds of resources - not just money. For this reason it is important to think of "resource mobilisation" not just "fund raising". Part of these resources are volunteers, part are donations in kind, part are local goods and services - like land or free vehicle maintenance, part can well be simply useful advice. Learning how to ask for and get various kinds of free goods and services locally is potentially much more important when you are looking for local resources.

Whether you are asking for money or other resources, you will find that the psychological dynamics change considerably when you are seeking resources in your own country. You will be trying to persuade your own countrymen and women, either personally, or organisationally, to support your work - and this becomes a personal matter. This is quite a different situation from seeking funds from foreign donor organisations whose job it is to give out funds to NGOs in the South. Part of the psychological dynamics is that you will be, in effect, and in part, asking local people or organisations to pay for the costs of your salaries, or your NGO's staff salaries - and some people see this as begging. Many people do not like to be seen as a beggar.

To be a successful fund-raiser in your own country it is very important to overcome this prejudice - you are not begging for money for yourself - you are offering people the opportunity to become involved in a cause that you believe in, and which you hope they will also believe in. If you strongly believe in ridding your country of corruption, or preserving the environment, or making sure that human rights are respected, then you will be interested to provide your countrymen or women, in whatever way you come across them, with the opportunity to become involved in this same noble cause. You are actually allowing them to do something concrete about a topic which may have excited them for many years, but about which they felt powerless.

Let us look at the variety of different ways that you may mobilise resources locally. To some extent this depends on your country's laws and regulations as well as its culture and the existing patterns of philanthropy: Different countries have different attitudes and habits about giving for public causes. It may be that in some countries part of your work will be to educate people about how they can support worthwhile causes (like fighting corruption, preserving the environment, or maintaining human rights) through a local NGO.

It is unfortunately true that, apart from traditional contributions to religion and charitable good works, many people in the South do not see the need to raise money locally for development projects. Easy access to foreign aid has meant that many people feel that this is the job of foreign aid.

#### **6.4.1. Asking the Public for Money (or other Resources)**

At its simplest this would involve soliciting for help to the general public through street collections or house to house collections, but could also involve appeals for help to specific groupings of the public - via clubs, associations, or other membership groups. A specific version of this could be collecting from places of employment through agreed pay roll donations. Some fund-raising can also be done by events (sponsored walks, auctions etc). Do not forget the very basic way of raising money by selling membership in your organisation<sup>41</sup>.

Another way of fund-raising is by providing some special service for which a price is paid, knowing that the funds will go to your organisation. Such special events could be sponsored entertainment (concerts, parties, walks, sports). Yet another way of

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<sup>41</sup> See Handout 6D: "The Benefits of a Membership Scheme"

requesting help from the general public is targeted advertising in which your organisation simply requests support for the work that it is doing via the media, or invites people to join your organisation and by doing so, pay a membership fee. The aims of a membership scheme are, however, not necessarily just to raise money. They may also be targeted at people who are interested in doing something to help your NGO more generally.

Many of these approaches require the help of considerable numbers of volunteers who are needed to organise them. They also require considerable expertise as it is easy to lose money in the process of trying to raise money, particularly when organising events.

The other aspect of public fund-raising is that in the process of fund-raising, you will be announcing the existence of your organisation, and sympathisers may well bring you information valuable for your work.

#### **6.4.2. Asking the Business Sector for Money (or other Resources)**

It is possible that the cause your NGO espouses would appeal to the business sector in your country, and they may be interested either in making a donation to your NGO, or in sponsoring some event which will bring you income (as well as highlighting their own corporate identity). It may be that businesses would feel that their public identification with your NGO would be politically unwise, but they are still willing to help surreptitiously - perhaps with such useful items as furniture, second hand computers, or use of a building<sup>42</sup>. Perhaps the most useful kinds of support that a business can give you is in information pertinent to your cause, and help with the running of your organisation. A gift of the time of specialised people (e.g. lawyers, advertisers, artists, accountants) could be very valuable for your NGO.

The NGO, of course, has to weigh up the possible benefits of help from the business sector with the disadvantages that may come from too close an association with a particular firm. The firm may be using the NGO to "clean" its name, but your NGO may find its public identification with the business unhelpful.

#### **6.4.3. Asking Government for Money (or other resources)**

Since much of your NGO's campaigning is likely to be against the government or departments of the government, this may seem an unlikely source for help. Governments are, however, not monolithic and it is possible that some parts of government would support your work - they can help with second hand goods, property, even land - as well as inside information about the subject with which you are concerned as they see it.

Just as with businesses, your NGO may think that any association with them is likely to be harmful to its own image. This will very much depend on the local circumstances in each country.

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<sup>42</sup> See Handout 6E: "Why Companies Give"

#### **6.4.4. Generating your own Income**

Too often thoughts about fund-raising overshadow thoughts about fund-generating. Many NGOs feel that ownership of a sustainable source of income in the form of a profit making enterprise is one of the best ways to assure themselves of an income that is not compromised, that gives them a platform to publicise their movement, and that can ensure sustainability. The difficulty comes in identifying an enterprise which is likely to make a profit and whose profits can be passed over to the work of the NGO. It is very easy to get involved in an intended money making enterprise which not only does not make money, but which also sucks people, time and money away from the real work of your NGO.

However income can be generated from enterprises either through those connected to the work of your NGO (books or reports for sale, commissioned research) or through enterprises unconnected (sale of T-shirts, key rings, providing Internet services, renting property etc). If you are fortunate to have members which have definite business acumen, and if your NGO has the capital to invest, your NGO can go into any business which will make money, will not detract from the main work of the organisation, and does not harm your image. It is important to remember, however, that running an enterprise to make money for your organisation can finally harm the organisation by taking so much time on the business that the organisation's original mission suffers.

One form of business that is very attractive to NGOs is the investment business. If an NGO were successful in persuading a benefactor to give it a trust fund, or property, or stocks and shares, then the NGO can receive income in perpetuity from the investment of those funds, or the renting of those properties (providing they are well managed) without further fund-raising efforts. In Islamic countries, NGOs might seek to persuade Muslim donors to provide a *waqf* endowment.

#### **6.5. Problems and Issues in Alternative Resource Mobilisation**

1. Deciding to try and raise funds locally is a big decision for a local organisation - particularly one that has previously been accustomed to raising funds from foreign donors. The biggest issue for such organisations is deciding that they will actually take on this way of resource mobilisation, and they will commit themselves to making it work. It will require a strategic re-orientation of their organisation to include people responsible for membership, and fund-raising etc., and it will change the way you do business.
2. Another problem for many organisations is worrying that the fund raising and resource mobilisation side of their work will divert the organisation from its main role of advocacy on the issues that it has identified. It is quite possible that the organisation will put too much effort in running sponsored events, or selling T shirts, to the detriment of their main mission
3. A third problem is keeping on the right side of the law. In many countries the idea of a non-profit organisation earning income for itself has no legal precedent, and such an organisation may find itself paying tax like a for-profit busi-

ness - to such an extent that trying to earn income no longer makes economic sense.

4. A fourth consideration is the worries that non-profit organisations have in associating with for-profit businesses. All too frequently they feel that the image which is portrayed by such an association will reflect negatively on their organisation. They are not happy to have be associated with a profit making enterprise.
5. Lastly are internal organisational problems: as your organisation grows it may need to hire staff dedicated to the fund-raising and income generation side of things. Will they be paid the same as the people working on the anti-corruption side of things? Will they be under the same system of supervision? Such issues can divide an organisation and cause all sorts of tensions which divert the organisation from its main mission.

## **6.6. Tax Exemption**

It is, of course, very helpful if your NGO can obtain from the Government of its country some form of tax-exempt status, which will allow it not to pay import duties, income tax, VAT or any other taxes that are current in the country concerned. Such exemption would mean that any money raised or generated would not be reduced through the payment of tax.

The principle involved here is that your NGO is doing something useful for the government, something that the government would otherwise have to do itself (and use its own resources on). Therefore it is logical and sensible for the Government to free the NGO from paying the taxes that would supply the government with the income to do this work itself.

However logical is the case that the NGO can make, this issue is not one that will be decided on the basis of your NGO alone. Many NGOs can make the same argument, and the government policy on tax exemption for non-profit organisations with a social purpose is often complicated and has a long history. Your NGO will probably be best served by joining its efforts to the arguments being made by other NGOs.

## **6.7. Making a Proposal**

Whether you are seeking funds internationally or locally, a common feature will be a good proposal. A proposal is very simply a good argument which will persuade someone or some organisation to help your organisation. It needs to cover all the kinds of questions that a donor is likely to ask, and it needs to be clear, well-presented, and logical. Do not forget that the donor may be a foreign agency, a local business, your government, a local club, or Mr and Mrs down the street<sup>43</sup>.

The main elements in a proposal are:

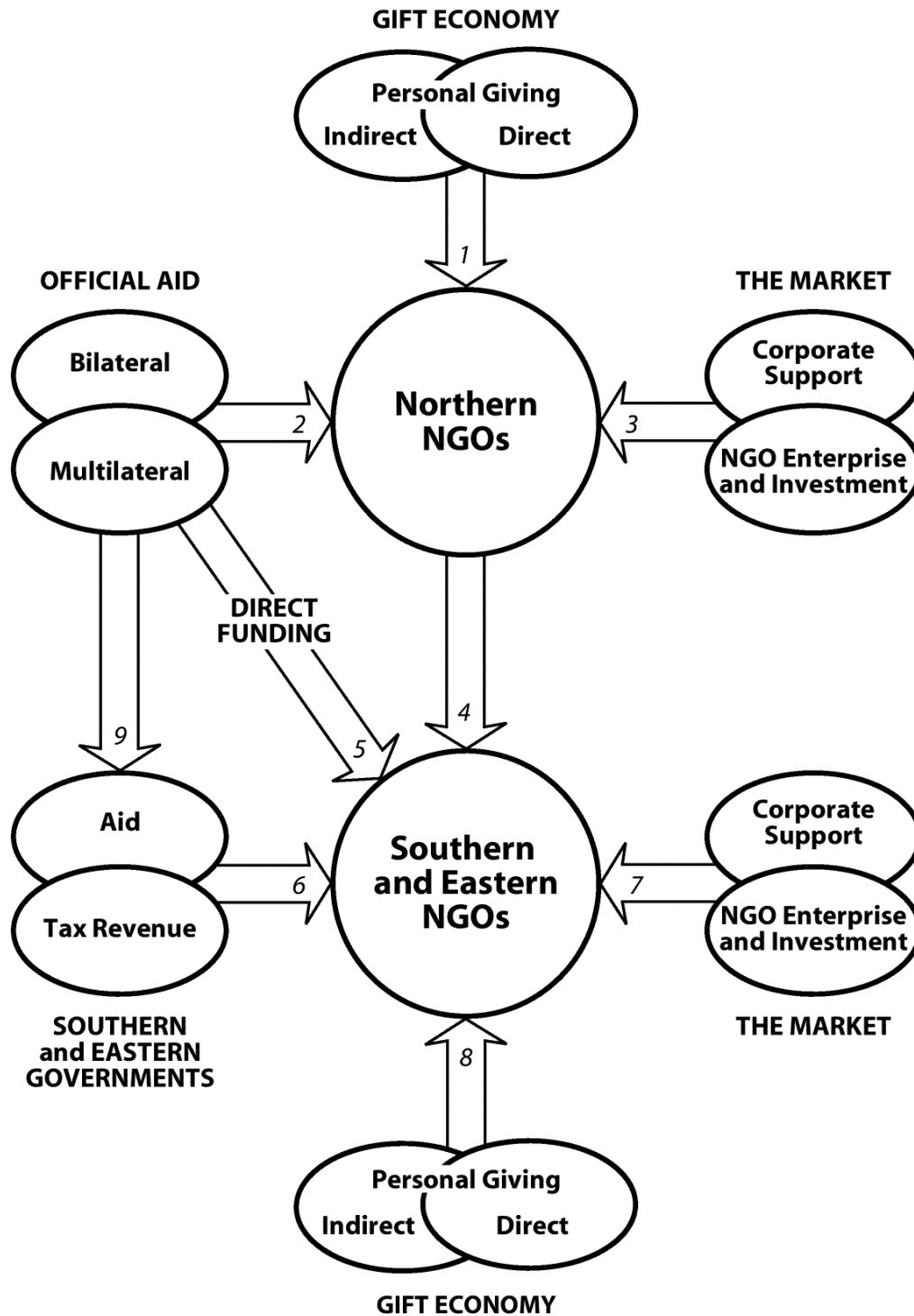
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<sup>43</sup> See Box 6F: "Checklist of things to include in your Proposal"

1. Description : who you are: the problem your organisation was established to solve: what you have established to date
2. Objectives: what you hope to accomplish, and what results you hope to achieve
3. Methods: How you intend to achieve the stated objectives - and why you have chosen these methods
4. Monitoring and Evaluation: how you intend to evaluate the effectiveness of your work - both in terms of process and impact
5. Money: what do you need and for what period?
6. Funding strategy: how you intend to raise the funds required, and how you intend to continue after the present funding period is over
7. Budget: the amounts of money you need broken down into Capital and Recurrent expenditure over the period requested. Make sure you include Budget Notes which explain why you need certain goods, or how the prices are identified. Also make sure you include an allowance for inflation on multi-year projects, and an overhead rate or administrative fee.
8. A summary of all the above on one page.



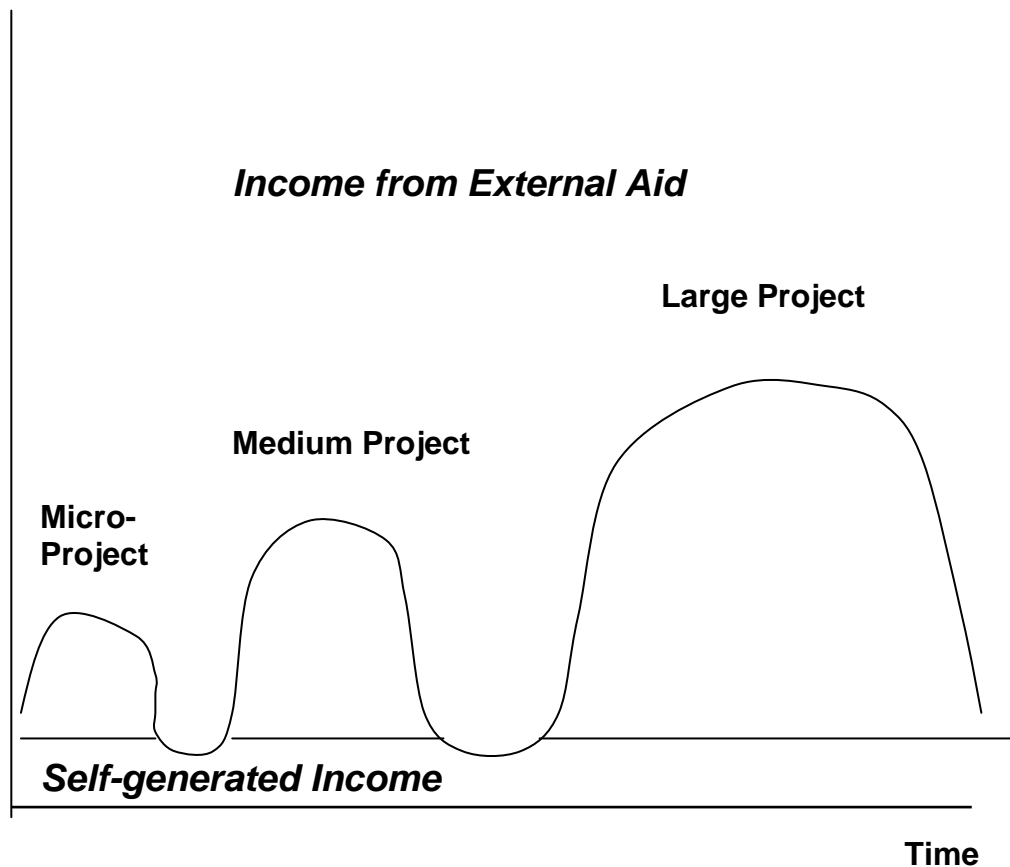
# The Big Picture of Funding



From *Striking a Balance* by Alan Fowler

# The Usual Picture of NGO Funding

Financial Resources



- Low level of self-generated income
- High level of external aid
- Increasing dependence on external aid
- All work project based
- No organisational sustainability

Adapted by Richard Holloway from "Towards Financial Autonomy" by Campbell and Fernand, IRED, Geneva. 1988.

