NGO Networks: Building Capacity in a Changing World

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EXECUTIVE SUMMARY

The strengthening of indigenous NGO networks is an important element of the strategic framework used by the Office of Private and Voluntary Cooperation within the United States Agency for International Development (PVC – USAID). The purpose of this study is to provide information, raise questions, and begin a conversation within PVC and the development community about networks, in the development context. There is a great need to learn more about networks and to test our assumptions and understanding of the contributions that they can make. PVC is interested in finding out if the office should continue to support the development and ongoing work of networks as a vehicle for building the capacity of individual NGOs. This study consequently focuses on the contribution of networks to building the organizational capacity of their membership.

Today, networks are a firmly entrenched facet of virtually every aspect of society and exist just about everywhere in the world. The utility of networks in the international development field has been well acknowledged by many donors, including USAID. PVC includes support for capacity building in networks as a component of its primary strategic objective to build capacity in civil society organizations and NGOs.

A variety of network sub-categories exists, including communities of practice, knowledge networks, sectoral networks, social change or advocacy networks, or service delivery networks, just to name a few. This variety points to the fact that networks are created for a variety of purposes and embody a variety of structures. They can be both informal and formal associations, and exist at the local, national, regional, and global levels. They are more than just a resource center for their members – most networks involve member collaboration and sometimes engage in mutual or joint activities.

Effective networks possess characteristics of strong social capital, leadership, governance and management, joint learning, and mutually beneficial partnership with donors. Effective networks have a diverse, dynamic membership and structure, and are committed to excellence and democratic decision-making processes.

 Network Formation

No formula exists for how and why network develops. Network formation can be instigated by external or internal sources, or for practical or value-based reasons. Networks can form either from the top down or from the bottom up. In fact, it is often a combination of all of these things that serves as the impetus for network formation. Networks evolve over time, and may vary considerably in the level of formality at different stages of their life cycles. While many networks gradually adopt more formal measures, this formality is by no means necessary for all. The structure that a network decides to adopt is shaped by the motivation and the way in which the network was formed, as well as the purposes for which it was established or evolved.

While many networks form with the intention of being sustainable in the long run, some networks form in response to a very specific stimulus and are designed to be time-bound. In order to ensure that they are being responsive to their members' needs, networks must constantly assess all elements of their functioning. If a network no longer meets the needs of

its members, participation will drop off, and the network will naturally cease to exist. We believe that considering the sustainability of benefits, such as the building of strong social capital, is a more useful concept to use in relation to networks than the sustainability of structure.

The Benefits of Network Membership

The benefits that are perceived to be associated with network are plentiful. Some of the most commonly cited benefits for network members are: increased access to information; expertise and financial resources; increased efficiency; a multiplier effect, which increases the reach and impact available to member organizations; solidarity and support; and increased visibility of issues, best practices, and underrepresented groups. Other important perceived benefits are risk mitigation, reduced isolation, and increased credibility, particularly for developing NGOs. There are significant risks to network membership as well, so NGOs that are contemplating participation in a network should undertake a cost/benefit analysis to determine whether or not network participation will meet their particular needs.

Networks in Fragile Environments

One largely unexamined category of networks is those that operate in fragile environments. Humanitarian emergencies, particularly those driven by conflict, break the bonds that have kept communities together and create environments where the trust that underlies social cohesion is destroyed as individuals and groups enter survival mode. However, effective networks in any environment can encourage the development of social capital. Effective networks can help to increase communication among various constituencies that may then buffer resistance to nationalist or extremist agendas. These productive elements of networks can be leveraged even further when networks are specifically geared toward conflict mitigation. Although most networks in fragile environments are not strong enough to significantly advance social change, they have the potential to do so with the appropriate resources and assistance.

The Impact of Networks on NGO Capacity

The contribution of NGO networks to building the organizational capacity of their members is complex and multifaceted. Essentially, the purpose of NGO organizational capacity building is to enable NGOs to be self-confident, independent, creative, and effective organizations that make a difference in the lives of the people, communities, and countries that they serve, as well as make a contribution to the thinking and practice in their fields. Network interventions take into account the entire organization and the context in which it operates, and recognize how changes in one part of the organization impact others. Organizational capacity building efforts appreciate that today's NGOs need a new set of core capacities, which can powerfully determine the future of the organization.

