

CID Study of NGO Capacity Building Issues for Donors in the Pacific

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Objectives

The paper sets out to summarise work undertaken on the concept and definitions of capacity building, draw out key international and Pacific findings on the subject, examine significant issues in NGO capacity building, and consider options for, and limits to, coordinated future strategies.

What Do We Understand By Capacity Building?

Capacity building is a term very widely used in the development world – so widely used that it may have become almost meaningless. Numerous definitions exist, but they have in common the notion of process: capacity building is an aspect of development that is specific to context and time and is ongoing. It is neither a set of packaged training materials nor a training programme.

One carefully researched definition is that capacity building is “an explicit outside intervention to improve an organisation’s performance in relation to its mission, context, resources and sustainability”. By this yardstick capacity building is necessarily complex, long term, costly, dependent on skilled facilitators, owned by the local NGO and difficult to measure.

Researcher Allan Kaplan adds to the notion of development capacity building as process by pointing out that there can be too much emphasis on the question of transfer of resources: really the aim is to facilitate “resourcefulness”. Development must be driven by those who seek to develop, and it cannot be done to others on behalf of third parties – however benign.

NGO Capacity Building in International and Pacific Context

There have been a number of international consultations on NGO capacity building. The 1996 International Forum on Capacity Building (IFCB) was intended to enable Southern NGOs to influence the capacity building programmes of Northern NGOs and donors.

A significant point to emerge from the IFCB was that the “process of collective reflection” needed to generate its report was probably more important than any of its specific results. This should be borne in mind when considering the Pacific.

NGO Capacity Building In Pacific Context

Key points to arise from recent Pacific meetings and workshops on NGO capacity building include:

- disagreement within NGO umbrella organisations is healthy. Diversity is strength;
- governments need to keep NGOs informed about how to access resources;
- there should be regular consultation between governments and NGOs;

- governments need to recognise “free associations of people”, not just NGOs;
- the relationships between NGOs and customary authorities must be recognised;
- regional NGOs need direct funding and other links with regional intergovernmental bodies;
- intergovernmental organisations should help to facilitate discussions between regional governments and regional NGOs;
- training is needed in capacity building areas including gender awareness, management, leadership, conflict resolution, political education, legal literacy, economic empowerment and fundraising skills;
- NGOs find it difficult to maintain autonomy and support without being seen as politically involved in issues that governments feel uneasy about;
- aid delivery in the Pacific may not be geared to strengthening NGOs or creating an environment in which they can develop;
- donor processes should be streamlined to make it more straightforward to access funding;
- donor agencies continue to drive deadline and evaluation processes, often creating significant problems for NGOs;
- national level bodies should be strengthened through donor assistance;
- pooling of resources may bring greater NGO effectiveness;
- learning from experience is only possible if there is adequate documentation;
- new technologies such as the internet are a key component of capacity building;
- a regional training of trainers programme could be set up;
- a graduate diploma programme could provide tertiary education in NGO leadership and management skills;
- NGOs should look at the possibility of working in consortium to access funds from large-project donors such as the EC;
- development partnerships must be built on trust and with an understanding of each other’s roles;
- certain areas of development should always involve NGOs as they help build confidence in individuals and communities.

Current and Recurrent Issues for Stakeholder Groups

1. The Challenge of NGO Sustainability

Pacific NGOs face major challenges to their survival and ongoing effectiveness. One of their central difficulties is to find ways of **enduring over time**. They need to continue to carry out their work and need donor funding to do so, yet on the other hand donors need clear exit strategies. Replacement funding from local sources is likely to be very hard to come by.

Recurrent administrative costs are a significant problem. While donors are willing to fund projects, they seldom want to back core administrative costs such as salaries, rent and vehicles. This creates day to day difficulties, limits NGOs’ ability to plan and prevents them paying adequate salaries. Many NGOs “teeter on the brink of financial collapse”. A small number of donors, including NZODA and Oxfam New Zealand, do provide core funding. There are some signs other donors are rethinking their attitude that core funding payments may create dependency.

A further problem facing Pacific NGOs is that of **mobilising resources**. Once donor project funding has run out, NGOs often find they can no longer pay salaries and skilled staff may be lost. Where can project funding be found once a donor has withdrawn? Some degree of self-financing through income generation may be possible but it is unlikely to completely replace donor assistance. Other possibilities for funding are limited, but include: corporate

gifting, private sector relationships, philanthropic donations and endowments, trust funds, contracts for service with governments or funding from foundations in the North.