# Fundraising is Selling

**Fundraising is a two-stage process. The first stage is showing people that there is an important need which you can do something useful about. If they agree that :**

- **the need is important,**
- **that something should be done:**

**and if they agree that your organisation is doing something significant to make a difference; and if you can show them how some extra support could be used to do even better - then the second stage, asking for money, becomes easy.**

**Fund-raising is more about selling the idea that the donor can make a difference, than about asking for money. Once people have been sold the idea, then they will want to give.**

**Fund-raising is also more about "selling" than "telling". It is about persuading people to give, and showing reasons why the work is important. Your success depends on your ability to get people to do something to help.**

**People prefer to give to causes and organisations that they have heard of. This means that the organisation's credibility and good public relations are extremely important.**

**Press coverage of your work, trumpeting your successes in the newsletters you send to supporters, getting endorsements about the quality of your work from experts and prominent figures can all encourage people to realise the importance of what you are doing and to have the confidence that you are doing a worthwhile and successful job - which makes it much easier for them to support you.**

# The Benefits of a Membership Scheme

There are 3 main benefits which you can derive from having a membership scheme:

1. **Commitment**: a membership scheme offers a convenient peg upon which to obtain committed long-term support for your organisation
2. **Involvement**: Membership opens up and provides a mechanism for democratic control through the right to vote at annual meetings (if this is included in the constitution of the organisation), thereby giving the members some influence over the direction of the organisation.
3. **Money**: The annual membership fee (and perhaps the joining fee) provides an income, and the membership list is an ideal hunting ground for further donations. Members have demonstrated their interest in the organisation, so become likely prospects for obtaining further financial support

from: The World Wide Fundraisers Handbook - a Guide to fund-raising for Southern NGOs and Voluntary Organisations - by Michael Norton. International Fund-Raising Group. London 1996

# Why Companies Give

There is no particular obligation for companies to give their money to support the work of NGOs. But they do give. The main reason for their giving is often said to be enlightened self-interest, rather than pure altruism. And the following are some of the reasons for giving:

- **To create goodwill:** to be seen as good citizens in the local community where they operate and as a caring company by society at large. But also to create goodwill amongst employees, who will get a good impression from the good works that the company supports
- **To be associated with certain causes:** Mining and extraction companies often like to support environmental projects, pharmaceutical companies health projects, banks economic projects, and so on. This may be to enhance their image, but it could also be to find out more about matters that interest them from another perspective.
- **Because they are asked** and it is expected of them. They also don't want to be seen to be mean. If a major bank supports an important cultural project, then other banks might want to give their support, and to be seen to be generous in how much they give.
- **Because the Chairman or other senior managers are interested** in that cause (and perhaps support it personally). There is also the senior managers' wives who can play an important part through their interests and influence
- **Tax:** Giving to NGOs can sometimes ensure tax advantages. This will be an added benefit to the company (if this is the case), but seldom the determining factor.

From: The World Wide Fundraisers Handbook - a Guide to fund-raising for Southern NGOs and Voluntary Organisations - by Michael Norton. International Fund-Raising Group. London 1996

## Checklist of things to include in your proposal

1. Do you really believe in what you are doing and the value of the project?
2. Have you got a strategy?
3. Have you planned ahead?
4. Have you selected a good project which will appeal to that particular donor (if you have a choice of things to fundraise for)
5. Have you tailored your proposal to address the particular interests and priorities of the recipient?
6. Have you done enough to establish your credibility?
7. Have you any personal contact? And have you plans for using this to progress your application?
8. Have you prepared a realistic budget?
9. Have you been specific (and asked for what you need?)
10. Have you a target for the amount you need to raise to get the project started?
11. Is your proposal concise, factual, and to the point?
12. Have you assumed people know what you are talking about? Check for jargon, initials and acronyms, and other things that people may not understand

from: The World Wide Fundraisers Handbook - a Guide to fund-raising for Southern NGOs and Voluntary Organisations - by Michael Norton. International Fund-Raising Group. London 1996

# 7. FINANCIAL POLICIES AND FINANCIAL ACCOUNTABILITY

The field of financial policies and accounts is one which often causes a large amount of heartache for those in charge of NGOs. If the NGO is large and well-funded, then it can afford to pay for a professional accountant and book-keeper, but in the earlier days, the Executive Director takes a lot of the direct responsibility for the financial aspects of the organisation. If the Executive Director is someone experienced and proficient in accounting matters, then difficulties are few. All too frequently, however, the Executive Director is chosen because of his or her skills in advocacy and he or she may be lacking skills in financial management. To outsiders, financial management often seems a frightening field with many possible pitfalls.

If the Executive Director has very little experience with financial management, it is sensible for him or her to undertake some form of orientation or training so that he/she feels comfortable with the concepts and practices of financial controls and financial management: it is also a good idea to make sure that one of the Board members has financial experience, and can advise the Executive Director. A third possibility is to contract out the book-keeping of the NGO to an accounting firm from the very start, in which case an accounting company keeps the books of account of the NGO from the very start. There will, of course, be a cost to such service, but it may make more sense than hiring your own accountant.

## 7.1. The Importance of Clear Financial Policies and Good Accounts for an NGO

Everyone realises that accounts have to be kept, but it is sensible to review the reasons for this.

### 7.1.1. Fiduciary Responsibility

Your NGO has put itself forward as an organisation which is ready and eager to do valuable and important things in the field that you have chosen. It has told the people and government of its country that it is prepared to request funding from citizens, governments, businesses, foundations so that it can carry out this valuable and important work, and it is prepared for the responsibility that comes with taking other people's money to carry out such work. Your NGO is prepared to take on the fiduciary responsibility of being entrusted with funds by other people in order to spend them wisely and sensibly on the causes that both the donors and you believe in - and it is prepared to be held accountable by those donors for having done so. In a few rare cases will the NGO spend its own money - in most cases it is spending other people's money, and it has implicitly agreed to be a responsible user of that money.

### **7.1.2. Accountability and Transparency**

Your NGO, being aware of its fiduciary responsibility, is prepared to be able to tell its donors at any time how it has spent and is spending their money. This means setting up systems which allow a third party to examine the accounts and be satisfied that the money is being sensibly, thriftily and professionally expended. Usually donors are satisfied with having an intermediary (like an accountant or an auditor) explain and document your financial dealings, but you should have systems that are accessible to anyone who is your supporter and is interested to satisfy him/herself that you are behaving responsibly with their money. This means having

- a transparent Financial Management Manual which explains your internal rules and regulations for receiving and expending money,
- clear Books of Account which reflect these rules and regulations,
- regular Financial Reports which reflect a summing up of the position at a fixed interval (usually monthly, quarterly and annually)

### **7.1.3. Board Oversight**

The Board of your NGO, as mentioned previously in Chapter 1, are the legal governors of your NGO and they take responsibility before the law for the work that your NGO does. They need to be clear about how the finances are kept, what money is coming in and what money is going out. It is usual for the Board to:

- appoint a Treasurer from amongst their number whose specific responsibilities is to satisfy himself/herself (and thus the Board through him or her) on the probity of the financial transactions of the NGO, on the present and anticipated future financial position of the NGO, and its compliance with whatever regulations exist for financial controls and reports
- require the Executive Director to present an annual Budget for their approval before spending any money
- require the Executive Director to present an annual statement of accounts for their agreement
- request an update on the financial position of the organisation at the times of their Board meetings to allow them the comfort of knowing what the financial position is and to be fore-warned of any problems that are likely to be coming up.

### **7.1.4. Peace of Mind for the Executive Director**

While the Executive Director is getting on with the programmatic and managerial work of the organisation, he or she needs to be satisfied that the organisation is well planned in financial terms (i.e. has a sensible and relevant revenue and expenditure budget) and that it is both receiving funds and expending funds in line



with that budget. He or she also need to be satisfied that the rules and regulations agreed for receiving and expending the money are clear, sensible, capable of being followed, and indeed are being followed. The common features of a financially poorly managed NGO which prevent peace of mind of the Executive Director and interfere with the important programming work that the NGO was set up to do, are:

- having an unrealistic budget which you are forced to contradict
- having no systems or unworkable systems that you are forced to ignore or contradict
- having untrustworthy staff who you cannot trust to use the system that has been devised for people who are honest and responsible
- being out of touch or out of date with what is happening financially so that important events take place which you only know about afterwards.

Financial policies and financial accounting systems are thus set up to ensure to the extent possible the peace of mind of the Executive Director and the Board so that they:

- know that they have good, workable, and effective systems in place which comply with whatever legal requirements obtain in your country, and which have internal checks and balances built in so that no-one person controls all the access to funds
- know the position of the finances of the organisation on a regular and up to date basis.

It is important to stress that the main work of the NGO is pursuing its mission and working for the advancement of the cause that it has chosen. The finances are a means to enable it to do this - and, in a well managed NGO, the finances are a support to the work of an NGO. In a badly managed NGO, however, the finances grow to become a nightmare in which managing the finances becomes itself the main work of the NGO, taking away time and energy from the its main purpose.

### **7.1.5. Other Purposes**

Good accounts also allow an Executive Director to have:

- sources of information for future projections for the organisation
- sources of information for performance indicators and measurements of economic value of different parts of the organisation
- sources of information for managerial controls
- sources of information for statistical information and data for decision making

## **7.2. Getting Started Step by Step**

### **7.2.1. Bank Account**

An NGO will need a bank account so that:

- its funds can be kept in the security of a bank,
- the bank will keep records of the incomings and outgoings of money in that account for you,
- your donors have a place for their money to be reliably and responsibly deposited.

In most countries and most banking systems the NGO will have to be a legal entity before it can open a bank account, and will have to prove this to the Bank. Some banks also require proof of a Board resolution to open a bank account at such and such a Bank before they will do so.

Be choosy about which bank you are going to favour with your custom, and ask for a meeting with a bank official so that you are well informed about the costs and practices of different banks before making a choice:

- Banks charge for their services. These services vary in quality and cost
- Banks are more or less efficient, and more or less trustworthy. The most important choice is of a bank that will not collapse and loose all your money
- You want a bank which will give you a monthly statement promptly at the end of the month
- You may also want a bank which is prepared to give you overdraft facilities. This means that the bank will continue to honour your cheques against the bank even if there is (temporarily) no money there. This can very usefully cover problems when promised funding is late in arriving.
- You also want a bank that is easy of access. If all transactions at the bank (particularly depositing or withdrawing money on a regular basis) take many hours of waiting, that is a good reason for finding another bank.

### **7.2.2. Signatories on that Bank Account**

Organisational bank accounts require two or more signatories on the account to ensure that more than one person knows about and commits themselves to financial transactions every time the account is used. It is common for the signatories to be the Board Treasurer and the Executive Director. In larger organisations the Accountant is usually a signatory. It is sensibly to set up a system by which two out of any three people can sign cheques so that transactions are not interrupted if one of the signatories is unobtainable - sick, out of the country, travelling etc.

### **7.2.3. Financial Management Manual**

If you have the opportunity, it is best to work on the Financial Management Manual before devising the budget. This is the place where you decide on your internal rules and regulations about how you spend money and, of course, the decisions you make influence the budget in respect of the costs of, for instance, audit, staff salaries and benefits. This Manual, after drafting, should be agreed with

the Board since it has implications for how the organisation is run, and it provides the Board with protection about this process<sup>44</sup>.

#### **7.2.4. Annual Revenue and Expenditure Budget**

Your budget is your plan for what money will be coming into the account and what money will be expended. This very much derives from your Mission, your Strategy, your identified Outputs and Activities and your Workplan (see Chapter 4). You need to sit down and think through what is your anticipated income for a year, and what is your anticipated expenditure against the programs and activities for that year. It is most helpful for the NGO manager if the Budget, the Workplan and the Logframe all reflect each other, and you can track how they interact.

This immediately brings up one problem, however: your Logframe usually does not have any space for an Output which reflects the regular expenditures of an organisation - on such recurrent costs as rent, salaries, utilities. It is therefore a good idea to introduce a final Output into your Logframe, called something like "An efficient and well functioning organisation"<sup>45</sup> which will allow you to have a number of activities like: "Rent premises", "Pay staff", "Pay utilities", "Manage office", "Manage transport" in the log frame - which can then be reflected in the Logframe, Workplan, and Budget<sup>46</sup>.

In constructing the budget think comprehensively, think conservatively, and think forward<sup>47</sup>. If your country has a substantial problem of inflation, include a factor for inflation. If you have a vehicle, estimate a likely level of expenditure for repairs as well as the likely cost of the fuel and maintenance. Where possible, think of goods and services that you may be able to get free. The following are some problems that you will face in constructing budgets:

- ***The level of affluence***

Are you going to situate your office in the most expensive or the cheapest part of town? What factors influence this decision - image? Security? Access to services? Nearness to staff housing?

Are you going to be computerised? At what level?

What communications will you require? Post, phone, fax, email, courier services? Email increasingly seems the communication service of choice

Are you going to pitch your salaries and benefits at a level that will attract the highest paid in the market, or do you expect staff to work for the organisation at a lower salary because of their commitment to the cause?

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<sup>44</sup> See Handout 7A: "Contents of a Financial Management Manual"

<sup>45</sup> See Handout 7B: "Logframe with additional Output"

<sup>46</sup> See Handout 7C: "Workplan reflecting additional Output"

<sup>47</sup> See Handout 7D: "Sample Budget following Logframe and Workplan"

- **Staff Benefits**

Complete staff benefits packages in affluent organisations could cover salaries, annual bonuses, inflation indexing, pensions, allowances, severance pay, medical insurance, leave, and transport allowance. What level are you going to accept in your NGO? To some extent this will be already set by the standards of other NGOs already working in your country. Beware, however, of pitching your standards at the expensive and unsustainable levels of international NGOs. Your standards should be those which make sense in the context of local businesses and organisations, not foreign ones.

- **Details**

It is easy to forget essential but small details when constructing a budget. If you have a photo-copier, for instance - then the cost of toner replacement is a significant cost: if you have equipment, the cost of insurance for that equipment is a sensible precaution. If you are hiring staff, then certain payments may be compulsory to State provident funds or tax authorities. Since you have a bank account, there are bank service charges and the costs of using an overdraft facility. If you intend to have an audit, this has to be paid for (unless you can get someone to provide this service free). Don't forget the travel costs of Board members to come to Board meetings.

- **Goods and Services in Kind**

As we mentioned in the Chapter on Resource Mobilisation, support for the cause you are espousing is a reason why some people are willing to provide goods and services to you free or at a reduced rate. Be conscious of this and look entrepreneurially at the possibilities that exist. Can you get second hand furniture, computers, photocopiers donated? Can you get book-keeping or auditing done free? Will anyone pay any of your staff's salaries?

- **Overheads**

When you are asking for additional project funds for your NGO to add to its existing funds, and when you asking for these from an organisation (foreign aid agency, government or business) you have two possibilities to cover the organisational costs of taking on extra work:

- a. you can itemise every likely cost of the project in the budget you attach to your proposal, including a percentage of the fixed costs of the organisation (e.g. 15% of the rent, 10% of the costs of the Executive Director – if you think this additional project will need that amount of his/her time, 20% of the Accountant's time)
- b. you can ask for the actual costs of the project, plus an amount for "overhead". This overhead represents the cost to your organisation of the additional work that is required to take on the extra project - which is repre-

sented by such features as a percentage of the cost of the organisation's staff, facilities, premises etc. This is often expressed as a percentage of the total budget of the project proposal - and often works out as a figure of about 15%. Some donor organisations require a careful breakdown of this "overhead" or "indirect cost", others accept a certain percentage figure as a legitimate supplement to the direct project costs.