An effective organizational capacity approach for an NGO is comprised of the following elements: a purpose designed to improve the functioning of the organization, interventions targeted to the entire organizational system, the use of capable capacity building providers, the presence of learners who are in charge of their own learning, a focus on organizational change, and the employment of a wide variety of tools and mechanisms.

Standards for effective capacity building include considering the whole organization and taking a systems view of any intervention; treating NGOs as living, breathing organizations that need to be appreciated and understood in their own right, rather than viewed merely as conduits for programs of funds; finding ways to work with those organizations that have a more limited access to capacity building services in addition to those that always seem to be "first in line;" recognizing the power differential that exists when capacity building is linked to money and when the donor is the deliverer of capacity building services; understanding the history of the organization and its previous experience with capacity building efforts; and avoiding subjecting NGOs to interventions that may undo or undermine other capacity building efforts.

A Framework for Contemporary Capacities for NGO Excellence

We propose a framework for contemporary capacities for NGO excellence that includes both Standard and Generative Capacity categories. The Standard Capacity category includes the important areas of technical performance, internal organization, and external organization. Standard Capacities in the technical performance area of our framework most often cited by the network members participating in this study were the creation and dissemination of best practices, improved interventions and approaches, and project and program design. The capacity mentioned most frequently in the external organization area was the creation of partnerships, networks, and new linkages. Very few participants perceived that capacity was being built in the internal organization area. An exception was those networks in our study that were created by donor funding for the express purpose of capacity building.

The above performance areas are those typically represented in most of the frameworks that have been used by organizational capacity builders for many years, but they do not represent the whole picture. NGOs today must also develop a set of core Generative Capacities that will also impact the standard ones that they develop. These Generative Capacities include the ability to work across traditional boundaries, learn how to learn, lead in new ways, develop a systems view, access the potential of technology, act with agility, create the future, balance autonomy with interdependence, manage cooperation and competition, and align organizational form with purpose. Networks are ideally suited toward building these Generative Capacities. We have found that network members perceive that capacity is being built in these areas, regardless of whether capacity building is an intentional element of the network's mission.

Networks are, in many cases, ideally suited to promoting organizational change in subtle but important ways. We asked network staff to comment on the organizational changes that they have observed in their organizations that they perceive have been influenced by participation in one or more networks. In our survey, we asked respondents to select from a list of suggested changes the area in which they have seen the most change. The most common responses in the survey were, "collaboration and alliances: the way our organization works with other organizations and institutions for service delivery, capacity building, or learning," and "learning and innovation: the development and application of new ideas to our organization's operations and service delivery." We recommend a number of activities that can be undertaken if a network is interested in promoting organizational change in its members: bring in organizations that indicate a readiness for change; invite/encourage a broader base of participation from each member organization so that a critical mass is bringing back ideas and innovations; choose NGO staff as network members who are willing

and able to transfer the knowledge to others in their organizations; involve influential organizational leaders in the network and get their support for the time and energy that network participation takes; share the network's vision for being a catalyst for organizational change; and develop a clear strategic intention to be a capacity builder.

Characteristics of Networks that Build Capacity

We can identify four main characteristics of networks that build capacity. First, network members must be encouraged to "dare to share" (i.e., be confident enough in their work that they are willing to share it with others). This sharing can be facilitated by the creation of an open environment in which people are willing to analyze and learn from both successes and mistakes. Second, network members must have the capacity to fully contribute. This can be fostered by creating time and space for learning and reflection. Thirdly, network members must be committed. Strong commitment is naturally fostered when members make the priorities of the network match their own, and they see the network as adding value to their work. Simply raising awareness of the potential that members have in contributing to change in their organizations may help to strengthen commitment. Lastly, networks must possess the Generative Capacities identified in our framework if they are to be able to build these same capacities in their members.

Adjusting Donor Policies and Practices to Support Networks

There are a number of donor policies and practices that can help to strengthen networks in this regard. The donor-network relationship is a complex one, and when there is too much guidance and direction, networks can become detached from their understanding and appreciation of their own competencies. Networks are not institutions, and the same rules do not apply. Donors can help by de-linking networks from the formal project cycle. Networks take time to develop, and often funding is terminated just at the point when bourgeoning networks are beginning to come into their own. Donors would also be wise to let go of their customary results orientation when they support networks, and trust that they will do their jobs.

