

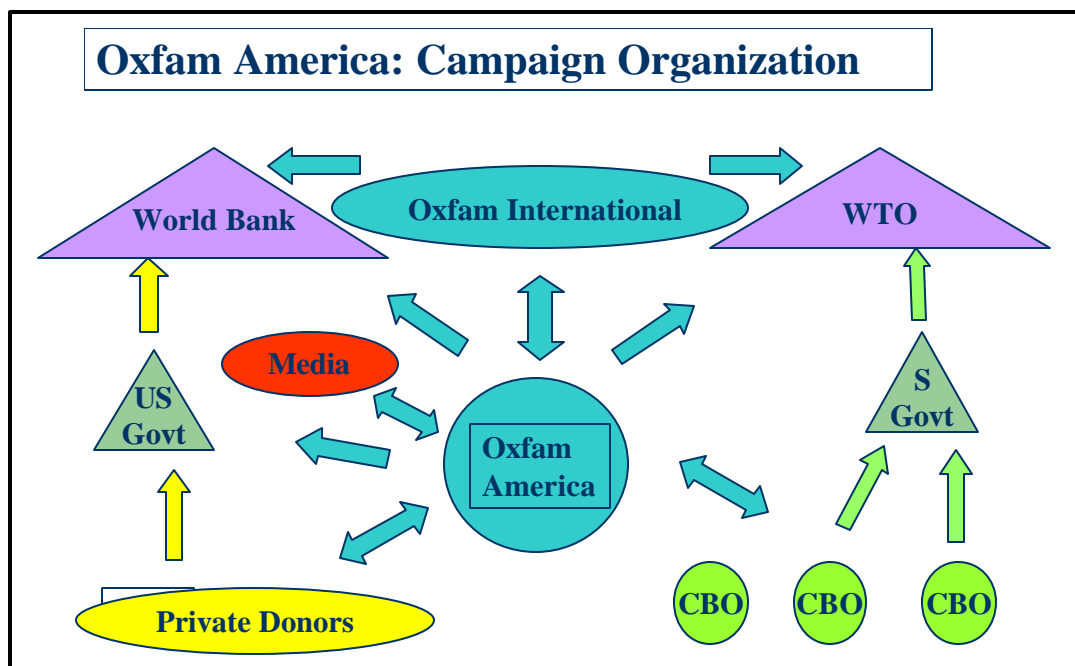
Panel Discussion: What is a Good NGO in Today's World?

This panel detailed specific approaches that NGOs have taken in order to respond to the global issues discussed in the previous panel. Gerald Hildebrand from Katalysis offered his perspective on achieving financial independence; L. David Brown spoke of strategic planning and learning in Oxfam America; and Suzanne Jambo described the role of the Southern Sudanese network of NGOs in keeping the peace in that troubled country. Finally, Chiku Malunga from CADECO presented an account of building the capacities of local NGOs in Malawi, including using African proverbs to build on local values.

David Brown, Hauser Center for Nonprofit Organizations, Harvard University

Mr. Brown told the story of the last decade of Oxfam America's (OA's) transformation as it faced new and emerging realities in the world. OA, whose mission was to end poverty, had a history of innovations and healthy partnerships with community-based organizations as well as committed staff and local donors. Stimulating its "reinvention" was a question OA asked itself in assessing its impact: "Are we creating sustainable poverty change from grassroots projects alone?"

Alternative strategy. In answering this question, OA devised a strategy of organizational renewal for its change plan that would continue to use grassroots projects and systematic learning to achieve organizational effectiveness, but would add an advocacy component to enhance and sustain efforts—i.e., a global campaign for poverty change. This priority meant seeking integration of grassroots *and* global initiatives in order to strengthen both (e.g., coffee farmers + a trade campaign, or CBOs + an extractive industries campaign). This approach has evolved into complex organizational relationships that now involve the World Bank, the World Trade Organization (WTO), media, and state governments (see figure).