The implications for accounting and financial reporting is that you may, or may not be required to itemise the overhead costs. NGOs should make sure, wherever possible, that they charge overhead costs; and they should be clear whether they are required to itemise these expenses in financial reporting, or whether the donor will accept a percentage added onto the actual project costs.

Once the budget has been worked out by the staff of the organisation it needs to be agreed and formally adopted by the Board.

### **7.2.5. Devise Cash Flow Projection**

Once the annual budget is agreed, the NGO needs to plan at what rate it will require money during that year. Certain costs, like rent, will be standard throughout the year, but other program costs will need to be available at certain points during the year. This means that a plan of how much money will need to be available in each month of the year needs to be devised - which will allow the managers of the organisation to see in advance when extra amounts of money are needed<sup>48</sup>.

This information also needs to be shared with the Board but is a matter of providing them with information, rather than requiring their formal approval.

### **7.2.6. Designate a Person responsible for the Accounts**

Often an NGO which can afford to do so will hire a book-keeper to record the accounts of the organisation. If it can afford to do so it might hire a Financial Manager who will be more than a recorder, he/she will actually manage the accounts of the organisation. It might also hire an Accountant, depending on what it can afford. Another possibility is to hire the services of an accounting company who will provide you with an accounting service against an agreed scale of payment, but which will not involve you in having an employee on your payroll.

Whoever is actually recording the accounts of the organisation, you are also going to have to designate someone who will have the authority to visit the bank on behalf of the organisation and make withdrawals and payings-in. Depending on the size of the organisation this may be the book-keeper, the accountant or someone else.

Whichever route you decide to go, it is very important that you can trust this person because you are entrusting this person with cash and with certain duties

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<sup>48</sup> See Handout 7E: "Sample Cash Flow Projection"

which, if the person was dishonest, he/she could use to enrich themselves at your organisation's expense.

If you can afford to do so it is sensible to hire someone with enough experience and knowledge that they can handle the full range of tasks associated with keeping good accounts. What this means is: the maintenance of a double entry system of records for transactions which are substantiated then analysed, classified and summarised by journal vouchers and accumulated in ledger accounts for further analysis and usage.

If you can find someone who can handle accounting up to the level of trial balance, then a lot of pressure is taken off the Executive Director. If you cannot afford such a person, then a very solid book-keeper is required with some help at the start to set up your accounting system<sup>49</sup>.

### **7.2.7. Develop a Chart of Accounts**

An important part of book-keeping and accounting is analysing expenditure by categories that provide you with information you need to know how money is being spent against budget. The chart of accounts, therefore, should have a close correlation to your budget. Think before drawing up a chart of accounts of the level of detail you wish to understand. You could, for instance, have a chart of accounts which had a category called "Communications". In this you would have to place the costs of phone calls, faxes, post, courier, emails. You might, as a manager, be interested in knowing how much was spent on phones, separately, and therefore you would want to have a category in your chart of accounts just for phone calls. Devising very small categories for your accounts makes a lot of work, but, on the other hand, too large categories do not give the manager the information that he/she needs to adequately manage the organisation<sup>50</sup>.

### **7.2.8. Start Spending Money**

The important things to remember when you start spending money are:

- to make sure that proper records of the expenditure are kept. Basically this means a receipt which shows (a) The date (b) A description of the goods or service purchased (c) The name of the buyer (d) The cost of the goods (e) A signature or other kind of sign (e.g. stamp) which documents that the money was received for the purpose noted.
- to make sure that the reasons for purchasing this particular good or service over another are clear. In many cases where expenditure is low, this does not need to be documented - it is assumed that you have shown thrift and bought from a vendor or a supplier shop with the lowest/ price. Where, however, expensive items are purchased it is important to demonstrate that you looked at

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<sup>49</sup> See Handout 7F: "Job Description of a Financial Manager"

<sup>50</sup> See Handout 7G: "Example of Chart of Accounts"

some variety, and decided on a purchase based on good judgement about quality, availability, and price – and put a note in the file to show this.

In all expenditures and documentation of such expenditures it helps to develop a frame of mind by which you imagine that a suspicious auditor is looking over your shoulder. Think of all the possible accusations such an auditor could lay against you in that purchase, and attempt to cover yourself by documenting all the arguments you need to prove that you were thrifty, conscientious, and cost conscious.

It also helps to establish in your Financial Management Manual a level of expenditures below which a simple receipt is needed, and above which a more detailed set of documents are required.

### **7.2.9. Keep an Inventory**

As soon as your NGO starts acquiring equipment, whether it is a new computer or a second hand chair and table, it is important to start keeping an inventory of the goods so that the value of your organisation, composed of cash and the value of the property that it owns, can be calculated, and so that you are aware of the property that belongs to your NGO.

### **7.2.10. Reconcile Your Bank Account**

It is good and sensible to have a bank account, and to have the bank act as your book-keeper. This does, however, require two extra tasks:

- Put as many transactions through the bank as possible, so that the bank keeps a record of them for you. This means banking any income, paying for goods and services to the greatest extent possible by cheque, and using a petty cash float with the float being topped up by a cash cheque. The more you route your transactions through the bank, the more your bank will do your book-keeping for you.
- Reconcile your accounts with the bank statement. At the end of the month when you draw a line and total your income and expenditure, you may find that certain transactions that have been made through the banking system have not been shown on the monthly bank statement.

It may be that a cheque which you used to pay for a good or service has not yet been presented to the bank, and so the bank has not yet paid it: it may be that some payments were made at the end of the month and have not been processed by the bank fast enough to show up on the statement. It is therefore necessary to augment the bank's monthly statement by showing what transactions have taken place in that month, but which do not yet show on that statement.

### **7.2.11. Audits**

After one year it is likely that you should think about an audit of your accounts. Auditors are accountants who have a high level of inspection skill and a high level of professional standards. They are hired to inspect your accounts and, through a sampling of the total volume of transactions, to satisfy themselves that your books of accounts are accurate and that your statements of the accounts are legitimate.

Auditors are often expensive. If possible, try to find an auditor who, after doing his inspection job and making his report, will also advise you on how you can do things better. Part of an auditor's job is, it is true, to check for malfeasance and impropriety: part of it, however, is to check on the way that the accounts have been documented - and the auditor may very possibly be able to give you some hints about how to do this better.

## **7.3. Other Factors**

### **7.3.1. Off the Shelf Software**

There are available on the market a large number of off-the-shelf accountancy software packages which do a lot of the sorting, analysing, and reporting work for you provided you feed the right information into them. These software packages (which have usually been designed for small businesses) can be very useful indeed for small NGOs which have a computer.

### **7.3.2. Particular Donors' Conditions**

Some international donors have very specific criteria and instructions that refer to the ways that their funds are to be expended - for instance, they may insist that you purchase goods or services from their own country - or they may insist that you set up a depreciation fund for equipment so that by the time its working life is over, enough money has been saved to make a new purchase. Try and find out about these conditions before you take their money so you can make a judgement as to whether you want to be bound by such rules.

Further sometimes governments impose rules and regulations about the type and frequency of financial reports that it requires.

As in many places in this Handbook, a new NGO is advised to talk to and visit other operational NGOs to see how they handle their accounting, and learn from them wherever possible.



# **Contents of a Financial Management Manual**

**Introduction**

**Accountable Documents**

**Receiving, Banking, and Cash Recording**

**Check Run Procedures**

**Petty Cash Management**

**Advances**

**Payroll Process**

**Income**

**Authorisation of Expenditure to sub-grantees**

**Authorisation of Expenditure - Travel**

**Procurement**

**Fixed Assets**

**Budgets**

**Cash Analysis and Forecasts**

**Monthly Closing and Reporting**

From: Financial and Accounting Policy Manual for Indigenous NGOs in Ethiopia, by KUAWAB Business Consultants, published by Pact Ethiopia, Addis Ababa 1998.

# Logframe with Additional Output to Cover Financial Management

OBJECTIVES	INDICATORS	VERIFICATION	ASSUMPTIONS
<b>Goal</b> Safe Roads in Manila			Police will assist project
<b>Purpose</b> Less Frequent Coach Accidents	10% fewer accidents over 2 years	Survey	Traffic laws enforced
<b>Output</b> 1. Drivers of coaches driving carefully 2. Training project functioning well	50% less people injured in accidents	Accident statistics	vehicles in better repair roads in better repair
<b>Activities</b>			
1.1. Conduct Surveys of accident areas	Good information assembled	Data	Police will assist
1.2. Set up incentive scheme for careful drivers	1000 drivers successfully rewarded	Lists of awardees	Source of money found
1.3. Introduce legislation for licensing drivers & driving schools	Legislation passed and implemented	Parliament records	Parliament will pass bills
1.4. Apply stronger fines to careless drivers	revenue increased by 50%	Accounts	Police and courts willing to get involved
1.5. Set up driver training schools	2 driver training schools set up and running	Records of schools	Enough driver trainers exist
1.6. Build capacity of existing driver training schools	50% more capacity built	records of graduates	Existing driving schools will join scheme
1.7. Develop media campaign to create awareness of road safety	Public more aware of road safety	Survey	Media willing to participate
2.1. Rent premises	acceptable premises found	contract	acceptable premises exist
2.2. Manage office	all systems operating well	no breakdowns	good maintenance exists
2.3. Manage staff	staff well motivated & happy	good personnel evaluations	staff satisfied with benefits
2.4. Manage transport	few breakdowns	garage bills	maintenance exists

# Workplan

Output	Activity	Task	Who	Budget	Schedule									
					Year 1				Year 2					
					q1	q2	q3	q4	q1	q2	q3	q4		
1. Drivers of buses driving carefully	1. Conduct Surveys of accident areas	1.1. Choose sites	PD	3000	x	x								
		1.2. Find surveyors	PD			x	x							
	2. Set up incentive scheme for careful drivers	2.1. Design scheme	ED/PD	500		x	x							
		2.2. Identify funds	ED		x									
		3. Introduce legislation for licensing drivers & driving schools	3.1. Draft bill	PD	1000				x	x				
	3.2. Get MP to sponsor		ED						x	x				
	3.3. Draft rules		PD							x				
	4. Apply stronger fines to careless drivers	4.1. Draft rules	PD	500					x	x	x			
		4.2. Train Police	ED	500						x				
	5. Set up driver training schools	5.1. Advertise	PD	250					x					
		5.2. Set standards	PD	500					x					
	6. Build capacity of existing driver training schools	6.1. Get more cars	ED	25000			x	x						
		6.2. Train more drivers	PD	2000			x	x						
	7. Develop media campaign to create awareness of road safety	7.1. Contract advertiser	PD	5000						x	x	x		
7.2. Buy TV space		ED	3000									x		
2. Training Project functioning well	1. Rent Premises	1.1. Look for good place	FD		x									
		1.2. Contract landlord	FD	12300	x									
	2. Manage office	2.1. Pay operating costs	FD	18985	x	x	x	x	x	x	x	x	x	
		2.2. Buy/install equip.	FD	11500	x									
	3. Manage staff	3.1. Advertise	ED/FD	500	x									
		3.2. Contract/pay salaries	FD	68150	x	x	x	x	x	x	x	x	x	
	4. Manage transport	4.1. Buy vehicle	FD	10000	x									
		4.2. Arrange servicing	FD	7585	x	x	x	x	x	x	x	x	x	

# Sample Budget (following Logframe and Workplan)

## Budget Notes

2.1.1. Furniture      This will be second hand and will comprise chairs and desks for each of three staff persons, 3 filing cabinets, 3 sets of shelves, 3 fans

2.1.2. Equipment    This will comprise 1 computer, three monitors, one calculator

2.1.4. Vehicle        This will be a second hand sedan car

# Budget

No.	Item	Unit	Unit cost	1st Year	2nd Year	Total	Logframe
<b>1</b>	<b>Personnel</b>						
1.1.	Executive Director	year	12,000.00	12,000.00	12,600.00	24,600.00	Activity 2.3.
1.2.	Program Director	year	8,000.00	8,000.00	8,400.00	16,400.00	Activity 2.3.
1.3.	Finance Director	year	8,000.00	8,000.00	8,400.00	16,400.00	Activity 2.3.
1.4.	Office Assistant	year	5,000.00	5,000.00	5,250.00	10,250.00	Activity 2.3.
1.5.	Advertisement	one time	500.00	500.00		500.00	Activity 2.3.
	<i>Sub Total</i>			<i>33,500.00</i>	<i>34,650.00</i>	<i>68,150.00</i>	
<b>2</b>	<b>Office</b>						
2.1.	Capital						
2.1.1.	Furniture	see note	5,000.00	5,000.00		5,000.00	Activity 2.2.
2.1.2.	Equipment	see note	6,000.00	6,000.00		6,000.00	Activity 2.2.
2.1.3.	Phone Installation	one time	500.00	500.00		500.00	Activity 2.2.
2.1.4.	Vehicle	see note	10,000.00	10,000.00		10,000.00	Activity 2.4
	<i>Sub Total</i>			<i>21,500.00</i>		<i>21,500.00</i>	
2.2.	Recurrent						
2.1.1.	Office rent	year	6,000.00	6,000.00	6,300.00	12,300.00	Activity 2.2.
2.1.2.	Utilities	month	200.00	2,400.00	2,520.00	4,920.00	Activity 2.2.
2.1.3.	Phone	month	200.00	2,400.00	2,520.00	4,920.00	Activity 2.2.
2.1.4.	Vehicle Fuel and Lub.	month	250.00	3,000.00	3,150.00	6,150.00	Activity 2.4
2.1.5.	Vehicle Tax	year	200.00	200.00	210.00	410.00	Activity 2.4
2.1.6.	Vehicle Insurance	year	500.00	500.00	525.00	1,025.00	Activity 2.4
2.1.7.	Office & equip. insurance	year	200.00	200.00	205.00	405.00	Activity 2.2.
2.1.8.	Stationery	month	200.00	2,400.00	2,520.00	4,920.00	Activity 2.2.
2.1.9.	email server	month	25.00	300.00	315.00	615.00	Activity 2.2.
2.1.10.	Board travel expenses	year	100.00	100.00	105.00	205.00	
	<i>Sub Total</i>			<i>17,500.00</i>	<i>18,370.00</i>	<i>35,870.00</i>	
<b>3</b>	<b>Program</b>						
3.1.	Survey Consultancy	one time	3,000.00	3,000.00		3,000.00	Activity 1.1.
3.2.	Costs of certificates	one time	500.00	500.00		500.00	Activity 1.2.
3.3.	Legal drafting consultant	one time	1,000.00	1,000.00		1,000.00	Activity 1.3
3.4.	Legal drafting consultant	one time	500.00	500.00		500.00	Activity 1.4.
3.5.	Police trainer	one time	500.00		500.00	500.00	Activity 1.4.
3.6.	Advertisement	one time	250.00		250.00	250.00	Activity 1.5
3.7.	Standards drafter	one time	5,000.00		500.00	500.00	Activity 1.5
3.8.	5 x 2nd hand buses	each	5,000.00	25,000.00		25,000.00	Activity 1.6
3.9.	Driver Trainers Training	one time	2,000.00	2,000.00		2,000.00	Activity 1.6
3.10.	TV promotion consultant	one time	5,000.00		5,000.00	5,000.00	Activity 1.7
3.11.	1 months Cost of TV slots	month	3,000.00		3,000.00	3,000.00	Activity 1.7
	<i>Sub Total</i>			<i>32,000.00</i>	<i>9,250.00</i>	<i>41,250.00</i>	

<b>1</b>	<b>TOTALS</b>						
1	Personnel			33,500.00	34,650.00	68,150.00	
2.1	Office Capital			21,500.00		21,500.00	
2.2.	Office Recurrent			17,500.00	18,370.00	35,870.00	
3	Program			32,000.00	9,250.00	41,250.00	
	<b>GRAND TOTAL</b>			<b>104,500.00</b>	<b>62,270.00</b>	<b>166,770.00</b>	