Donors can also revisit some of the traditional assumptions about networks. Our study shows that in terms of funding levels, support is needed for core funding and not just for projects. Often the things that network members value most in their networks are the things that take the most time to develop, but require the least amount of money. That being said, it appears that donor support is most crucial in the network startup phase, lasting approximately five years. After this point, many networks are able to find alternate or self-generated forms of funding. Donor assistance in referring networks to other potential donors would be another positive contribution.

Recommendations for Future Learning and Practice

There is much more to learn about networks and their potential as capacity builders, and ample room for further study on this issue. Additional, and more rigorous, studies should be undertaken to challenge the prevalent assertions in the field with longitudinal data. We propose that the focus of research be in areas such as the development of evaluation and assessment instruments uniquely designed for networks, the connection between network form and impact, the impact of the early impetus for network formation on what a network

achieves, and the potential benefit of networks in conflict prevention and management. We also advocate the promotion of learning and information sharing about networks by donors and practitioners. Finally, we suggest the formation of a community of practice devoted to learning about networks.

In conclusion, we make the following recommendations to PVC:

- Support research in areas that will benefit PVC and the development community.
- Encourage the development of networked approaches to learning.
- Fund and support existing networks.
- Recognize the special challenges of engineered networks.
- Encourage experimentation with various methods for building organizational capacity through networks.
- Encourage capacity building for network leaders and members.
- Be flexible with the funding of networks and offer long-term support where appropriate.
- Support the creation of a community of practice devoted to networks and capacity building in international development work.

Introduction

Purpose of the Study

In the last fifteen years, there has been tremendous network growth facilitated by the increasing availability of technology in even some of the most remote areas of the world. There is an assumption that networks have an important contribution to make to the strengthening of their members; however, there is little data to support this claim.

The strengthening of indigenous NGO networks is an important element of PVC's strategic framework. PVC is consequently interested in finding out if it should continue to support the development and ongoing work of networks as a vehicle for building the capacity of individual NGOs. This preliminary study has focused on how networks contribute to building the organizational capacity of their memberships.

The purpose of the study is to provide information and raise questions and to begin a conversation within PVC and the development community about networks in the development context. There is a great need to learn more about networks and to test our assumptions and understanding of the contributions they can make. We must clarify our thinking and define our terms so that we can make meaning of this complex topic.

We hope this preliminary study will facilitate the dialogue about networks and that it will lead to further research and learning that will inform PVC's strategic orientation and approach to building the capacity of NGOs.

This study was guided by the following research questions:

1. What is the impetus for network formation?
2. What benefits do members perceive to be associated with networking?
3. What role can networks play in fragile environments?
4. What is the perceived impact of networks on NGO capacity?
5. What factors characterize networks that build membership capacity?
6. Are there donor policies and practices that appear to contribute to or constrain network effectiveness, impact, and viability?
7. What are the gaps in our knowledge about networks, and what should be the direction of future learning and practice?

Structure of the Research Analysis

We first set the stage for the analysis by looking at the overall context in which networks have flourished in recent years, including the historical precedents for modern networks, the breadth and scope of networks, and the value of networks in the field of international development. We also look at the relationship of knowledge management to the proliferation of networks today. Since the term "network" can mean many things to different users, we take particular care to define our terms and elaborate the most common definitions currently in use in the field.

Following this contextual information, we examine the conditions under which networks tend to form, including external and internal impetuses and formation based on vision and values. We address the continuum of network evolution and discuss differences in networks that evolve organically versus those that are engineered with strategic intent. We also look at factors relating to social capital and network sustainability.

We then discuss the benefits of networks, drawing on responses from thought leaders and network members, as well as the literature in the field. We also address some of the potential pitfalls of networks, and advocate a cost/benefit analysis for NGOs considering membership and for donors considering support to them.

Following this, we take a brief look at the role that networks can play in fragile environments. We look at the particular assets and challenges associated with networks in these environments, and consider networks as possible mechanisms for social change and even conflict prevention.