Organizational implications. The organizational implications of OA’s strategic move to renew its grassroots activities while adding an advocacy layer include the following:

- OA’s strategy is now constrained by Oxfam International’s (OI’s) strategy.
- OI members can create brand risk for OA.
- A large demand for OA campaign participation revealed real limits.
- As OA becomes more visible, more attacks are made on its legitimacy and accountability by campaign targets and ideological antagonists.
- Campaign coordination across departments becomes more complex.
- More priority concerns are raised with regard to social change theory and impact assessment—i.e., how to tell the story of the ways in which work contributes meaningfully to long-term policy change.

Managing differences. The board and staff are developing systems and norms in OA to manage differences and use resources. He told participants they must “be prepared to fight as well as cooperate” to maintain needed autonomy.

The importance of advocacy. OA has seen evidence on the ground of the growing impact made by combining grassroots projects and global campaigning, and most people in the organization now agree on the importance of advocacy. One consequence that has not abated, however, is the problem of staff overload. OA is still grappling with the question of how to manage strategic change.

“Organizations that get involved in a multi-stakeholder, multi-constituency process must figure out how to cooperate and acquire the needed skills: they must *learn* to play in this arena or become irrelevant.”

—L. David Brown, Hauser Center for Nonprofit Organizations, Harvard University

Suzanne Jambo, New Sudan Indigenous NGO Network (NESI-Network)

Ms. Jambo told the story of the Southern Sudanese, where a peace agreement has recently been signed, bringing to an end a decades-long African civil war. She thanked PVC’s Capable Partners Program, or CAP, for the NGO-strengthening training it provided to NESI. Ms. Jambo shared her insights into what makes a good NGO in a war-torn area with forty years of bloodshed such as the Southern Sudan.

Understanding the impact of war. The war in Sudan produced millions of displaced refugees around the world and three million dead. It destroyed the social fabric, so that people now know nothing but external relief, creating long-term problems in institutional capacity and in local ownership and attitudes.

Development activities in times of war. Development activities, including those of NGOs, have been largely dominated by external humanitarian intervention, leading not only to serious gaps in local ownership but to a serious relief dependency syndrome and the near collapse of indigenous NGOs’ institutional capacity. Ms. Jambo said that along with the problem of inadequate human

“Food comes from the sky in many people’s minds in war-ravaged Southern Sudan. Generations have been brought up this way, and it will be extremely difficult to instill the spirit of working for food and of a normal way of life.”

—Suzanne Jambo, NESI-Network.

resources, the relief dependency issue presents extremely serious institutional and capacity-building concerns that need to be critically examined in post-conflict Sudan.

Challenges and opportunities for civil society. Ms. Jambo observed that the transition to peace and democracy will bring particular challenges and opportunities to civil society organizations (CSOs) as they assume an active role in creating a new, just, and peaceful Sudan. The restoration of the spirit of hard work and self-reliance, trauma counseling, nurturance of a culture of peace and co-existence are some of the major responsibilities that CSOs will undertake—efforts that must be constitutionally protected to make peace a reality for the people.

NESI's collective networking efforts and their impact on achieving peace. Part of the NESI-Network experience was to focus on what would constitute a valid approach to serving people's needs in wartime. In 2000, NESI came together as individual NGOs to advocate for the principles of transparency, accountability, local ownership, and commitment to guide sustainable development among CBOs, CSOs, international NGOs, and the respective departments of the emerging government in South/New Sudan—an area covering South Sudan, the Nuba Mountains, and South Blue Nile. While member NGOs continue individually to confront extremely difficult conditions in their work, including high levels of insecurity and poor infrastructure (e.g., no communications, roads, access to clean water/electricity, etc.), NESI's collective efforts have made positive impacts. Specific efforts include raising awareness of the Sudan peace process, conducting civic education for justice and peace in South/New Sudan, assessing the organizational capacity of NESI member organizations, and developing a NESI seven-year strategic plan with stakeholder consultations and planned meetings.