# Sample Cash Flow Projection

Activity	Task	Schedule							
		Year 1				Year 2			
		q1	q2	q3	q4	q1	q2	q3	q4
1. Conduct Surveys of accident areas	1.1. Choose sites	1500	1500						
	1.2. Find surveyors								
2. Set up incentive scheme for careful drivers	2.1. Design scheme		250	250					
	2.2. Identify funds								
3. Introduce legislation for licensing drivers & driving schools	3.1. Draft bill				500	500			
	3.2. Get MP to sponsor								
	3.3. Draft rules								
4. Apply stronger fines to careless drivers	4.1. Draft rules					200	200	100	
	4.2. Train Police						500		
5. Set up driver training schools	5.1. Advertise					250			
	5.2. Set standards					500			
6. Build capacity of existing driver training schools	6.1. Get more buses			25,000					
	6.2. Train more drivers			1000	1000				
7. Develop media campaign to create awareness of road safety	7.1. Contract advertiser						2000	2000	1000
	7.2. Buy TV space								3000
1. Rent Premises	1.1. Look for good place								
	1.2. Contract landlord	3000	3000	3000	3000	3150	3150	3150	3150
2. Manage office	2.1. Pay operating costs	1950	1950	1950	1950	2046	2046	2046	2046
	2.2. Buy/install equip.	11500							
3. Manage staff	3.1. Advertise	500							
	3.2. Contract/pay salaries	8250	8250	8250	8250	8663	8663	8663	8663
4. Manage transport	4.1. Buy vehicle	10000							
	4.2. Arrange servicing	925	925	925	925	971	971	971	971
	TOTALS	37625	15875	40375	15625	16280	17530	16930	18830

# Duties and Responsibilities of a Financial Manager

## Regular Program Accounting

1. Obtains receipts/financial reports relating to each transaction
2. Carries out all banking transactions on NGO X accounts of which he is a signatory
3. Reconciles and prepares advance reports relating to such transactions.
4. Maintains petty cash and prepares payment vouchers.
5. Prepares employee mid-month and monthly payroll and pay slips, and with the approval of the Executive Director, pays salaries
6. Prepares cheque, petty cash payment vouchers, travel vouchers and all journal vouchers including accounts coding before approval
7. Verifies timeliness and correctness of bank reconciliation statements; agrees month - end balance of memorandum bank book with bank general ledger account balance
8. Verifies the correctness of cash, general ledger account balance with balance carried forward according to the month end cash collection and deposit reports
9. Checks the correctness of petty cash payment invoices
10. Prepares monthly payroll; journalises payroll and verifies clearance of salary advances and payroll fund accounts
11. Follows up to ensure that taxes, insurance payments, and collections are handled on time and verifies that insurance claims

- are submitted in respect of all missing/damaged goods and checks correctness of claim computations
13. Examines the property log to ensure that all goods received have been recorded in the financial accounts
  14. Examines the Delivery Order Memorandum Register to ensure that all goods delivered have been properly invoiced and follows up on any uninvoiced deliveries
  15. Reviews Insurance Claim Memo Register, agrees unsettled claims with ledger balance and follows up where necessary
  16. Examines and checks all registers for correctness and journalises the register totals for general ledger posting
  17. Follows up with the bank regarding missing bank advices or deposits not cleared within a reasonable time
  18. Reconciles monthly totals of subsidiary ledger balances with general ledger balances and prepares general ledger trial balance
  19. Regularly reviews subsidiary ledger accounts for correctness of entries and for any debtors/creditors balances
  20. Prepares monthly, quarterly and annual statements needed to show the financial position and operations of Pact Ethiopia and such other financial statements/reports as requested

From: Financial and Accounting Policy Manual for Indigenous NGOs in Ethiopia, by KUAWAB Business Consultants, published by Pact Ethiopia, Addis Ababa 1998.



# Sample Chart Of Accounts (for Manila Bus Training Project)

No.	Name	Reference to Budget
101	Executive Director	1.1. Personnel
102	Program Director	1.2. Personnel
103	Finance Director	1.3. Personnel
104	Office Assistant	1.4. Personnel
105	Casual Labour	1 Personnel
106	Taxes	1. Personnel
107	Contribution to Provident Fund	1. Personnel
108	Medical Insurance	1. Personnel
109	Recruiting staff	1.5 Personnel
201	Furniture	2.1.1. Office Capital
202	Computers	2.1.2. Office Capital
203	Software	2.1.2. Office Capital
204	Computer Installation	2.1.2. Office Capital
205	Phone installation	2.1.3 Office Capital
206	Vehicle purchase	2.1.4 Office Capital
301	Office Rent	2.2.1. Office Recurrent
302	Water	2.2.2. Office Recurrent
303	Electricity	2.2.2 Office Recurrent
304	Phone calls	2.2.3. Office Recurrent
305	Vehicle Fuel	2.2.4. Office Recurrent
306	Vehicle Servicing	2.2.4. Office Recurrent
307	Vehicle Tax	2.2.5. Office Recurrent
308	Vehicle Insurance	2.2.6. Office Recurrent
309	Office premises insurance	2.2.7. Office Recurrent
310	Equipment Insurance	2.2.8. Office Recurrent
311	Stationery	2.2.9. Office Recurrent
312	Photocopying	2.2.9. Office Recurrent
313	Board Travel Costs	2.2.10. Office Recurrent
401	Consultancy - Survey	3.1. Programme
402	Consultancy - Legal Drafting	3.3. Programme
403	Consultancy - Legal Drafting	3.4. Programme
404	Consultancy - Police Trainer	3.5. Programme
405	Consultancy - Standards Drafting	3.7. Programme
406	Consultancy - Driver TOT	3.9. Programme
407	Consultancy - TV Promotion	3.10 Programme
408	Certificates	3.2. Programme
409	Advertisements	3.6. Programme
410	2 <sup>nd</sup> hand Buses	3.8 Programme
411	TV Air time	3.11 Programme

## 8. ONGOING MANAGEMENT OF AN ADVOCACY NGO

Once you have established your advocacy NGO and have a body of experience behind you, you will probably want to assess what impact you are having in the field that you have chosen, or the cause that you espouse. This will involve an evaluation of the particular program or project that you are undertaking. Suggestions on how to do this appear in the Evaluation section of Programs and Projects (4.9).

This Section is less to do with evaluating the outcomes of a particular Program or Project and more to do with assessing your on-going organisation so that you feel sure:

- it is (or still is) a healthy organisation,
- it is sustainable,
- It will be able to handle a variety of projects over time,
- It will be able to develop more of its own programs and projects, once the particular project (and project funding) under discussion is completed.
- It is effective

### 8.1. Components of Organisational Effectiveness

One of the difficulties in such assessments is getting basic agreement about what a "healthy" NGO is. Pact, a US NGO working in building capacity of NGOs, has done a lot of work in identifying what are the elements of a competent development NGO and has come up with a list of 7 categories and 36 sub-categories that a well-rounded and mature NGO needs to have (see later). Based upon long observance of NGO management, Pact has identified the capacities that one should expect from a "healthy" NGO which is well-managed, effective and sustainable<sup>51</sup>.

Realising that not all NGOs are at the same level of organisational development, Pact has also identified 4 stages in the development of an NGO - Nascent, Emerging, Expanding or Mature - together with explanations of the meaning of these different terms<sup>52</sup>.

The components of organisational effectiveness, listed in Box 7A, need some further explanation. In Pact's experience, the necessary elements of a "healthy" NGO are:

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<sup>51</sup> See Box 8A: "Major Required Competency Areas"

<sup>52</sup> See Box 8B: "Stages in Organisational Development"

### **8.1.1. Governance:**

This is the provision of leadership and direction to an organisation

### **8.1.2. Management Practices**

These are the mechanisms intended to co-ordinate the activities and facilitate the processes within an organisation

### **8.1.3. Human Resources**

Management, Staff, members, volunteers. Constituents, donors and Board members who have skills, motivation, and opportunity to contribute to an organisation

### **8.1.4. Financial Resources**

The resources required to purchase goods and services needed to conduct its affairs, record and account for financial transactions and monitor and report on its financial status. It involves adequate resources, and necessary cash flow, a diverse resource base and long term plans for meeting resource needs

### **8.1.5. Service Delivery**

The programs and services carried out by the NGO that are appropriate, cost-effective, and of quality

### **8.1.6. External Relations**

Interaction between an organisation and other development partners in the context in which it carries out its activities which ensure that it is noting and responding appropriately to the social, political, ecological, economic, and other forces and events around it.

### **8.1.7. Sustainability**

The long-term continuation of an organisation, program or project. It identifies and measures the extent to which local partners of an NGO will continue to pursue and support the objectives after a project is over and involves the continuation of programs, institutions and funding

## **8.2. Assessing your Organisation's Competence**

If you want to know how well your NGO is measuring up against an ideal or "healthy" NGO, then Pact has developed a checklist which will allow you to score your organisation, and identify which component parts of the organisation are, in the eyes of the NGO, weak, and which parts are strong. This checklist is scored by the organisation itself - its members, its staff, its Board, however you want to apply it, and thus reflects your own organisations view of itself, against the applied criteria of a "healthy" NGO.

It thus enables your NGO to diagnose its own areas of weakness - and decide to do something to improve them. This checklist is called OCAT (Organisational Capacity Assessment Tool) and provides a checklist of statements which, it is

suggested, NGOs score in terms of whether their NGO needs attention, or does not need attention to improve itself in each of these areas<sup>53</sup>.

To carry out this very useful exercise and organisation requires an OCAT checklist, the organisations' stakeholders who are prepared to take part in the exercise, and a facilitator - someone to add up the scores, provide this information to the stakeholders and help them interpret the findings. The exercise gives a snapshot at a moment in time of how the stakeholders of an organisation view that organisation according to some agreed ideals.

After the stakeholders have filled out the checklist, and a facilitator has aggregated the scores, it is important to have a visual picture of the organisation that everyone can understand. This is usually and best done in the form of a bar graph. (see Handout 7D)

After the NGO has looked at its OCAT bar graph, it can think about its lowest scoring capacity areas, and what it needs to do to improve those weak areas<sup>54</sup>. A young advocacy NGO, for instance, should hopefully have a high score on elements essential to an advocacy NGO, like Vision / Mission, Planning, Sectoral Expertise, the Media, and Involvement in NGO Fora. It need not be too concerned with such elements as Supervisory Practices or Government Collaboration which are more important to a mature and long established NGO. With the help of this useful checklist, the NGO needs to think through what should be its strengths, and then check to see whether these are indeed its strengths, in the eyes of its stakeholders.

If, after going through the exercise, the advocacy NGO sees that it has scored low on, for instance, issues to do with Personnel, then this gives the organisation a signal that it needs to pay attention to this issue, and try and improve its personnel practices. Similarly if it scores low on financial sustainability, the NGO should consider ways in which it can address this issue and seek more sources of funding which will enable it to be sustainable.

A very useful document, from the same source at Pact, is the "Checklist of Organisational Development - Characteristics of NGOs at Different Stages". An NGO can look up the area in which they are weak and see what might be expected of an NGO in this area at their level of development (Nascent, Emerging, Expanding, Mature)<sup>55</sup>.

Following the diagnosis, the organisation needs to prescribe a course of treatment for itself which will improve its weak areas. It is, however, useful to look at the whole organisation before devoting resources to a particular element of ca-

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<sup>53</sup> See Handout 8C: "OCAT Checklist"

<sup>54</sup> See Handout 8D: "Scoring & presenting OCAT"

<sup>55</sup> See Handout 8E: "Checklist of Organisational Development Characteristics of NGOs at Different Stages"

capacity building. It is fruitless to devote resources to building capacity in a particular area if the context for that capacity to be used is not there. If someone is sent for a skills training course in the hope of making up a weakness in the organisation, it is important to think whether the structures to use those new skills are in place. If they are not, it is possible that the new skills will not be able to be applied.

One year later, and following some capacity building interventions designed to build its weak areas up, the organisation can undergo another OCA and see if there is a perceived difference.

### **8.3. Building Capacity where it is Needed**

If an NGO has found itself weak or deficient in a particular part of this checklist, what can it do about it? The answer lies in one or all of the following:

- a. recognising the problem, and addressing it within the NGO to try and improve the situation
- b. recognising the problem and seeking outside assistance in building skills or competencies to improve the situation - typically by attending a training course
- c. recognising the problem, and seeking help from an outside source who will help your specific organisation with the problem - typically by getting technical assistance from a consultant
- d. generally recognising the problem, but being still unclear about its details, and seeking help from an organisational development consultant who can assist you to further clarify the problem.

Too many NGOs, when faced with the identification of a problem, respond by sending someone on a training course. This may be an answer, but is not always the answer. A newly trained person, for instance, cannot use his or her training if the job description and working structure to which he/she returns does not allow them to do so. This requires a deeper look into how work is organised in the NGO, or it may require a closer look at how staff are managed. It may be that the identified weakness needs some work on organisational foundations before that particular weakness can be dealt with<sup>56</sup>.

### **8.4. Who can Build Capacity?**

Since NGOs are now a common phenomena in most countries of the world, so organisations and people whose purpose is to develop NGOs are also relatively

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<sup>56</sup> See Box 8F: "Deciding on Priorities in Capacity Building"

common. These may be organisations specifically set up for NGO development, or there may be individuals who work as consultants to the NGO sector. There are also organisations and people who are not specifically connected to the NGO world, but who have organisational development skills usually directed to the commercial world, which may well be useful to NGOs - such as help with book-keeping, computer skills, report writing etc.

There are also Government institutions which train government civil servants in work management, planning, project supervision and such kinds of skills. These can also be useful to NGOs<sup>57</sup>.

One of the problems is the cost of such services - costs which are sometimes way beyond what a new NGO can afford. There are two ways to deal with this:

1. In your initial proposal for funding, to include costs which relate to organisational development and capacity building. If the donor agrees that these are useful elements of your proposal (and you can make the case that building a new organisation requires these more than most), then you will have the money to pay for such interventions
2. to try and get such services free from volunteers, advisers and members of your NGO - as their contribution to furthering the goals of the NGO.

## **8.5. Ways of Building Capacity**

All too frequently NGOs think that the only way in which capacity can be built is through people attending training courses and workshops. All too often the particular problems of the NGO are not dealt with in this format, or dealt with at too abstract a level. There are many different ways for capacity to be built<sup>58</sup>.

## **8.6. Reality Checks**

Even if your advocacy NGO is well-structured and managed organisationally, its effectiveness as an organisation is dependent on its ability to be relevant to the problems as they are happening currently. The NGO needs to keep up to date with what is happening, particularly as this refers to the issues with which it is concerned. A most useful exercise which an organisation should carry out at least annually is the SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and is a systematic brainstorming process whereby the stakeholders of your NGO consider in turn these different issues for the NGO. They ask:

- What are our Strengths as an organisation?
- What are our Weaknesses as an organisation?

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<sup>57</sup> See OHT 8G: "Who can build Capacity?"

<sup>58</sup> See OHT 8H: "Ways of Building Capacity"

- What Opportunities in the external environment now exist for us to be effective (updating this from the last time you carried out the exercise)
- What Threats are there from the external environment which can hinder our effectiveness (again updating this from the last time you carried out the exercise)

The results of your brainstorming need to be shared widely in the organisation as they will give you suggestions about modifications to your activities, possibly to your strategies, and even perhaps to your Mission.

# Major Required Competency Areas

1. **Governance**
  - Executive Committee/Board/Trustees
  - Vision/Mission
  - Constituency
  - Leadership
  - Legal Status
2. **Management Practices**
  - Organisational Structure
  - Information Systems
  - Administrative Procedures
  - Personnel
  - Planning
  - Program Development
  - Program Reporting
3. **Human Resources**
  - Human Resource Development
  - Staff Roles
  - Work Organisation
  - Diversity Issues
  - Supervisory Practices
  - Salaries and Benefits
4. **Financial Management**
  - Accounting
  - Budgeting
  - Financial & Inventory controls
  - Financial Reporting
5. **Service Delivery**
  - Sectoral Expertise
  - Constituency Ownership
  - Impact assessment
6. **External Relations**
  - Constituency Relations
  - Inter-NGO collaboration
  - Government Collaboration
  - Donor Collaboration
  - Public Relations
  - Local Resources
  - The Media
7. **Sustainability**
  - Program/benefit Sustainability
  - Organisational Sustainability
  - Financial Sustainability
  - Resource Base Sustainability

From: Pact: OCA



## Stages in Organisational Development

***Nascent:*** The NGO is in the earliest stages of development. All the components measured by OCAT are in rudimentary form or non-existent.