We turn next to the issue of the impact that networks have on NGO capacity building. We first clarify what we mean by the term capacity building, and offer a new definition that addresses issues of purpose, target, provider, assumptions about learning, perspectives on change, and tools and mechanisms. We then call attention to the need for the development of standards of practice in the field, and propose some guidelines for opening a dialogue.

Next, we discuss the characteristics of networks that build member capacity. First, we make the case that today's NGOs need to possess a wide range of capacities in order to thrive, and provide a framework of contemporary capacities necessary for NGO excellence. Second, we look at the standard capacity areas typically associated with successful NGOs, offering a new category that we call "Generative Capacities," which are really the core capacities that today's NGOs need to have. We pay particular attention to the contribution that networks can make in building these Generative Capacities.

We then direct our attention to donor policies and practices that relate to network viability. We first address the characteristics of networks that make them attractive to donors, and then devote some attention to the amount of funding that networks really need, describing when and for what purposes they most need it. At the end of this section, we provide some recommendations for supporting networks in ways that support rather than constrain network effectiveness.

Finally, we consider the gaps in our current knowledge about networks, and suggest an agenda for future learning and practice. We conclude this study with a list of recommendations for anyone interested in supporting, forming, or participating in networks more effectively.

Methodology

This was an interview- and document-based analysis. Our approach made use of four major elements – a literature review, interviews of network staff and thought leaders, an online survey of network members, and a peer learning event. We also engaged in many informal dialogues on the topic.

The network staff members whom we interviewed were selected from a sample of ten networks in an attempt to represent the range of contexts, sectors, and organizational forms that currently exist. The selection of network staff members to interview was shaped significantly by ease of access, which took into account the brevity of the study timeline and the relatively small level of resources allotted. Consequently, not all of the networks included are indigenous, but we believed that it would be possible to extrapolate from these networks insights that would be applicable to indigenous NGO networks as well. It should be noted that some of the networks mentioned in this study, such as SEEP, CORE, and the Impact Alliance, although not indigenously founded, work with many local networks and NGOs overseas. In fact, the mission of the Impact Alliance is to link organizations looking for high-quality capacity building services with local organizations or individuals capable of delivering those services. Likewise, SEEP has invested substantial time and energy in supporting local microfinance networks through knowledge sharing, while CORE collaborates with local service providers and NGO networks. However, it is important to note that there are many networks to choose from, and a truly representative sample would require a much longer study with a broader scope.

The national-level networks chosen for this study were IMAC in Mexico, PROCOSI in Bolivia, NicaSalud in Nicaragua, and Pro Redes Salud in Guatemala. Each of these networks attended a conference on networking held in Guatemala in July 2004, and were interviewed during this time. SEEP and CORE are networks of US PVOs. Impact Alliance and the White Ribbon Alliance, while started by US PVOs, have global membership. The West African Peacebuilding Network (WANEP) is an indigenously founded network that is regional in nature, while Knowledge Management for Development (KM4Dev), based in Canada, is a global community of practice using knowledge sharing approaches to increase the effectiveness of development work and to nurture collaboration.

In each case, interviews were held with the Director, Coordinator, or other person in a position to represent the network, and network members were invited to respond to a brief online survey. The online survey of network members generated 101 responses. Because of the small sample size obtained for any particular network, we have aggregated the data in order to represent network members as a constituency. Erring on the side of caution, we are using the survey data only when it appears to support other insights and conclusions, and not as the primary basis for them.

Additionally, interviews were conducted with nine thought leaders to elicit examples, insights, and perspectives on whether and how networks build NGO capacity. The thought leaders interviewed are listed in the appendix. The thought leaders that we interviewed for this study were chosen for their expertise in research related to networks, or, in some cases, for their experience in working with some of the most cutting-edge networks around the world.

Finally, a peer learning event was held and attended by 20 participants, including USAID staff. A summary of the event is also included in the appendix.