Respecting local capacity and context. Many challenges exist in post-conflict Sudan. Ms. Jambo expressed her hope that the international community, which was with them in time of war, will also be there in time of peace. She stressed the importance of valuing local ownership and of gaining a deeper understanding of the country context. A thorough understanding of what the country has experienced in war is needed to develop locally driven and sustainable development. Ms. Jambo concluded by saying that, for her, what makes a good NGO is one that is relevant, contextual, strategic, fair, and transparent to the different stakeholders, with a focus not just on today but toward a better future.

Gerald Hildebrand, Katalysis Partnership

Mr. Hildebrand spoke about Katalysis, an organization celebrating its 15th year of supporting microfinance development in Central America. Its services include training, technical assistance, fundraising, and credit fund management. Considered a pioneering model of partnership, Katalysis has experienced key milestones over the past year and has several innovative prospects for the future. Mr. Hildebrand shared his thoughts in the context of what, to him, makes a good NGO as well as what is the role of northern PVOs in the newly emerging international development climate.

Ensuring good board structure, operations and philosophy. Mr. Hildebrand cited board membership as a critical part of a good NGO. At Katalysis, the board informs the organization's direction. Meetings are simultaneously interpreted and relevant documents are available in both English and Spanish. Members share and adhere to core values, and the whole process is transparent.

A new model and methodology of North-South relationship. Katalysis' pioneering model for achieving financial success is based on core values of partnership, integrity, accountability, social

responsibility, and excellence. Each of these values has measurable indicators; collectively they have been endorsed by both the northern and southern entities of the organization. Mr. Hildebrand noted that a key factor has been the creation of an equitable working compact (e.g., six of the southern partners have seats on Katalysis' 18-member board of directors), which gives southern partners a voice and a vote in all institutional matters.

Surviving with relevance. When USAID curtailed its funding, Katalysis undertook organizational changes to adjust to the lack of grant money and to confront the issue of “surviving with relevance.” “The southern partners were very helpful in reminding us what our relevance was,” noted Mr. Hildebrand. While Katalysis had met its objective of creating self-sustaining microfinance capacity with its Central American partners and had laid the foundation for instituting two independent regional

“There is a role for northern organizations, and I suggest we put our ear to the South to discover what that role should be.”

—Gerald Hildebrand, *Katalysis Partnership, Inc.*

initiatives in the South, the challenge was now one of capacity to meet accelerated growth. The most significant constraint to growth was the availability of expertise and capital, a challenge Katalysis addressed by undertaking a major organizational transformation to free up both resources.

Creating a real South-North partnership. With direct counsel from the southern partners, the function, structure, and sustainability of the northern organization was reassessed. The partners contended that Katalysis had accomplished its initial mission—to ensure the organizational and financial viability of the southern microfinance institution (MFI) partners—and should now restructure itself to maintain its vital role in the South-North partnership. This restructuring would ensure Katalysis' financial sustainability while providing the partners with their primary growth priority – capital. This plan also provided a mechanism for northern financial independence. Key components of the approved plan follow:

- In the South, the Network Partners will take direct administrative and financial ownership of Katalysis Central America, whose services will be self-financed through Network membership fees, fees for services provided to network partners and other emergent MFIs, and contracts obtained from other public and private socio-economic development organizations.
- In the North, Katalysis/USA will be merged into the Bootstrap Fund, to create the Katalysis Bootstrap Fund. This signals a shift from dependence on gift money (donations and grants) to reliance on socially responsible investments—loans made with a social purpose at low or no interest.
- The South-North Partnership of Katalysis will continue. The Katalysis Bootstrap Fund and the Network will each have a representative on the other's board of directors. Both organizations will adhere to the same core values, as they do now, and will share strategic plans and collaborative ventures, although tactical and operational decisions will be made independently.