Ongoing sustainability of Pacific NGOs is not just a question of funding. This is vital, but other areas of capacity building – such as training, the development of management skills and overarching organisational development - need to be pursued as well.

The Pacific Islands Association of NGOs (PIANGO) asserts that any capacity building initiative should be:

- owned and driven by participants;
- organised yet flexible;
- long term and process oriented;
- based on shared values;
- builds on strengths;
- context specific.

If it is difficult to define capacity building and still more difficult to evaluate it. Donors generally agree that it is a long term process and has such hard to measure.

Community Development Research Associates (CDRA) in South Africa has asked what an organisation with capacity would look like and has come up with recurring indicators. It says such an organisation:

- is directed and focused
- has a clear sense of its own identity
- does not complain about external conditions and believes it can change its own circumstances
- is self critical and self reflective
- takes the time to learn from its successes and failures.

2. Aspects of Donor/NGO Relationships

Relationships with donors are a major issue for Pacific NGOs. Donors are keen to engage with civil society and very often do this through development NGOs. However, civil society existed before and extends far wider than NGOs and the former should not be seen as a proxy for the latter.

For donors to work effectively with a range of civil society organisations, some of which are informal and fluid, would mean a radical change in practice. Existing NGOs have trouble dealing with the structures and requirements of donors and some civil society organisations would have considerably more trouble.

NGOS are constantly asking donors to streamline their methodologies so there can be more flexibility in accessing funding. They seek transparent criteria and processes which are less bureaucratic and more easily negotiated.

Many smaller NGOs lack the capacity to undertake the often complex and time consuming reporting and accounting procedures required by donors.

Nevertheless, some donors are able to provide an element of flexibility through, for instance, small diplomatic “head of mission” grants or innovative small grants schemes.

A further issue concerns, paradoxically, excess funding. While many NGOs struggle for funding, a small number become the “darlings of the donors” and receive more than can be managed adequately. Rapid growth can overload administrative systems and the mission of the organisation may become lost in a plethora of projects.

When it comes to capacity building, donors may have different agendas from the NGO concerned. There is evidence that donors are deadline driven and are more interested in documentation, financial management and acquittal of funds than in long term measures.

Donors may also not be geared up for recurring, face to face contact with NGOs, which for many NGOs is an important means of building trust and confidence.

In an atmosphere of diminishing resources, donors are commonly seeking to consolidate their efforts through co-financing and other shared initiatives. Co-ordination of measures, however, remains inadequate.

3. Relationships Between the NGO Sector and Pacific Island Governments

These relationships are affected by factors such as state reform (including privatisation), continuing decentralisation of public administration, devolution of public services to local level institutions and greater democratisation.

Governments do not always positively support the work of NGOs; indeed in some cases there may be government mistrust. In some cases there may be a perception that NGOs are funded from overseas and may undermine government authority.

Because NGOs are a relatively recent phenomenon in the Pacific, and because they tend to come and go, it is difficult for governments to identify which NGOs they should engage with. Governments may seek a national focal point for interaction with NGOs.

There may be tensions between Pacific NGOs and governments about the funding those NGOs receive via government indirectly from foreign donors. In some cases there is competition for scarce funds.

More often though the major issues are to do with government mechanisms for distributing development funds from overseas. The process of selection may be shrouded in mystery and governments often lack the capacity to work effectively with NGOs. Most governments do not provide recurrent funding for NGOs.

There are also questions about the representation of NGOs on regional bodies set up between governments. Consultation reports have identified the need for NGOs to be included in policy development at all levels, but so far they have not been given any formal recognition to participate in regional organisations.

4. NGO Relations With Each Other

Interviews with NGOs reveal they do not find it easy to work with each other, though they are keen to improve the situation. However, the fluid nature of NGOs may limit the possibilities for coordination.

Many NGOs are trying to work together in information sharing, attending of workshops and with sharing of resources, vehicles and accounting services.

Research suggests NGO umbrella groupings work together best when they are inclusive of and enjoy the support of local and foreign NGOs, do not duplicate the functions of members, are not substantial donor funding channels and have the respect of government and society as a whole.

There is a risk that without vigilance by members, umbrella groupings can become ends in themselves rather than support mechanisms.

It has been suggested by some NGOs that Pacific umbrella organisations such as PIANGO do not yet have sufficient capacity to undertake all that is expected of them.

Some umbrella groups are struggling. The National Association of NGOs (NANGO) in PNG is considered by many to have stopped functioning; the Vanuatu Association of NGOs (VANGO) is in serious difficulties. In Samoa, two organisations (SUNGO, and the Samoan Association of NGOs, SANGO) claim the same national NGO mandate.