Setting the Context: The Network Landscape

The Historical Precedent

Globalization and technological advances in recent years have led to a proliferation of networks on community, national, regional, and global levels. While the terms "networks" and "networking" are currently in vogue in a variety of disciplines, these concepts are nothing new. Networks, in one form or another, have been around for ages. In pre-agricultural societies, individuals formed communities, and one's contribution to the community depended on the utilization of the perceived strength of the individual. Hence, some people became hunters and others became gatherers, and the sum welfare and sustainability of the community was improved as a result. In the Middle Ages, the establishment of guilds provided a way of ensuring economic protection for producers and quality control for consumers that flourished into a norm for production. The guilds were self-sustaining and regulated, and membership was tightly controlled. As industry grew, guilds became highly specialized in town centers and began to establish standards of practice and to train apprentices in crafts or trades. In the nineteenth century, labor unions arose in cities as a way to cope with the new challenges of industrialization. Workers found support and protection in community and created a vehicle for social change advocacy that would improve their welfare. Today, professional associations are a vital way for members to stay up-to-date on research and current practices, as well as a means to help members obtain and retain credibility.

In each of these scenarios, networks arose as a mechanism for improving the welfare of the individual by simultaneously improving that of all members of the group. Working alone, the nomad, merchant, artisan, or laborer would have been limited in achievement to the skills and strengths that he or she possessed. Working together, however, these groups found that the whole could be greater than the sum of its parts when people utilized each other's strengths and took advantage of the opportunity to learn from one another.

These ideas have firmly taken root in the developing world. Originating in the communally oriented cultures that characterize much of the developing world, networks have been created to address a multitude of issues. Indigenous networks received a huge push in the 1960s with the hopefulness surrounding the Green Revolution, and have been bolstered in more recent years by the variety of international fora that have involved them in issues such as the environment, poverty reduction, international security, and inequality. In fact, the potential that networks have to contribute to lasting social change is perhaps most potent in those that operate in the development arena.

The Breadth and Scope of Networks

Today, networks are a firmly entrenched facet of virtually every aspect of society. We have entered the network age. Networks are being formed for a wide array of purposes and exist in the hundreds of thousands just about everywhere in the world. Limitless in their adaptability and applicability, networks are found in every field of human endeavor, from medicine, science, and research to the arts, entertainment, and education. Mulgan asserts that "the growing connectedness of the world is the most important social and economic fact of our times" (2004).

Today, ideas and inspiration can be transported across the globe as easily as money, goods or people. We are in a time of intense experimentation with new organizational forms. Our world is increasingly recognizing the importance of inter-organizational cooperation to solve some of the most pressing issues of our times. As Stephenson says, "Real problems do not come neatly packaged" (2004).

The rise of technology has been a crucial part of this network explosion. Communications and information technology have become more accessible and affordable in many parts of the world, and are connecting people across boundaries that were once thought impermeable (Creech and Willard in ICCO 2004). McCarthy, Miller, and Skidmore claim that we have undergone a fundamental shift "away from broadcast (one to many) toward conversational (many to many) models of communication" (2004). But technology is only a vehicle for people to do networking; the drive and the utility behind it is the required asset. Communications and information technology are making networking easier, but it is the growing recognition of the interconnectedness of the world that is making networks so attractive.

Networks in International Development

The value of networks has been long recognized in the international development field as well. This acknowledgement comes in part from drawing upon the local resources of developing countries, including the social capital that these countries possess. The UN Development Programme counts 20,000 international NGO networks around the world (2002). The World Resources Institute highlights their appeal, saying "[w]hen they work best, transboundary NGO coalitions can help to transcend issues of national sovereignty, reconcile North-South differences, and bring the attention of a world audience to important regional or local issues. In some instances, these coalitions have achieved successes that many policy experts would have deemed impossible" (http//pubs.wri.org/pubs_content_text.cfm?ContentID=1904).

The utility of networks in the international development field has been well acknowledged by many donors, including USAID. In its current five-year strategy, PVC includes support for capacity building in networks, along with its primary strategic objective of capacity building in civil society organizations and NGOs (USAID 2002). Network support is also a key element of its NGO Sector Strengthening cooperative agreements, and nine of the thirteen PVOs that were awarded agreements specifically mention networks in their project descriptions (USAID 2003).