***Emerging:*** The NGO is developing some capacity. Structures for governance, management practices, human resources, financial resources and service delivery are in place and functioning.

***Expanding:*** The NGO has a track record of achievement; its work is recognised by its constituency, the government, the private business sector, and other NGOs active in the same sector.

***Mature:*** The NGO is fully functioning and sustainable, with a diversified resource base and partnership relationships with national and international networks.

From: Pact OCA

# OCA Checklist

Each statement should be scored with a number from 1 - 6 denoting the following:

1. Needs Urgent attention and improvement
2. Needs attention
3. Needs improvement on a fairly wide scale, but not major or urgent
4. Needs improvement in limited aspects, but not major or urgent
5. Room for some improvement
6. No need for immediate improvement

## 1. Governance

### 1.1. Executive Committee/Board/Trustees

- |        |  |             |
|--------|--|-------------|
| 1.1.1. | An independent governing body (Executive Committee/Board/Trustees) provides oversight to the NGO | 1 2 3 4 5 6 |
| 1.1.2. | The Executive Committee/Board/Trustees) makes policy for the NGO                                 | 1 2 3 4 5 6 |
| 1.1.3. | The Executive Committee/Board/Trustees represent the interests of the constituency               | 1 2 3 4 5 6 |
| 1.1.4. | The Board helps the NGO with fund-raising, public relations, lobbying                            | 1 2 3 4 5 6 |
| 1.1.5. | The Board makes sure that the NGOs activities reflect Board policy.                              | 1 2 3 4 5 6 |

### 1.2. Vision/Mission

- |        |   |             |
|--------|---|-------------|
| 1.2.1. | There is a clear and understandable vision and mission for the NGO  | 1 2 3 4 5 6 |
| 1.2.2. | The Vision and Mission are clearly understood by the staff, the Board/Executive Committee/Trustees, the constituents, the volunteers, and sympathetic outsiders | 1 2 3 4 5 6 |
| 1.2.3. | The activities of the NGO reflect and focus the vision and mission of the NGO   | 1 2 3 4 5 6 |

### 1.3. Constituency

- |        |  |             |
|--------|--|-------------|
| 1.3.1. | The NGO has a recognised constituency  | 1 2 3 4 5 6 |
| 1.3.2. | The NGO has regular and participatory links to its constituency                      | 1 2 3 4 5 6 |
| 1.3.3. | The NGO helps the constituency to manage their on affairs                            | 1 2 3 4 5 6 |
| 1.3.4. | The NGO recognises its constituency as partners in its work                          | 1 2 3 4 5 6 |
| 1.3.5. | The NGO combines advocacy for its constituents along with its service delivery work. | 1 2 3 4 5 6 |

### 1.4. Leadership

- |        |   |             |
|--------|---|-------------|
| 1.4.1. | The NGO is clear about the functions of the Director and the functions of the Executive Committee/Board/Trustees. | 1 2 3 4 5 6 |
| 1.4.2. | Decisions are clearly communicated to those they affect   | 1 2 3 4 5 6 |
| 1.4.3. | Leaders take decisions after consultation with those who will be affected   | 1 2 3 4 5 6 |
| 1.4.4. | Leaders help staff understand their contribution to the NGOs mission/purpose.                                     | 1 2 3 4 5 6 |

### 1.5. Legal Status

- |        |                                 |             |
|--------|---------------------------------|-------------|
| 1.5.1. | The NGO is legally established. | 1 2 3 4 5 6 |
|--------|---------------------------------|-------------|

- 1.5.2. The NGO complies with all the legal requirements of its legal identity and registration 1 2 3 4 5 6
- 1.5.3. The NGO is aware of any concessions and allowances that it has a right to (tax etc.) 1 2 3 4 5 6

## 2. Management Practices

### 2.1. Organisational Structure

- 2.1.1. The NGO has a clear and communicated organisational structure 1 2 3 4 5 6
- 2.1.2. The staff of the NGO have clear job descriptions 1 2 3 4 5 6
- 2.1.3. The Job Descriptions are used in staff appraisal 1 2 3 4 5 6

### 2.2. Information Systems

- 2.2.1. The NGO collects base line information about its constituency before starting work 1 2 3 4 5 6
- 2.2.2. The NGO has a regular system for collecting information on their program activities 1 2 3 4 5 6
- 2.2.3. The NGO regularly collects information on the impact of its work following the base line information. 1 2 3 4 5 6
- 2.2.4. The information collected guides the program review and the development of new programs. 1 2 3 4 5 6
- 2.2.5. The information collected is used in advocacy on behalf of the constituency. 1 2 3 4 5 6

### 2.3. Administrative Procedures

- 2.3.1. The NGOs administrative procedures are clearly stated, and are communicated to all staff. 1 2 3 4 5 6
- 2.3.2. Any changes in administrative procedures are discussed with the NGOs staff. 1 2 3 4 5 6

### 2.4. Personnel

- 2.4.1. The NGO has written terms and conditions of service for its board, staff, and volunteers, and keeps to them 1 2 3 4 5 6
- 2.4.2. Hiring and firing of staff should be implemented by the Director following consultation 1 2 3 4 5 6

### 2.5. Planning

- 2.5.1. The NGOs plans are consistent with its mission and strategy 1 2 3 4 5 6
- 2.5.2. Planning has a great deal of input from the staff and constituency, particularly those who will be implementing the plans. 1 2 3 4 5 6
- 2.5.3. Planning is carried out based on available resources 1 2 3 4 5 6
- 2.5.4. The NGOs plans are reviewed regularly. 1 2 3 4 5 6

### 2.6. Program Development

- 2.6.1. the NGO designs and implements a program based on its own assessment of the need, and of its own competence. 1 2 3 4 5 6
- 2.6.2. The development of a program includes a regular review of the program 1 2 3 4 5 6
- 2.6.3. The NGO involves its constituency in program design and implementation 1 2 3 4 5 6
- 2.6.4. The NGO identifies indicators of program success 1 2 3 4 5 6

## **2.7. Program Reporting**

- 2.7.1. The NGO reports on its work (in a variety of styles) to its donors, to its constituency, to NGOs involved in the same kind of work, to the local council, involved government ministries/departments, to MPS. 1 2 3 4 5 6
- 2.7.2. When the NGO has a particularly interesting experience, it communicates this to other involved people and organisations. 1 2 3 4 5 6

## **3. Human Resources**

### **3.1. Human Resource Development**

- 3.1.1. NGOs have regular staff appraisals 1 2 3 4 5 6
- 3.1.2. Training opportunities are linked to the requirements of staff and their ability to improve the NGOs performance 1 2 3 4 5 6
- 3.1.3. Staff capacity assessments are carried out regularly and guide management in the ways they organise development activities 1 2 3 4 5 6

### **3.2. Staff Roles**

- 3.2.1. Staff have clear job descriptions and responsibilities and these are observed by management 1 2 3 4 5 6
- 3.2.2. The management analyses the work that needs to be done and allocates it according to the skills of the staff. 1 2 3 4 5 6
- 3.2.3. The NGO identifies ways of improving staff skills where gaps have been identified 1 2 3 4 5 6

### **3.3 Work Organisation**

- 3.3.1. The NGO holds effective, efficient, and productive staff meetings 1 2 3 4 5 6
- 3.3.2. Staff do not simply wait for orders, but plan their own work, and consult with others about it. 1 2 3 4 5 6
- 3.3.3. The NGO holds regular inter-staff meetings 1 2 3 4 5 6

### **3.4. Diversity issues**

- 3.4.1. The NGOs board and staff has members from both sexes. 1 2 3 4 5 6
- 3.4.2. The Board and Staff consult the NGOs constituency, but not all sectors of the constituency are represented in the staff and Board. 1 2 3 4 5 6

### **3.5. Supervisory Practices**

- 3.5.1. The NGO pays attention to cordial and productive relations amongst staff. 1 2 3 4 5 6
- 3.5.2. Conflict is dealt with quickly, firmly and fairly 1 2 3 4 5 6
- 3.5.3. Staff members feel free to discuss problems with their fellow workers openly. 1 2 3 4 5 6

### **3.6. Salaries and Benefits**

- 3.6.1. The NGO pays salaries and benefits at the rate prevailing in private industry, with increased and improved benefits for the lowest paid. 1 2 3 4 5 6
- 3.6.2. The NGOs staff are aware that they are working for the disadvantaged, and do not look to the NGO as a source of wealth. 1 2 3 4 5 6
- 3.6.3. The highest salary in the NGO is not more than 5 times the lowest salary in the NGO (although there is an allowance for responsibility 1 2 3 4 5 6

## 4. Financial Resources

### 4.1. Accounting

- |        |  |             |
|--------|--|-------------|
| 4.1.1. | The NGO keeps good, accurate, timely and informative accounts              | 1 2 3 4 5 6 |
| 4.1.2. | The Director and the senior staff are able to understand the NGOs accounts | 1 2 3 4 5 6 |
| 4.1.3. | Separate projects have separate accounts                                   | 1 2 3 4 5 6 |
| 4.1.4. | Financial information is used in future planning.                          | 1 2 3 4 5 6 |

### 4.2. Budgets

- |        |   |             |
|--------|---|-------------|
| 4.2.1. | The NGO prepares annual budgets and uses them as a management tool for monitoring expenditure against budget.                         | 1 2 3 4 5 6 |
| 4.2.2. | The Budgets are planned/drafted by those responsible for spending them, but the final authority lies with the Director and the Board. | 1 2 3 4 5 6 |

### 4.3. Financial and Inventory Controls

- |        |  |             |
|--------|--|-------------|
| 4.3.1. | The NGO keeps clear records for payables, receivables, stock, and inventory  | 1 2 3 4 5 6 |
| 4.3.2. | The NGO has an external audit (unless its annual expenditure is quite small) | 1 2 3 4 5 6 |

### 4.4. Financial Reporting

- |        |  |             |
|--------|--|-------------|
| 4.4.1. | The NGO produces accurate financial accounts annually, not later than three months after the end of the financial year.          | 1 2 3 4 5 6 |
| 4.4.2. | The NGO uses the financial report for future planning  | 1 2 3 4 5 6 |
| 4.4.3. | The NGO copies its financial report to the Board, the Donor(s), the registering Authority, and makes it available to the public. | 1 2 3 4 5 6 |

## 5. Service Delivery

### 5.1 Sectoral Expertise

- |        |  |             |
|--------|--|-------------|
| 5.1.1. | The NGO contains people with experience and expertise in the relevant field. | 1 2 3 4 5 6 |
| 5.1.2. | The NGOs is able to adapt itself to the changing needs of its constituents   | 1 2 3 4 5 6 |
| 5.1.3. | The NGO is prepared to expand where this is indicated.                       | 1 2 3 4 5 6 |

### 5.2. Constituency Ownership

- |        |  |             |
|--------|--|-------------|
| 5.2.1. | The NGO dialogues with the constituency, but also brings its own experience and expertise to bear. | 1 2 3 4 5 6 |
| 5.2.2. | The NGO helps its constituency to become self-reliant, and do without the NGO                      | 1 2 3 4 5 6 |

### 5.3. Impact Assessment

- |        |   |             |
|--------|---|-------------|
| 5.3.1. | The NGO has a system in place to monitor and evaluate its program/project achievement.                                  | 1 2 3 4 5 6 |
| 5.3.2. | The NGO knows how to get baseline data, develop indicators, monitor progress against indicators, and evaluate programs. | 1 2 3 4 5 6 |

## 6. External Relations

### 6.1. Constituency Relations

- |        |   |             |
|--------|---|-------------|
| 6.1.1. | The NGO is accessible to its constituency                                       | 1 2 3 4 5 6 |
| 6.1.2. | The NGOs listens to its constituency and does not operate in a top-down manner. | 1 2 3 4 5 6 |

## **6.2. Inter-NGO Collaboration**

- 6.2.1. The NGO belongs to inter-NGO organisations/networks in its own sector. 1 2 3 4 5 6  
6.2.2. The NGO is ready to consider belonging to coalitions of NGOs in their own area, in the country as a whole, or for a limited objective. 1 2 3 4 5 6  
6.2.3. The NGO is respected by its peer organisations 1 2 3 4 5 6

## **6.3. Government Collaboration**

- 6.3.1. The NGO is seen as a full and credible partner by the Government 1 2 3 4 5 6  
6.3.2. The NGO collaborates with the government in the same sector and in the same geographical area 1 2 3 4 5 6  
6.3.3. The NGO puts forward advocacy suggestions to the Government 1 2 3 4 5 6

## **6.4. Donor Relations**

- 6.4.1. The NGO has a relationship of mutual respect with the donor 1 2 3 4 5 6

## **6.5. Public Relations**

- 6.5.1. The NGO has, and makes available a public information document on itself. 1 2 3 4 5 6  
6.5.2. The NGO is well-known for its activities in its own area. 1 2 3 4 5 6

## **6.6. Local Resources**

- 6.6.1. The NGO has good relations with the private business sector 1 2 3 4 5 6  
6.6.2. The NGO accesses local resources 1 2 3 4 5 6

## **6.7. The Media**

- 6.7.1. The NGO is known to the media and is respected by them 1 2 3 4 5 6  
6.7.2. The NGO introduces itself to the media 1 2 3 4 5 6

# **7. Sustainability**

## **7.1. Project/Benefit Sustainability**

- 7.1.1. The NGO systematically checks with the constituents that they have received benefits from the NGO 1 2 3 4 5 6  
7.1.2. The constituency acknowledges that they have benefited from the NGO's program 1 2 3 4 5 6  
7.1.3. The NGO works with local organisations and institutions 1 2 3 4 5 6  
7.1.4. The NGO has plans for its own continuity. 1 2 3 4 5 6

## **7.2 Organisational Sustainability**

- 7.2.1. The NGO builds partnerships with other organisations 1 2 3 4 5 6  
7.2.2. The NGO understands what its role and the role of others is in development 1 2 3 4 5 6  
7.2.3. The NGO is involved in coalitions, networks, and umbrella organisations. 1 2 3 4 5 6  
7.2.4. The NGO has links to specialised institutions that may be useful to it. 1 2 3 4 5 6

## **7.3. Financial Sustainability**

- 7.3.1. The NGO is able to explain its need for funds to potential donors 1 2 3 4 5 6  
7.3.2. The NGO realises the need for a variety of both foreign and local funding sources 1 2 3 4 5 6