Pivotal point. Mr. Hildebrand called this an “exciting pivotal point” for Katalysis, adding that arriving at this juncture signals the success of Katalysis' capacity-building strategy, success that has come from the ground up. Because the entrepreneurial model has worked in the South, there is no longer a need for charitable contributions and administrative interventions from a “parent” in the North. This sets the stage for evolutionary development in Central America—an associative microfinance system that is not only stable but capable of replication and accelerated growth.

Chiku Malunga, Capacity Development Consultancies (CADECO)

Mr. Malunga formed CADECO to assemble the power needed to address issues that he believed were not being addressed by other capacity-building organizations. CADECO's vision of an ideal NGO was built on the answers to basic questions about impact, sustainability, collaboration, and the task environment.

Creating a holistic system. Comparing organizations to a “living system, like a human being,” Mr. Malunga stressed the need to have three intersecting components: “Being” (Sustainability), “Doing” (Impact), and “Relating” (Collaboration). “Where you are going,” he said, “depends a lot on how you relate with others.” The organization must make lasting changes in the lives of the people it serves and must ensure that it can perpetuate itself for as long as needed by the people it serves. Building value-added relationships with other NGOs, corporations, government, and faith-based organizations is part of this vision. Organizations must also interact with political, economical, socio-cultural, and technological factors.

Organizational development in an indigenous NGO. Mr. Malunga provided the following recommendations for practitioners of organizational development in an indigenous NGO:

- Evolve the scope of work in response to internal and external factors.
- Look beyond NGOs and encourage cross-learning among different types of organizations.
- Understand critical success factors for your type of NGO.
- Involve locals in leadership positions from the beginning.
- Avoid unfair compensation systems between local and expatriate staff.
- Think through succession and transition to local leadership and ownership.
- Avoid contradictory policies (e.g., on organizational sustainability).
- Use contextualized models and frameworks.

CADECO—a local capacity-building service provider. In response to lessons he learned from research and from working in organizations that were short-sighted and non-strategic in their community development work, Mr. Malunga made sure that CADECO's mission statement was market-oriented, clear, and focused, and “more organization than project conscious.” Personnel assuming management positions are required to be well versed in organizational development practices, and CADECO incorporates a unified remuneration system and cross-fertilization with other institutions as part of its approach. The organization's founders even engage in introspective examination of their own evolving roles as CADECO grows and develops, so as to not stand in the way of the organization's development.

The need for cross-learning. CADECO encourages cross-learning by:

- Encouraging NGOs to diversify their boards by including government and private sector representatives.
- Strengthening district executive committees in which heads of organizations (NGOs, CBOs, government and private sector) meet regularly to discuss district development issues and implement joint projects.

- Involving private sector and government representatives to provide input into individual NGO interventions, such as strategic plans, annual reviews, and organizational assessments.
- Deliberately involving participants from the different sectors in joint learning programs.

Exploring new models and frameworks. CADECO has experimented with using its own African cultural heritage (its proverbs) as a tool for organizational change. Mr. Malunga has published a book, *Understanding Organizational Sustainability through African Proverbs: Insights for Leaders of Change*. He concluded by describing a good NGO in today’s world as one which is financially and organizationally sustainable, makes an impact in its chosen area of work, gains from the synergy of effective collaboration, and responds appropriately to changes in its task environment.

“When spider webs unite,
they can tie up a lion.”

“A monkey who tried to get
three mangoes from three
different branches in a tree
at the same time fell on its
back.”

—African proverbs

Questions to Panel

A questioner from the National Association for the Prevention of Starvation noted problems he was having getting into the Sudan.

Ms. Jambo responded that is not difficult to get into the Sudan and that organizations can go through the Sudan RCC (Revolutionary Command Council), which is in charge of NGOs that wish to enter the country. She added that the NESI-Network is embarking on partnerships with different organizations as it moves into a rehabilitation/recovery role and welcomes others to join on board.

In a moving scene, a participant who was a Muslim from Northern Sudan stood and said that he wanted to apologize to Suzanne Jambo for the tragic treatment of her people in Southern Sudan. Walking to the front, he embraced her. The participants, greatly moved, responded to this gesture of reconciliation with a standing ovation. He added that he was a doctor and was donating quantities of medical supplies to Suzanne Jambo’s NESI-Network.