The Knowledge Management Explosion

The proliferation of networks is closely related to the growing interest in knowledge management that has occurred over the last decade. Originating and typically associated with the business world, knowledge management is increasingly being utilized in the international development field. Knowledge Management for Development, one of the networks included in this study, describes knowledge management as an amalgam of four things: a concept, a business theory, a collection of technologies, and a philosophy. It describes the concept as "the way that organizations create, capture and re-use knowledge to achieve organizational objectives" (http://open.bellanet.org/km/modules). Knowledge is much more than information, and knowledge management goes beyond information sharing. Through the

process of sharing information, new ideas are born and knowledge is actually created. Knowledge and intellectual capacities are now recognized as strategic assets that are as valuable as more tangible ones (Allee 2003). The philosophy of knowledge management recognizes the importance of sharing experiences as well as information, values the experiences and resulting knowledge of developing communities, and is deeply connected to social learning. All of this is done in the context of horizontal, non-hierarchical relationships. For development practitioners, this approach is crucial to strengthening the partnership between practitioners and communities and equalizing relationships among them. Knowledge management as a philosophy also guides practitioners toward tailored, needs- and capacities-based approaches to development instead of one-size-fits-all methodologies (KM4Dev http://open.bellanet.org/km/modules).

An outgrowth of the knowledge management explosion has been the proliferation of communities of practice, a particular kind of network. Communities of practice are established with the primary purpose of sharing and managing knowledge, and they provide access to knowledge on a greater scale than would be possible for individuals or individual organizations. Today, communities of practice are found in nearly all disciplines and are highly valued for their accessibility, as well as their informality.

Definitions and Concepts

The term "network" is very expansive and encompasses a wide variety of sub-categories, including communities of practice, knowledge networks, lateral learning networks, and consortia, just to name a few. The word itself can mean many different things to many different people. Many network members and thought leaders with whom we spoke prefer not to quibble over terminology, but others have highlighted the struggle involved in attempting to use a "one-size-fits-all" term for such an expansive concept. After completing a study on networks, Church et al. write, "While it was not the intention of this research to put energy and time into 'typologising,' rather to investigate the challenges of our practice, it became clear early on in the research that we were and continue to be in a struggle with our definitions of ourselves. We have consistently come up against the question 'What, or who, is the network?'" (Action Research Group 5 Notes, 2001, in Church et al. 2003). Church says that "[w]e [need] an image and a concept to help us to differentiate the dynamics of a network from those of other organizational structures. One that reflects the interplay of relationship, trust, communication, and activity" (Church 2003).

Definitions Do Matter

It is essential to understand the contextual environment in which any network operates and to seek to know the perspective of its constituency. Any time that a person speaks of a network, his or her conceptions are shaped by the assumptions and prejudices that characterize his or her experiences with this topic. Karen LeBan of CORE explains, "Some organizations working together at the country level were worried about the use of the term 'network' as applied to them, often because of the risk associated with networks, loss of autonomy, responsibility and requirements of membership…" (interview August 6, 2004).

It is not our intention to definitively define what a network is, and that may not even be possible or necessary. Rather, we assert that we may not be speaking a common language when we speak of networks or different types of networks. Therefore, it is essential to understand the contextual environment in which any network operates and to seek to know the perspective of its constituency.

General Characteristics of Networks

Regardless of the diversity of current thinking about network terminology, there are some general characteristics of networks around which there is consensus. Networks are:
- **Created for a variety of purposes and embody a variety of structures** – Depending on what is perceived to be the optimal way to achieve a certain goal, the structure of a network varies.
- **Informal and formal associations** – Informal networks often arise in response to a specific case or situation, while formal networks form with explicit qualifications for membership and clearly articulated management and communication structures.
- **More than just a resource center for its members** – There is a great deal of variation in terms of expected member contribution and benefits. Though knowledge and information sharing are important activities of most networks, the core of the network is the relationships among its members.

Unlike national networks, global and regional networks provide an environment for information sharing, social exchange, relationship building, and even social action that is unrestricted by geography. Network members often represent the organizations with which they are associated. In other cases, the focus is on the individual, and the organization with which he or she is affiliated may or may not be known. Some networks are comprised of both organizations and individuals. Members are autonomous and usually share a common purpose or philosophy. While formal networks often have a paid staff or secretariat (often a lead organization) to help provide organization to the network, relationships within the network are non-hierarchical. It is important to distinguish the coordination function from the network itself. Most networks involve member collaboration to some extent and often promote mutual or joint activities. The benefits provided by membership in a network increase the value of the work done by each member.