7.3.3. The NGO has a varied resource base. 1 2 3 4 5 6

**7.4. Resource Base Sustainability**

7.4.1. The NGO realises the importance of financial sustainability 1 2 3 4 5 6

7.4.2. The NGOs has some savings and reserves to cushion it at a time of funding shortfall 1 2 3 4 5 6

7.4.3. The NGO has a variety of funding sources. 1 2 3 4 5 6

## Checklist of NGO Organisational Development Characteristics of NGOs at different stages

	<i>Nascent Organisations</i>	<i>Emerging Organisations</i>	<i>Expanding Organisations</i>	<i>Mature Organisations</i>
<b>GOVERNANCE</b>				
<b>Board</b>	<ul style="list-style-type: none"> <li>• No board of independent body is providing oversight</li> <li>• The Board does not differentiate between oversight and management roles</li> <li>• If the Board is beginning to provide oversight, it may not represent the interests of the constituency.</li> <li>• The Board is not assisting management to identify legislators, influence public opinion or raise funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Members of the Board or independent body have been identified but have not yet assumed a leadership role.</li> <li>▪ The Board is attempting to micro-manage rather than provide oversight.</li> <li>▪ The Board is not influencing public opinion or legislators.</li> <li>▪ The Board is not aware of the needs of constituency or role it could play.</li> </ul>	<ul style="list-style-type: none"> <li>• The Board's membership is stable and functioning.</li> <li>• The Board is able to differentiate between its role and that of management.</li> <li>• The Board has some members who are leaders in relevant fields but it lacks broader representation.</li> <li>• The Board is aware of its responsibility to provide oversight and represent the interests of constituents but is not consistently doing so.</li> </ul>	<ul style="list-style-type: none"> <li>• The Board's composition includes leaders in the field of the NGO's mission as well as those capable of carrying out such roles as policy direction, fund-raising, public relations, or lobbying.</li> <li>• Mechanisms are in place to obtain appropriate input from constituency and to assure that organisational planning reflects Board policy.</li> </ul>
<b>Mission/ Goal</b>	<ul style="list-style-type: none"> <li>• The NGO has a vague idea of its mission and the contribution it is attempting to make</li> <li>• The Mission is understood by only one or a few members of the Board or senior management</li> <li>• The activities carried out by members of the NGO may have little relation to the mission</li> </ul>	<ul style="list-style-type: none"> <li>▪ The mission may be clarified internally, but it is not widely understood by the public.</li> <li>▪ The mission is not reflected in planning or job functions.</li> </ul>	<ul style="list-style-type: none"> <li>• The vision and mission are clear to staff, constituents and outsiders; strategies and objectives are in alignment with the mission.</li> <li>• Operational planning may be conducted by senior management and linked to the budgeting process but with little input from staff or constituents.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's vision of the future and specific mission are clear to staff, constituents and outsiders.</li> <li>• The NGO's strategies are aligned with the mission and state how it will be achieved.</li> <li>• Strategies are realistic in the context of the NGO's activities and can be translated into clear program objectives.</li> </ul>
<b>Constituency</b>	<ul style="list-style-type: none"> <li>• The NGOs links to its constituency are weak.</li> <li>• The NGO views its constituency as passive beneficiaries rather than as potential partners.</li> <li>• The NGO does not serve as an advocate for its constituency.</li> </ul>	<ul style="list-style-type: none"> <li>▪ • The NGO's outreach to its constituency is improving.</li> <li>▪ • Certain influential members of the constituency may be consulted or invited to participate in some decisions because they are seen to have a stake in the outcome.</li> <li>▪ • Some awareness exists of the possible role of the NGO as an advocate for the constituency</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's constituency is well defined and its needs and views are considered in planning and decision-making.</li> <li>• The NGO is involved in lobbying and other advocacy functions on behalf of the constituency.</li> <li>• NGO support to build self-help capacities among constituents are still sporadic</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's constituency is well-defined and regularly involved in planning process.</li> <li>• The NGO recognises constituents as partners.</li> <li>• The NGO supports the creation of community structures and develops constituents' capacity in planning and decision-making</li> <li>• The NGO engages in advocacy and lobbying activities on behalf of constituents.</li> </ul>



	<b><i>Nascent Organisations</i></b>	<b><i>Emerging Organisations</i></b>	<b><i>Expanding Organisations</i></b>	<b><i>Mature Organisations</i></b>
<b>Leadership</b>	<ul style="list-style-type: none"> <li>• There is an individual or a few individuals in the NGO who control most functions.</li> <li>• Management style is directive and staff members provide primarily technical input.</li> <li>• Management does not articulate clearly to staff the NGO's purpose or individual staff members' contribution to the purpose.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most decisions are made by the Board, sometimes with input from one or two staff members.</li> <li>▪ Staff has little understanding of how management makes decisions.</li> <li>• Leadership is still seen primarily as directive and controlling, rather than providing meaning and enabling self-direction to employees and monitoring their performance.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's links to its constituency are weak.</li> <li>• The NGO views its constituency as passive beneficiaries rather than as potential partners.</li> <li>• The NGO does not serve as an advocate for its constituency.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior management's relationship to staff is more consultative and management decisions are delegated.</li> <li>• Staff increasingly understands, but are not systematically involved, in decision-making.</li> <li>• Leadership understands that its primary role is to provide overall direction and monitor performance, but it is still concerned with control.</li> </ul>
<b>Legal Status</b>	<ul style="list-style-type: none"> <li>• The NGO may or not be legally registered and nor have obtained whatever fiduciary and taxation status is required by local law.</li> <li>• Management has yet to identify sources of legal, financial and labour management advice.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is registered but has not yet integrated financial and legal advice into planning and management decisions.</li> <li>• The NGO is not in compliance with some local reporting and labour requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate expert advice is integrated into planning and management systems.</li> <li>• The NGO is generally in compliance with local reporting, tax and labour requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate expert advice is fully integrated into management decisions.</li> <li>• The NGO is in full compliance with local reporting, tax and labour requirements.</li> <li>• The NGO assists constituency organisations to obtain the same legal status and compliance capacity.</li> </ul>
<b>MANAGEMENT PRACTICES</b>				
<b>Organisational Structures</b>	<ul style="list-style-type: none"> <li>• The NGO has no clearly defined organisational structure and lines of authority and responsibility are not clearly defined.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a defined organisational structure but line of authority remain unclear and authority tends to be exercised by an individual or a few individuals.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a defined organisational structure with clear lines of authority and responsibility.</li> <li>• The administration of the NGO places emphasis on the areas of responsibility but does not confer the necessary authority on individuals to permit them to operate effectively.</li> <li>• The NGO is not effectively incorporating the organisational structure into assigned tasks nor using it to evaluate staff performance.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a defined organisational structure with clear lines of authority and responsibility.</li> <li>• The NGO's organisational structure has been implemented and is incorporated into job descriptions and work assignments.</li> <li>• The NGO's organisational structure is used in supervisory sessions and performance evaluations.</li> </ul>
<b>Informational Systems</b>	<ul style="list-style-type: none"> <li>• No system exists within the NGO to collect, analyse or disseminate data.</li> <li>• Information is collected randomly and manually.</li> </ul>	<ul style="list-style-type: none"> <li>• A rudimentary electronic Management Information System (MIS) is in place but it is not accessible to all staff.</li> <li>• Data utilisation potential is not understood.</li> <li>• Computers are used primarily for word-processing and book-keeping.</li> </ul>	<ul style="list-style-type: none"> <li>• An MIS is operational and most staff have access to it.</li> <li>• The MIS is still primarily used for word-processing and book-keeping but individual staff understand and use data on an ad hoc basis.</li> <li>• There is no mechanism for integrating MIS information into the NGO's planning process.</li> </ul>	<ul style="list-style-type: none"> <li>• The MIS has the capacity to store and process baseline and survey data.</li> <li>• Data analysis capability is relatively sophisticated.</li> <li>• There is improved project planning based on analysis of data provided by the MIS.</li> <li>• MIS data has been integrated into operational planning and decision-making.</li> </ul>

	<b><i>Nascent Organisations</i></b>	<b><i>Emerging Organisations</i></b>	<b><i>Expanding Organisations</i></b>	<b><i>Mature Organisations</i></b>
<b>Administrative Procedures</b>	<ul style="list-style-type: none"> <li>Administrative procedures are informal and NGO staff lack a common understanding of them.</li> </ul>	<ul style="list-style-type: none"> <li>Administrative procedures are increasingly formalised.</li> <li>Filing and recording systems are not being fully utilised.</li> <li>No administrative manual exists.</li> </ul>	<ul style="list-style-type: none"> <li>Administrative systems are formalised and functioning.</li> <li>An administrative manual exists but it is not referred to regularly.</li> </ul>	<ul style="list-style-type: none"> <li>Administrative procedures are well defined, flexible and used to clarify situations.</li> <li>The Administrative manual is included in the strategic review process and updated as needed.</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>There are no formal personnel procedures to administer salaries and benefits or to record personnel data.</li> <li>Formal employment procedures do not exist.</li> </ul>	<ul style="list-style-type: none"> <li>Basic personnel administration systems exist but informal employment practices continue.</li> <li>Positions are not advertised externally and there are no common NGO-wide procedures for determining qualifications for employment, recruitment, hiring, and termination.</li> </ul>	<ul style="list-style-type: none"> <li>All necessary personnel systems are formalised and implemented.</li> <li>Occasionally informal mechanisms are used.</li> <li>The strategic value of human resources and the need to integrate personnel practices into the strategic planning process are not fully understood.</li> </ul>	<ul style="list-style-type: none"> <li>Personnel systems are understood by all staff.</li> <li>Staff opinion of human resource policies and procedures is regularly sought.</li> <li>Formal employment practices are uniformly followed and regularly reviewed to ensure consistency with the mission and policies of the NGO.</li> </ul>
<b>Planning</b>	<ul style="list-style-type: none"> <li>Some planning is carried out but with limited input from staff and constituents.</li> <li>Decisions are made and activities planned without reference to the agreed-upon strategies to achieve the mission.</li> <li>There is little assessment of the resources required to undertake activities.</li> <li>One or a few people may make decisions and plan activities, giving little explanation to those responsible for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Annual operating plans are developed and reviewed primarily by senior staff without reference to the previous year's planning, analysis of resource availability, or other factors which could affect implementation.</li> <li>Annual plans are developed with little or no input from constituents or staff.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic and short-term planning is conducted primarily by senior management.</li> <li>Staff and constituents may have some input in the planning but they are not involved in decision-making.</li> <li>There is occasional review of workplans.</li> </ul>	<ul style="list-style-type: none"> <li>There is an annual review of the NGO's achievements and an analysis of resource availability.</li> <li>All parts of the organisation develop annual operating plans aligned with the NGO's mission and strategies.</li> <li>There is regular review of long-term plans.</li> </ul>
<b>Program Development</b>	<ul style="list-style-type: none"> <li>Program development is largely donor or staff-driven and funded and it is managed on a project-by-project basis.</li> <li>Program design, implementation, and monitoring and evaluation, if done, are carried out based on the donor's requirements.</li> <li>Often the donor's system is not well understood, is poorly implemented and badly managed.</li> </ul>	<ul style="list-style-type: none"> <li>Individual projects are developed within an overall programmatic framework.</li> <li>Occasional evaluations are conducted at the request of donors and undertaken by outsiders.</li> <li>Constituents are involved only as recipients of a program.</li> <li>No comprehensive system exists for determining the purpose and objectives of program/projects or for monitoring and evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive system exists for program development and implementation.</li> <li>This system is sometimes one imposed by the donor or one that has been developed by the NGO itself.</li> <li>Either system can provide the information required by the donor and allows for monitoring and evaluation to be carried out by the staff.</li> <li>Constituents are consulted on program design and involved in implementation and evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>Constituents serve as partners in program design, implementation and evaluation.</li> <li>Key indicators have been identified for monitoring and evaluation.</li> <li>Lessons learned from M&amp;E are applied to future activities.</li> </ul>

	<b><i>Nascent Organisations</i></b>	<b><i>Emerging Organisations</i></b>	<b><i>Expanding Organisations</i></b>	<b><i>Mature Organisations</i></b>
<b>Program Reporting</b>	<ul style="list-style-type: none"> <li>The NGO does not report on the results of activities or evaluations to constituents. The NGO is not sharing information based on lessons learned from activities and evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO provides information on activities and evaluations only when requested or required by a donor.</li> <li>The NGO shares information on lessons learned only as required.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO occasionally publishes the results of its activities and evaluations but it does not have a system for distribution.</li> <li>The NGO does not yet have an effective system through which to share information on lessons learned from its experience.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO has a system in place to regularly publish and distribute information to donors, constituents, government and other interested NGOs on the results of its activities and other relevant issues.</li> </ul>
<b>HUMAN RESOURCES</b>				
<b>Human Resource Development</b>	<ul style="list-style-type: none"> <li>The NGO conducts no systematic assessment of staff performance on which to plan for changes or improvements.</li> <li>The NGO is unable to plan for change to improve the performance of individuals through better work planning, training, development and promotion.</li> <li>There is little or no understanding of the relationship between staff performance and the achievement of NGO objectives.</li> </ul>	<ul style="list-style-type: none"> <li>There is a better match between staff responsibilities and skill requirements.</li> <li>A staff evaluation system may exist but it is not necessarily based on job performance.</li> <li>The NGO has identified resources with which to conduct ad hoc training of staff.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO has a performance-based appraisal system in place.</li> <li>Staff are assigned and promoted according to their job performance.</li> <li>Staff development needs are assessed and used to develop training plan.</li> </ul>	<ul style="list-style-type: none"> <li>A performance-based management system exists to meet the needs of the NGO's human resource development.</li> <li>Training plans are regularly updated according to the performance improvement and career development needs of the staff, and a human resource development plan exists.</li> <li>The human resource development plan is integrated with the NGO's strategic plan.</li> </ul>
<b>Staff Roles</b>	<ul style="list-style-type: none"> <li>The NGO has no particular process to determine the relationship between human resource needs and program objectives.</li> <li>The roles and job responsibilities of existing staff are unclear and changeable.</li> <li>The limited staff are expected to carry out responsibilities beyond their expertise and some essential tasks are not done by anyone.</li> <li>Job descriptions and work responsibilities are not documented.</li> <li>Job performance is not assessed and there is no planning done to improve the performance of staff through better work planning, training, development or promotion.</li> <li>The relationship between staff performance and the achievement of NGO program objectives is not understood.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO has no process of analysis to identify work requirements and job functions.</li> <li>There is beginning to be a link between senior staff responsibilities and their expertise but some gaps continue to exist in skill requirements.</li> <li>Job descriptions do exist, usually based on a supervisor's idea of the work to be accomplished.</li> <li>A staff evaluation system may exist but it is not necessarily based on job performance as defined in a job description.</li> <li>The NGO has identified some resources for ad hoc training of staff.</li> </ul>	<ul style="list-style-type: none"> <li>Jobs are well-defined and documented in job descriptions and work assignments.</li> <li>All core skills required to perform job functions exist within the NGO.</li> <li>A performance-based appraisal system is in place and staff are assigned and promoted according to their performance.</li> <li>Some human resource planning does take place but is still not integrated with job performance or the strategic planning process.</li> <li>A training plan exists based on an assessment of staff development needs.</li> </ul>	<ul style="list-style-type: none"> <li>The NGO conducts, reviews and updates an organisation-wide analysis of work requirements.</li> <li>This analysis of work is linked to the NGO's planning priorities and serves as the basis for work assignments.</li> <li>All skill areas required to carry out the NGO's work are covered by staff and the resources exists to contract out for other needed skills.</li> <li>Staff performance is monitored and decisions about training and promotion are based on ability and needs.</li> <li>Human resources planning is integrated with the NGO's strategic plan.</li> </ul>
	<b><i>Nascent Organisations</i></b>	<b><i>Emerging Organisations</i></b>	<b><i>Expanding Organisations</i></b>	<b><i>Mature Organisations</i></b>
<b>Work Organisation</b>	<ul style="list-style-type: none"> <li>There is little understanding of the necessity to organise work beyond the issuing of directives.</li> <li>No mechanisms are in place to coordinate work activities of different staff.</li> </ul>	<ul style="list-style-type: none"> <li>Work is organised by supervisors.</li> <li>Little attention is paid to work flow or to consciously organising work beyond work plans.</li> <li>Individual, unit or project work plans are</li> </ul>	<ul style="list-style-type: none"> <li>A variety of work methods are utilised.</li> <li>Staff are recognised as being able to make useful suggestions about how their own work should be organised.</li> <li>Team work is encouraged and work</li> </ul>	<ul style="list-style-type: none"> <li>Staff teams are self-directed and organise their work around a clear understanding of the NGO's mission and strategies.</li> <li>Staff is skilled in, and appropriately use, a variety of techniques and methods to</li> </ul>