A participant from a Latin American organization said that because she was engaged in creating a means for partners to build capital locally, she was interested in the idea of socially responsible investments.

Mr. Hildebrand responded that no- or low-interest loans made for a social purpose are available. While still a new movement, a number of foundations, religious organizations, and associations around the United States are currently looking for places to make investments rather than donations.

A participant agreed with Mr. Hildebrand that while it is important that the North respect the South, there must still be a way to hold the southern organizations accountable for their activities, in compliance with reporting requirements to USAID.

Mr. Hildebrand responded that Katalysis’ proposals are always developed jointly between the North and South, with agreements signed by both to ensure compliance with regard to reporting,

audits, and other requirements, once the funding comes through. At Katalysis, the North and South jointly derived measures for meeting performance goals. When requirements and restrictions are specified, written out, and agreed to, they form the basis of a recognized commitment.

A participant from the Better Children’s Fund in Nicaragua asked Mr. Brown how Oxfam America’s (OA’s) private donors responded to the organization’s move from a grassroots to a media arena, and whether there was any resistance.

Mr. Brown responded that while some of OA’s donors were clearly concerned about the reorganization, they proved a loyal group of supporters. It was important that OA kept up its grassroots work and helped new donors understand the significance of policy campaigns. The transition actually helped, not hindered, fundraising.

Another questioner from Africa asked the panel how to effect the support of the donor community to really help sustain efforts, particularly in the face of differing ideologies.

Mr. Malunga responded that in terms of support it is useful to come up with frameworks that are relevant to the African context and to derive alternatives to those currently available.

Dr. Bryant asked him to tell those assembled about his use of the proverb about the Baobab tree, as he had told it to a Pact audience on the preceding evening. He did that (see box) and added that the knowledge needed could not come from one source or culture but only through all of us working together.

A participant from a law firm doing work for NGOs and PVOs questioned the distinction and the blurring of the two terms, noting that PVOs no longer occupy their special place within USAID. She then asked for clarification of the role of traditional PVOs.

“Knowledge is like a boabab tree—no one person alone can embrace its huge trunk.”

—African proverb

(i.e., many sources of knowledge are needed, and while much can come from one, the offer of extra hands is essential to encircle knowledge).

Mr. Hildebrand stated that the blurring of roles is one of the issues that makes everyone question the relevance of NGOs and PVOs. “There are many changes we have to keep abreast of,” he said, noting the importance of continuing to respond to evolving needs and changing roles. “If we’re relevant, it won’t be USAID that makes the difference in our lives,” he added. USAID is currently reexamining its mission and clarifying its role to be as useful as possible.

Mr. Brown said it is critically important to transfer ownership to people involved in development, identifying this as a major theme

“While it is real useful to have money, the critical issue is how to catalyze reorganization, how to change effectively and evolve into new systems for productive change. How do we evolve our organizations to be real catalysts for change grounded in the energies of civil society and not in the grants of government.”

—L. David Brown, Hauser Center for Nonprofit Organizations, Harvard University

of the panel (e.g., building an NGO network in Sudan, Katalysis' evolution into a southern-driven organization, OA reinventing itself to be a resource on international and national levels). He said the critical issue is how to catalyze reorganization and how to effectively evolve into new systems for productive change.

Ms. Jambo responded that her organization knows how to survive by sticking to its identity and vision as it works alongside others. Over the years, NESI-Network has looked for international donors with a similar vision and similar ideologies, which takes much research.

Dr. Bryant closed the two panels, thanking them for their – and the audience's – important work in reducing poverty and building a better future.

Summary

Drawing from their own organizations' experiences, the panel offered some solutions to challenges discussed in the first panel, highlighting the following themes:

- The importance and growing role of networks.
- The prevalence of conflict and its effects.
- The growing competition between northern and southern NGOs for scarce resources.