Overarching NGO bodies face considerable and ongoing difficulties in defining their roles adequately, in being seen to represent member interests appropriately and in being perceived as able to implement their objectives. They also face problems in becoming sustainable and remaining accountable to their memberships.

The viability of umbrella groupings needs to be considered on a country by country basis. There is no single model which can be applied throughout the Pacific.

5. The Issues of Information Flow and Documentation

Most stakeholder consultations in the Pacific have pointed to inadequate documentation by NGOs. Reports to donors tend to be descriptive rather than analytical and they may not be readily available. The same goes in some cases for donor evaluation reports of NGO capacity building initiatives.

All this means there needs to be more and better ways of systematically sharing information on capacity building. There are some initiatives in place. ECSIEP is putting together a database and a website illustrating capacity building work in the Pacific. In New Zealand the Development Resource Centre (DRC) has been involved in setting up a directory of organisations in the Pacific.

The creation of a resource centre or clearing house for information would be a desirable but huge undertaking. Email and website would be a good means of disseminating information, but not all Pacific NGOs have access to these.

Current Approaches to Capacity Building in the Pacific

Initiatives currently operating in the Pacific to strengthen NGOs include:

- core funding of NGOs by donors;
- placement of volunteers with NGOs;
- short term training;
- consultancies funded by donors;
- comprehensive NGO capacity building programmes (few);
- formal and informal NGO networks;
- NGO donor partnerships;
- donor efforts;
- longer term management and leadership training;

- donor funded short term placements of contracted staff with NGOs;
- donor funded mobile training teams.

The dynamic nature of NGO initiatives in this area makes them hard to map and they “can in some senses be seen as a large jigsaw puzzle”. However, ECSIEP is producing a series of regular updates on NGO capacity building and is developing a Pacific Gateway website to include this information. It is classifying capacity building under the broad themes of organisational development, thematic issues and co-ordination.

Emerging Ideas About NGO Capacity Building in the Pacific

NZODA currently funds an NGO capacity strengthening initiative in the Solomon Islands. The central plank of this programme is core funding for the NGO umbrella organisation, the Development Services Exchange (DSE) in order for DSE to support the strengthening of its own members. The initiative also involves the development of a twinning relationship between DSE and a national NGO umbrella organisation in New Zealand, the Council for International Development.

UNDP and CIDA are jointly involved in funding a regional initiative on capacity building for NGOs. The initiative has a number of components including working with national and regional NGO umbrellas to strengthen their abilities to work with their memberships and creating linkages between donors and NGOs.

The Pacific Centre for Resource Concerns (PCRC) and ECSIEP are undertaking an extensive programme on decentralised capacity building with the EU, within the framework of the Lome Convention. This is much needed if EU resources are to be more easily accessed by Pacific NGOs.

PIANGO and UNITECH (NZ) have jointly organised a Graduate Diploma in Non Profit Management, which is customised for use in the Pacific and focuses on training of Pacific trainers. Modules have been completed in Fiji, Apia and Auckland.

The same two organisations have also discussed the setting up of a lower level certificate course for people involved in the Pacific NGO sector.

NGOs and support organisations in PNG have invited the German Development Service to facilitate two introductory training workshops for the National Volunteer Service and other NGO staff.

The Evolving Role of Volunteers

There is debate in volunteer sending agencies about the role of both international volunteers and those working within their own countries.

Much NGO capacity building work has been carried out by volunteers, so discussions about best practice in this area are very important.

PNG is possibly the only country in the Pacific to have its own national volunteer agency, the National Volunteer Service (NVS). It is very well regarded and funded by the PNG Government and overseas donors. The programme is a valuable example of indigenous volunteering and capacity building within communities. The essence of NVS philosophy is that volunteering is about recreating or strengthening a traditional idea of people supporting and assisting one another in communities.

Mobile Resource Teams and Individuals

Organisations which have or are planning mobile teams of resource people include RRRT (the Pacific legal literacy initiative), the Fiji based Aids Task Force and PIANGO, which is planning a mobile team to assist NGOs with training and workshops.

Resource Sharing by NGOs

Some NGOs already share vehicles and skills such as accounting.

GDS in PNG is pioneering an initiative which shares one gender training volunteer between various community organisations.

The New Zealand Council for International Development (CID) has a twinning relationship with the Development Services Exchange in the Solomon Islands. This enables the sharing of information, visits and consultation on issues of common interest.

Resource sharing by NGOs is an appealing prospect for donors. Although it cannot be mandated, it can be encouraged and facilitated.