Current Common Definitions

Though terminology does differ from network to network and author to author, there are a set of commonly used definitions that capture the essence of the myriad forms of networks in use.

Communities of Practice
Communities of practice are self-organized networks of organizations and individuals that share common work interests and practices. Communities of practice often start out as informal associations that provide a space for knowledge sharing and encouragement of new ideas. They may become more formalized over time as the perceived benefits of regular exchange increase. While often loosely structured, there is a certain amount of regularity inherent in the communication within communities of practice that differentiates them from general networking. Communities of practice generally do not engage in collective action so the motivation for participation is usually to build individual capacity for individual work (Wenger, McDermott and Snyder 2002; Alliance for Health Policy and Systems Research 2002).

Knowledge Networks
As the name implies, knowledge networks have a mandate to generate and disseminate information through lateral learning to the benefit of the network membership. Knowledge networks also encompass more specific networks that include an information-sharing component as part of its *raison d'Ltre*. Like most types of networks, knowledge networks can be either informal or formal, and the level of internal structure varies accordingly. Some originate spontaneously in response to a specific issue or need, while others are planned with long-term relevancy in mind. The latter type tends to be more formal in nature, with controlled membership and clearly defined infrastructure for management and communications. In many cases, formal knowledge networks engage in the formulation of joint research and aim to extend the knowledge dissemination beyond the network itself. In contrast to communities of practice, knowledge networks are purpose-driven and built on expertise rather than interest.

Sectoral Networks
Sectoral networks are organized around a specific sector, such as the non-governmental sector, the environment, or health. They are often donor-initiated. The activities of sectoral networks are directed toward enhancing public information and awareness of a particular sector. Sectoral networks are generally highly collaborative, and often involve advocacy, technical capacity building, joint research, and the development of standards (Goodin 2002).
Social Change or Advocacy Networks
Social change or advocacy networks, sometimes called alliances and coalitions, are created in order to advance the causes or interests of the network members, often with a specific goal in mind. Most often this goal is related to the social conditions in an area. In contrast to other types of networks, advocacy networks often engage governmental and inter-governmental entities directly, with the aim of producing a desired change. Membership is not limited to organizations, and the networks are often informal in structure (Goodin 2002; Nuñez and Wilson-Grau 2003).
Service Delivery Networks
Service delivery networks involve autonomous organizations that coordinate efforts in the provision of services, generally in the health and human services sectors. Although they are usually comprised mostly of NGOs, most service delivery networks are publicly funded. In terms of maximizing reach and impact, coordination of services in a network helps to increase efficiency, reduce duplication of efforts, and reduce competition.

Your View Depends on Which Mountain you Stand On

Our experience in conducting this research revealed little consensus on what constitutes a social change, or a knowledge or sector network, with even less consensus for regarding how communities of practice fit into the equation. A large part of the difficulty lies in the reality that networks are more defined by their attributes (see below) than by labels. The lines are simply not clear cut. What is important is not the label that a given network uses, but rather what it means by the label that it has chosen to describe itself. The label that is used reflects the user's perceptions of the network's character, formality, form, function, and purpose, just to name a few descriptors. The same label can be used in entirely different ways by different users – but as long as it reflects the users' understanding, it provides valuable information.

The State of the Art of Typologies

In addition to the different types of networks described above, there is a lot of innovative thinking around the very conception of networks. A number of authors have developed typologies that provide alternate ways of understanding networks and how they work. These typologies are rooted in the principles that make networks effective.

Ashman evaluates networks according to seven key characteristics: pre-existing social capital, strategic fit, donor relationship, leadership commitment, governance and management, mutual trust, and joint learning. For Ashman, effective networks are formed on

the basis of mutual trust created from a shared history; employ methodologies and goals that are of value to all members; manage their partnerships with donors, allowing donors to neither unilaterally set agendas nor shirk accountability; and have strong leadership both within the network and within its member organizations. Furthermore, effective networks are managed in ways in which control is shared and management coordinates activities so that all members are represented and have influence. Network members are connected to each other by ties of trust in both quality and carry through, and there is a commitment to learn together through the embrace of new experiences, activities, and partners (Ashman 2003).