	<ul style="list-style-type: none"> <li>• There is little understanding of the need to work as a team or what it means.</li> <li>• Meetings are irregular, dominated by interests of a few, and do not have a pre-determined purpose and agenda, nor do they not reach concrete conclusions.</li> <li>• Staff provide technical input only and are not involved or informed of decisions.</li> <li>• No formally recognised lines or mechanisms exist for intra-NGO communication.</li> </ul>	<ul style="list-style-type: none"> <li>• developed but these plans are not co-ordinated across functions.</li> <li>• Regular meetings of staff are conducted according to known procedures.</li> <li>• Selected staff are consulted on some decisions.</li> <li>• Intra-NGO communication is conducted on informal basis.</li> <li>• Consciousness is developing on part of staff and management that communication breakdowns and overlaps occur.</li> </ul>	<ul style="list-style-type: none"> <li>• plans are shared across units and work sites.</li> <li>• Communications are open and inter-hierarchical.</li> <li>• Staff know how to participate in meetings and are aware of how decisions are made.</li> <li>• Mechanisms exist for vertical and horizontal communication and link organisational unit/project structures.</li> </ul>	<ul style="list-style-type: none"> <li>• meet the NGO's program objectives.</li> <li>• There is a formal mechanism in place for inter-team planning, co-ordination and work review.</li> <li>• Staff is able to shape the way in which they participate with management in making decisions about planning and program implementation.</li> <li>• Constituents are involved with management in making decisions that directly impact them.</li> </ul>
<b>Diversity Issues</b>	<ul style="list-style-type: none"> <li>• The staff and Board do not represent the diversity of their constituency or the interests of their stakeholders.</li> <li>• Women receive different status than men and their particular needs are not yet addressed.</li> </ul>	<ul style="list-style-type: none"> <li>• No policy exists but among some levels of the NGO there is some awareness of and interest in the value and need for representation of the various members of the constituency.</li> </ul>	<ul style="list-style-type: none"> <li>• Policies exist to diversify the Board and staff but their composition does not yet fully reflect that of the constituents.</li> </ul>	<ul style="list-style-type: none"> <li>• The composition of the Board and staff fully represent gender and other diversity among constituents.</li> </ul>
<b>Supervisory Practices</b>	<ul style="list-style-type: none"> <li>• Relationships among staff members are not yet recognised as an important factor that can impact achievement of the NGO's program objectives.</li> <li>• Conflict among staff members or constituents is not effectively dealt with.</li> <li>• There is little or no awareness of the available practices and techniques with which to develop the NGO's organisational capacities.</li> </ul>	<ul style="list-style-type: none"> <li>• There is some awareness of the importance of staff being able to work together and with diverse groups but it is not yet understood that these skills can be taught and such activities managed.</li> <li>• Some supervisors attempt to mediate conflict but techniques and mechanisms for conflict resolution are not understood.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has established and documented grievance procedures.</li> <li>• Some supervisors have received training in mediation techniques and interpersonal and group work skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Supervisors recognise organisational development as an important NGO management function.</li> <li>• The NGO has established policies and methods to develop skills, manage relationships and measure performance.</li> <li>• The NGO understands that clear work assignments and good implementation by self-directed staff usually results in fewer conflicts.</li> <li>• Staff has been trained in conflict recognition and resolution techniques.</li> </ul>
<b>Salary and Benefits</b>	<ul style="list-style-type: none"> <li>• The NGO has not developed a mutually understood system of staff salaries and benefits.</li> <li>• Jobs have not been classified internally according to required skills and responsibility.</li> <li>• Staff salaries are not based on work requirements or the level of performance.</li> </ul>	<ul style="list-style-type: none"> <li>• The staff salary and benefit system is based on position and responsibility.</li> <li>• Salaries not necessarily competitive with those in the external market.</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs have been classified and salaries established according to a system established by the NGO and understood by staff.</li> <li>• Salary increases are based on job performance.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's salary and benefit system is sufficiently competitive to attract and retain skilled and competent staff.</li> </ul>

	<i>Nascent Organisations</i>	<i>Emerging Organisations</i>	<i>Expanding Organisations</i>	<i>Mature Organisations</i>
<b>FINANCIAL RESOURCES</b>				
<b>Accounting</b>	<ul style="list-style-type: none"> <li>• The NGO's financial procedures are incomplete.</li> <li>• The NGO's accounts are not yet set up for individual projects and operating funds are not separate.</li> <li>• The NGO's financial reports are incomplete, difficult to understand, and not being produced in a timely way.</li> </ul>	<ul style="list-style-type: none"> <li>• Basic financial recording systems are in place.</li> <li>• Account categories exist and project funds are separated but some cross-project funding takes place.</li> <li>• Financial reports are clearer but still incomplete and with errors.</li> <li>• Financial reports are usually produced on time.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reports are clear and complete, even as the NGO's funding sources become more complex and varied.</li> <li>• Most of the NGO's funds are separated and it generally tries to avoid cross-project financing.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has separate project funds and adequate controls exist to avoid funding across projects.</li> <li>• Reporting and data system is able to provide useful and timely financial information.</li> <li>• Reports are timely and accurate and provide information useful to the financial planning process.</li> </ul>

<b>Budgeting</b>	<ul style="list-style-type: none"> <li>• Budgets are inadequate or if they do exist are produced because required by donors</li> <li>• Their use as a management tool is not understood, and the reliability of the projections questionable.</li> </ul>	<ul style="list-style-type: none"> <li>• Budgets are developed for project activities, but are often over or underspent by more than 20%</li> <li>• The executive director or accountant are the only staff who know and understand budget information</li> </ul>	<ul style="list-style-type: none"> <li>• Total expenditure is usually within 20% of budget, but actual activity often diverges from budget projections.</li> <li>• Department and organisational unit heads are consulted by financial manager(s) about budget planning and expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's budgets are integral to project management and adjusted as required by project implementation developments.</li> <li>• The budgeting process is integrated with an annual operating planning process.</li> <li>• Senior staff are responsible for preparation, justification and management of project budgets.</li> </ul>
<b>Financial/ Inventory Controls</b>	<ul style="list-style-type: none"> <li>• The NGO has no clear procedures for handling payables and receivables nor do stock controls exist.</li> <li>• Audits or external financial reviews are not performed.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has established financial controls but has not yet implemented procedures.</li> <li>• Independent audits or external financial reviews are rarely performed and only at the request of a donor.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has adequate financial and stock control systems.</li> <li>• Independent audits or external financial reviews are performed periodically at donor request.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has an excellent system for stock and cash controls and for payables and receivables.</li> <li>• Independent audits or external financial reviews are performed regularly and appropriately.</li> </ul>
<b>Financial Reporting</b>	<ul style="list-style-type: none"> <li>• The NGO has no system for reporting on its financial status.</li> <li>• If financial reports are produced, they are donor-driven.</li> <li>• Financial reports are not accurate, complete or timely.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a system in place to produce financial reports but these are still produced in response to donor demand.</li> <li>• Financial reports are not timely or complete enough to be used in long-term planning.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO occasionally produces accurate and complete financial reports, which it makes available to the Board and management.</li> <li>• The NGO uses financial reports, when available, in long-term planning.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO regularly produces accurate, complete and timely financial reports, which it makes available to all appropriate levels.</li> <li>• The NGO uses financial reports in developing long-term plans.</li> </ul>
<b>SERVICE DELIVERY</b>				
<b>Sectoral Expertise</b>	<ul style="list-style-type: none"> <li>• The NGO has little operational or program experience.</li> <li>• The NGO has no sectoral expertise or track record.</li> <li>• The NGO has some good ideas about how to meet needs of targeted constituencies.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has growing expertise in its targeted sector.</li> <li>• The NGO has the capacity to access additional expertise in the area of expertise as required.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is recognised as having significant expertise in its targeted sector and is being invited to contribute to sectoral discussions.</li> <li>• The NGO is able to deliver effective and appropriate services to constituents.</li> <li>• The NGO is beginning to build fee-for-service and other cost recovery mechanisms into its service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is able to adapt program and other service delivery capacities to reflect the changing needs of its constituency.</li> <li>• The NGO is beginning to extend service delivery to other constituents.</li> <li>• The NGO is recognised as an expert in its sector by donors, government and other NGOs.</li> </ul>

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<b>Constituency Ownership</b>	<ul style="list-style-type: none"> <li>• The NGO's services are defined by donors or managers with no involvement from its constituency.</li> <li>• The NGO has no plan to support the development of its constituents organisational capacity as an objective for sustainability.</li> <li>• The NGO is not providing capacity-building training/technical assistance to its constituents.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO seeks constituent input into defining services but does not do so in a systematic or comprehensive manner.</li> <li>• The NGO has identified resources for ad hoc training of constituents in program or technical areas.</li> <li>• The NGO has not identified resources to support organisational capacity-building of its constituents.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has mechanisms in place to involve its constituents in project planning and implementation and monitoring and evaluation.</li> <li>• The NGO has plans to transfer management responsibilities to constituents and to provide training and organisational development support to build its capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO considers its constituents to be equal partners in defining services to be provided and in the management of projects.</li> <li>• The NGO updates its training and organisational development plans according to the improved performance and capacity building needs of its constituency.</li> </ul>
<b>Impact Assessment</b>	<ul style="list-style-type: none"> <li>• The NGO does not have a system to monitor and evaluate program/project achievements.</li> <li>• The NGO has no mechanism with which to determine impact indicators, establish baseline measures or assess the impact of its activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is able to evaluate individual projects to determine if projected activities took place as planned and if specific project objectives were achieved.</li> <li>• The NGO has no baseline data or system to monitor its activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has not identified indicators or collected baseline data with which to monitor project activities.</li> <li>• The NGO is aware of the need to develop project sustainability and measure impact but has not established a system.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has identified indicators of success for each project goal and carries out activities to gather baseline data which is used to measure project impact.</li> <li>• The NGO has a plan to sustain its program achievements and transfer ownership for activities or services to constituents.</li> </ul>
<b>EXTERNAL RELATIONS</b>				
<b>Constituency Relations</b>	<ul style="list-style-type: none"> <li>• The NGO's agenda is largely donor and management driven with little or no input from its constituents.</li> <li>• The NGO is located in an urban centre and its headquarters are a long distance from where it carries out activities, making it difficult to involve constituents effectively.</li> <li>• The NGO develops systems and programs in a top-down manner.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's work is focused in the field and it is viewed as an ally by constituents.</li> <li>• The NGO has credibility with its target constituency and with donors interested in the same program areas.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO operates from a field project site.</li> <li>• The NGO involves constituents in decision-making.</li> <li>• The NGO views constituents as being responsible for providing counterpart resources.</li> <li>• The NGO provides resources to enable constituents to develop organisational capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is seen as a valuable resource by its constituents.</li> <li>• By being field based, the NGO is able to effectively integrate constituency input into management and program decisions.</li> <li>• The NGO regards its constituency as a full partner.</li> </ul>
<b>Inter-NGO Collaboration</b>	<ul style="list-style-type: none"> <li>• The NGO does not have experience in working with other NGOs, either local or international.</li> <li>• The NGO is not known or trusted by the NGO community.</li> <li>• The NGO has no plans to work in collaboration with other NGOs active in the same region or same sector.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is increasingly known and trusted by others in the NGO community but as yet has little experience in working collaboratively with others.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO works with international or other local NGOs.</li> <li>• The NGO participates in and supports NGO networks but as yet does not play a leadership role in any NGO coalitions.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO plays a leadership role in promoting coalitions and participates in a formal association of NGOs.</li> <li>• The NGO can help mediate NGO-NGO or NGO-Government conflicts.</li> </ul>

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<b>Government Collaboration</b>	<ul style="list-style-type: none"> <li>• The NGO's relationship with government is adversarial.</li> <li>• The NGO does not collaborate with government agencies working in the same sectors or geographical area.</li> <li>• The NGO has little understanding of its role in advocacy or development of public policy.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has identified common interests which it shares with government and relations are friendly.</li> <li>• The NGO collaborates with different government agencies or representatives on issues or activities in specific sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's relationship with government is friendly and often informal.</li> <li>• The NGO is sometimes called upon by government to carry out specific projects or collaborate on sectoral issues.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is seen as a full and credible partner by the government.</li> <li>• The NGO has formal mechanisms which it uses to collaborate with government, donors and other NGOs.</li> <li>• The NGO provides input into policy making on issues related to its area of expertise.</li> </ul>
<b>Donor Collaboration</b>	<ul style="list-style-type: none"> <li>• The NGO sees donors as a source of financing activities and has not yet developed a relationship or made contributions to donor forums or agendas.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has received funding from donors but has yet to establish a track record or to acquire sufficient credibility to be invited to participate in donor forums.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a proven track record and established its credibility and is invited by donors to contribute to discussions on sectoral issues.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is viewed as an authority and leader in its sector of expertise and is considered a spokesperson and resource by donors.</li> </ul>
<b>Public Relations</b>	<ul style="list-style-type: none"> <li>• The NGO is not well-known outside the range of its activities or constituents.</li> <li>• The NGO has no clear image which it articulates or presents to the public.</li> <li>• The NGO has not prepared a document for dissemination that provides information about its objectives or activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO is known in its own community, but does little to promote its activities with the public or with key governmental decision makers.</li> <li>• The NGO understands that public relations are important but has no ability to carry out PR activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has limited contact with key decision-makers and has limited lines of communication with the public.</li> <li>• The NGO has clear ideas on issues but has yet to develop them into a policy platform.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a clear image and message and a policy platform.</li> <li>• The work of the NGO is well-known to the public and policy makers, and it is able to use this reputation to attract support when necessary.</li> <li>• The NGO is able to engage decision-makers in dialogue on policy issues and may have identified Board and staff members to fulfil this function.</li> </ul>
<b>Local Resources</b>	<ul style="list-style-type: none"> <li>• The NGO tends to view the private business sector with suspicion and distrust.</li> <li>• The NGO does not work in co-operation with any part of the private sector to draw on resources, technical expertise or influence.</li> <li>• The NGO's programs are not based on local resource availability.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has begun to identify local volunteer support in addition to that which it receives from the constituency.</li> <li>• The NGO seeks technical assistance from some private sector and government resources.</li> <li>• The NGO purchases goods and services from the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO draws support from the local private sector and government agencies but project sustainability still depends on continued support from external donors.</li> <li>• The NGO has recruited individuals from the private business sector to serve on its Board or as technical advisors.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's projects are supported by local entities who contribute to project results and their sustainability.</li> <li>• The NGO has staff members who are aware of and have contacts within the private business sector and among donors.</li> <li>• Collaboration between the NGO and the private business sector is strong and the NGO is considered a community development partner.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• The NGO has no relationship with nor is its work well known to the media</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's activities are not known outside of its constituency.</li> <li>• The NGO does not yet know how to access or use media to inform the public about its work.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has contacts in the media which it uses when it wishes to inform the public about an important issue.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO knows how to work collaboratively with the media.</li> <li>• The NGO is well known and its opinions and experience are solicited by the media.</li> <li>• The NGO uses the media as a means to inform the public about its work and/or mount public education campaigns.</li> </ul>

	<i>Nascent Organisations</i>	<i>Emerging Organisations</i>	<i>Expanding Organisations</i>	<i>Mature Organisations</i>
<b>SUSTAINABILITY</b>				
<b>Program/ Benefit Sustain- ability</b>	<ul style="list-style-type: none"> <li>• The NGO's constituents do not see or feel that they benefit from services or programs.</li> <li>• The NGO has no understanding or plan for continuity.</li> <li>• The NGO is not working with local institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's constituency recognises the benefits from services and programs but does not yet have the means to continue them without assistance from the NGO.</li> <li>• The NGO has yet to develop relationships with and is not providing capacity building assistance to local organisations.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's constituency recognises the benefits of and is involved in decision-making for services and programs but does not yet have the mechanisms to continue them without assistance from the NGO.</li> <li>• The NGO has developed relationships with local organisations and is providing Training/TA to build capacity but as yet has no phasing-out strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO's program activities are important to and owned by the constituents.</li> <li>• The NGO program activities can continue due to behavioural changes in the constituency.</li> <li>• The NGO has developed systems for short and long-term continuity.</li> <li>• The NGO has developed relations with local organisations and phasing out strategies.</li> </ul>
<b>Organiz- ational Sustain- ability</b>	<ul style="list-style-type: none"> <li>• The NGO lacks a shared vision and skills to interact with other development partners in civil society.</li> <li>• The NGO has no understanding of its role as a partner in development.</li> <li>• The NGO is not involved in coalitions, networks or umbrella organisations.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a shared vision but as yet lacks the understanding and skills to interact with other development partners.</li> <li>• The NGO is a member of coalitions and networks but is not yet able to provide leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a clear vision of its role and the skills to participate in development activities.</li> <li>• The NGO participates in NGO networks and coalitions but it not yet playing a leadership role in the NGO community.</li> <li>• The NGO is acknowledged to have expertise in a sector but is not recognised as a leader or consulted by donors or government.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a clear vision and understanding of its role as a development partner in building civil society.</li> <li>• The NGO is a leader in forming coalitions and networks with other local NGOs and participates in activities concerning the NGO sector.</li> <li>• The NGO has developed relationships with universities, research institutions and international NGOs.</li> </ul>
<b>Financial Sustain- ability</b>	<ul style="list-style-type: none"> <li>• The NGO has limited capacity to access funding and does not recognise the need to diversify its resource base.</li> <li>• The NGO has limited capacity to develop project funding proposals.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has begun to understand the need to develop alternative resources but has no concrete direction or plan.</li> <li>• The NGO has no relations with local government or private business sector organisations.</li> <li>• The NGO is able to develop project funding proposals but does not have ready access to the donor community.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has begun to explore alternative resources through developing relationships with government and the private business sector.</li> <li>• The NGO has secured alternative resources such as in-kind and commodities donations and membership fees.</li> <li>• The NGO has begun to diversify its funding base and to develop cost-recovery mechanisms and programs.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has a developed and diversified resources base to continue longer-term activities.</li> <li>• The NGO had developed fee-for-services and/or other cost-recovery mechanisms built into service delivery.</li> <li>• The NGO has developed and relies on local support for its ongoing activities.</li> </ul>
<b>Resource Base Sustain- ability</b>	<ul style="list-style-type: none"> <li>• The NGO's operating funds come from only one source and are raised for one short-term project at a time.</li> <li>• The NGO has little understanding of the need to eventually become self-supporting and has not yet attempted to identify local resources.</li> <li>• The NGO's funding is insufficient to meet plans or to provide project services.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has funding to cover short-term project costs and overhead.</li> <li>• The NGO can prepare a multi-year program budget but is still dependent on a single donor or limited funds.</li> <li>• The NGO is beginning to become aware of local resource generation possibilities but has not yet identified or mobilised them.</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has funds for short-term expenses but has also developed a medium-term funding plan and strategies.</li> <li>• The NGO is not dependent on a single donor either for overhead or for program expenses.</li> <li>• The NGO is able to recover a percentage of core costs through locally generated resources (membership dues, fee-for-services, regular fund-raising, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• The NGO has adequate funds to meet current program needs, and basic program delivery can continue even if there is a shortfall in funding.</li> <li>• The NGO is not dependent on any one donor or source of income for overhead or program expenses.</li> <li>• The NGO has a longer-term plan and strategies exist to become more self-supporting and financially independent.</li> </ul>



# Scoring and Presenting OCA

## Introduction to and use of the questionnaire:

The facilitator passes out the questionnaire and asks people to write their role in the organisation (Board, staff, volunteer, target group/beneficiary) on the paper - not their name. The facilitator explains that he/she will read out a statement that is concerned with each component (or sub-component) of the questionnaire. He/she will then ask the following questions:

- a. Is the statement clear and understandable? (If not, this needs to be clarified - and maybe re-stated. Try putting it into the vernacular as a way of getting clarity)
- b. Is the statement relevant to this organisation? (If some participants think it is not, probe with others to make sure that this is a genuinely irrelevant question, and not just a difficult question which one section of the participants would like to have removed.) If the question is agreed to be irrelevant, then ask everyone to strike it through on their paper.
- c. Will you circle the number which best reflects your feeling about this statement in relation to the organisation? The answers should be from 1 (needs urgent attention and improvement) to 6 (No need for immediate improvement).

At the end of each component the facilitator asks whether this has covered the topic, or whether there are other topics that the participants think require a statement and a score. Make sure that this does not overlap later statements.

At the end of the whole exercise the facilitator asks the same question - has this exercise covered all the elements of a healthy NGO? If someone proposes another element, and if there is general agreement to it, the facilitator formulates a new statement, asks everyone to write it in the appropriate section, and scores it. An example might be on the topic of a pro-women policy, for instance.

## Possible responses:

- a. in many cases it is possible (or even likely) that participants will be surprised at what is suggested for the ideal NGO (for instance - "Any changes in administrative procedures are discussed with the NGOs staff" - see 2.3.2. in the questionnaire). The subject then needs to be debated - what happens when this is not the case, what happens when this is the case? Until there is agreement that such a feature is indeed a part of a model NGO, or not. If it is agreed it can be scored: if not it must be struck out.
- b. In some cases participants will agree that something is important for a large NGO, but not for them. They should still be asked to score it, emphasising that this is not a test, but building a consensus. Their NGO may well grow bigger in time.

### **Collecting and Displaying Totals:**

The totalling of scores can either be done by the participants, or by the facilitator. After the participants have gone through the whole questionnaire, (with whatever extra questions or deletions are agreed) the participants are asked to total their scores for each sub-category and divide by the number of questions in each sub-category. Scores will thus be somewhere along a spectrum from 0 to 6 for each sub-category (round up to one decimal place).

The facilitator will then gather each participant's sub-category scores - either openly or in confidence, and calculate an average score for that sub-category (total score divided by number of participants) which he/she displays to the participants.

The facilitator then asks the participants to total their scores for each category (7 in all) and get an average for each category. In the same way the facilitator gathers each participants category scores and the facilitator can display the average score that the participants have given for each category.. It works best if both the sub-category and category score can be displayed visually - as a bar graph, for instance (see later)

The Facilitator may also find it useful to disaggregate the scores by each of the four groups of participants (Board, staff, volunteers, clients/beneficiaries) and display these totals to the whole group and ask for comments.

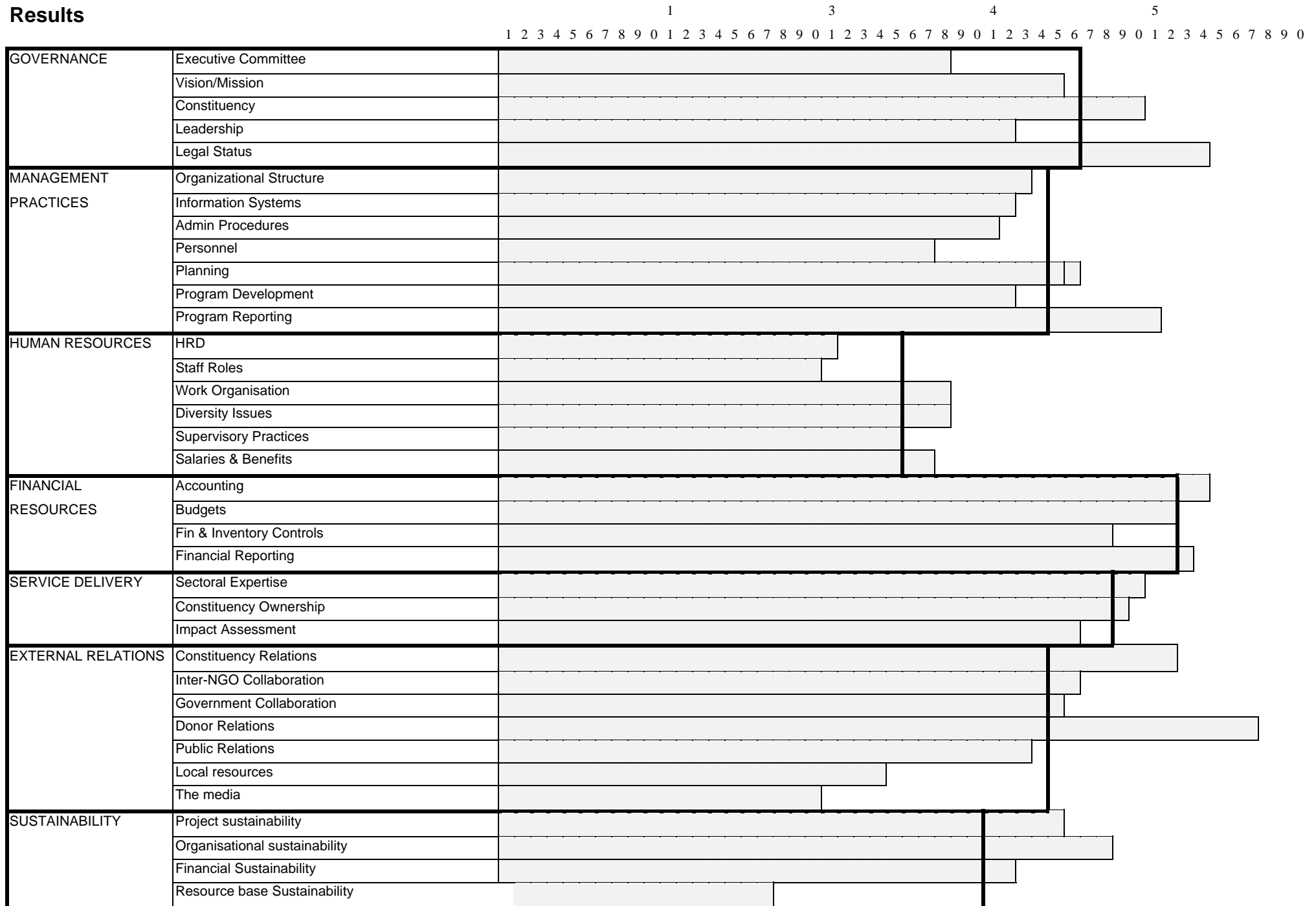
It is useful if the scoring is done in one day, and the discussion of the results on the next day. This gives the facilitator the evening to do the calculations and develop the bar charts.

### **Debating the results and the significance of the results:**

At this point begins the most useful part of the workshop. Participants reflect on which categories (or sub-categories) have the lowest scores (i.e. signifying that they are the issues on which the greatest amount of improvement is needed by the organisation). They also debate any differences in the results between the different groups of participants. They deliberate why and how this is so, and they think what can be done to try and improve the organisations competence in that area.

The facilitator should pay attention to any places where the scoring is wildly different between individuals or between groups. It may display different perceptions, but it is more likely to display misunderstanding of the statement

# Ocat Bar Chart Results



# Use of a Bar Chart

A Bar Chart can help visually display the results of the OCA scoring so that people can easily see the implications of their scoring. It is easiest to set up on a computer using an Excel program. Depending on the skills of the Excel user, the bars can be put in manually or through a bar-chart creation facility.

The Bar Chart works can display either the major categories, or the sub-categories (or both). We provide examples here of major categories and sub-categories.

## 1. Major Categories

This helps participants to look at the relative strengths and weaknesses (i.e. the lengths of the bars) in the major 7 categories and reflect on which is longest (denoting least need for improvement) and which is weakest (denoting most need for improvement).

Unfortunately the averages that are calculated to produce the major category bar chart can obscure important differences in the sub-category bars. The averaging process can "smooth out" the differences.

## 2. Sub-Categories

It is therefore important to show the sub-category bars in the bar chart as well. These are able to illustrate more precisely the areas with most need of improvement (shortest bars) and the areas with least need of improvement (longest bars)

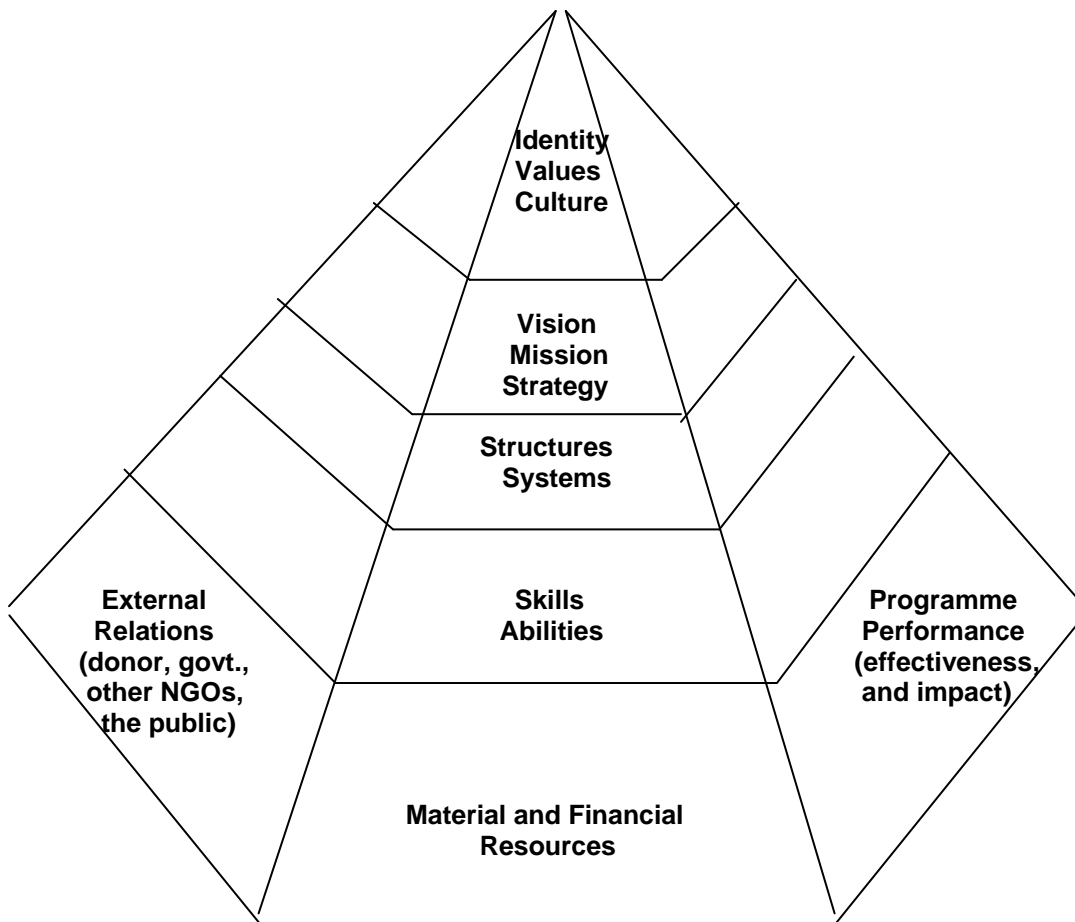
Even the sub-category bars in the bar chart have been averaged (although to a lesser extent than the major categories) and so have a "smoothing out" effect. It is therefore useful to be able to look back at the individual indicators or statements and see if there are any which are consistently low or high. This can be done by looking at the work sheet for scoring OCA. It is not difficult to trace out the consistently low scoring statements or indicators.

When presenting the bar chart it is important for the facilitator to give time for the participants to work out the implications of the bar chart for themselves - not to inform them of the implications that he/she has worked out for themselves. Valuable interpretations are likely to be forthcoming from the participants as they take a position which at one extreme is "This is what I expected" to "This is a surprise" and many points in between.

Variations between different sub-sets of the organisation (e.g. between Board and Staff or between Staff and Constituency) can also be very vividly demonstrated through the bar chart.

# Deciding in Priorities in Capacity Building

**In this pyramid the most important elements of capacity are at the head. Capacities at the upper levels must be well developed before any capacity building interventions are offered for capacities further down**



From "Capacity Building of Southern NGOs and CBOs" by Richard Holloway. Pact Zambia

# The Different Kinds of Capacity Building

- **Formal training courses away from the work place (organisation specific or shared with other organisations)**
- **Formal training followed up by consultancy in the work place**
- **Technical/managerial/OD assistance at the work place for a concentrated spell by consultancies**
- **Technical/managerial/OD assistance at the work place on a repeated serial basis ("accompaniment")** re-
- **Exposure visits and study tours**
- **Secondments**
- **Workshops organised at the workplace for staff**
- **Workshops organised for organisations with similar problems**
- **Home study**

**.....and combinations of these**

from "Capacity Building of Southern NGOs and CBOs" by Richard Holloway, Pact Zambia.

# Who does Capacity Building of CSOs?

- **Northern Support Organisations**
- **Southern Support Organisations**
- **Donors**  
*(but people for organisational development should be independently identified by the NGO, not done as a condition of funding)*
- **Universities**
- **Consulting Organisations**
- **Business Firms**
- **Training Institutions**
- **Individual Consultants**

from "Capacity Building of Southern NGOs and CBOs" by Richard Holloway, Pact Zambia.