Church et al. employ a different typology, which centers on democracy, diversity, and dynamism of networks. For them, effective networks are democratic when organizational structures promote non-hierarchical relations, access and participation is full and equitable, and decision-making processes are inclusive. Networks have diversity when the ideas and position of all members are reflected in network disposition and activity, and relationship building is a key component of network strengthening. Networks are dynamic when action is centered on established goals, coordination is responsive and effective, and there is a multiplier effect from activities (2003).

Nuñez and Wilson-Grau utilize the methodology of Church et al., and have added a fourth category, excellence, to explain that the effectiveness and efficiency of a network are derived from the quality of its structure, relationships, and processes. They assert that effective networks contain some mechanism for coordination and facilitation, manage relationships in ways that are horizontal and contextually relevant, and promote processes that bolster institutional and member capacities (2003).

By viewing networks through the lens of factors of effectiveness, as these typologies do, we see that network definition goes beyond labels alone. Any of these typologies can be used in a variety of ways – as a means to design and evaluate networks, or to assist donors with partner selection. These principles delineate the basic attributes required for effective network functioning.

Networks as Defined by Their Attributes | Don't Put Me in a Box!

Networks can be defined in at least three ways:
   (1) By purpose/goal
   (2) By structure
   (3) By geography (global, regional, national, local)

However, categorizing a particular network in these ways gives an incomplete view of the real picture, and many network members resist the attempt to affix any label to them. Most networks, in fact, possess attributes of several types of networks. For example, a network may form to effect social change by utilizing knowledge management. This blending effect was observed in each of the networks involved in this study. Instead of clamoring for a greater level of coherency according to terms about which there is no consensus, a more useful way to define networks is to describe the attributes that a given network possesses.

Networks or Networked Approaches?

Engel describes the difference between networks and networking well, saying, ". . . networking [is] more than simply working together – more than the mere collaboration of individuals and institutions on the basis of common interests. Networking has to do with achieving 'social synergy' …Networks represent 'communities of ideas,' a space for like-minded people to interact on the basis not only of common interests but of conflicting ones too, building mutual trust and learning to accommodate each other's needs . . ." (Engel in Karl 1999).

We are fairly parochial and narrow in our understanding of networks. Most often they conjure up in our minds a very distinctive organizational form. In reality, networks take on many different forms. Many of our interviewees found it helpful to speak not just of networks, but of networked approaches. The first usually conjures up some organizational entity. The second is a way of designing processes, often for the purpose of learning. Iain Guest points out that even "solo" groups form many partnerships and that, in many ways, it is the process of networking that is much more of a misunderstood challenge, which surpasses the importance of the entity (interview, September 22, 2004).

Network Formation
Under What Conditions do Networks Tend to Form?

External and Internal Impetus for Formation

There is no set formula for how or why networks develop. The impetus for network formation can come from external or internal sources, and can be practical or value-based. Furthermore, networks can be formed from the top down or the bottom up. The motivation and way in which a network forms has a great deal to do with both the purposes for which it is established or evolved and the resulting structure that the network decides to adopt. Though networks certainly evolve, the early impetus for network formation often has a lasting influence on them.

➢ *Top-Down Formation*

Top-down formation usually occurs when the impetus for the formation of the network originates with a donor. Top-down networks tend to group together heterogeneous organizations. The UNDP notes that top-down formation often combines northern "supporters" and southern "beneficiaries" (2000). Whereas previously informal networks often arose in an organic and almost unintentional manner at the local level, current trends show an increasing level of support for top-down formation. Reasons that donors find the creation of networks appealing will be addressed in more detail later in this report.

➢ *Bottom-Up Formation*

More common are bottom-up networks, which are traditionally informal and created to meet a specific need or achieve a specific purpose. Prewitt specifies that such networks are generally not the result of donor interests but rather an autonomous process in which groups of individuals or organizations form around a base of similar activities (Prewitt 1998). A bottom-up formation does not necessarily mean that the impetus for formation has not arisen with a donor, however. In many cases, organizations may decide to collaborate in the form of a network in order to become more attractive to donors. In any case, members in a network that has formed from the bottom up are working together out of their own volition. Sam Doe of WANEP referred to this as a "coalition of the willing" (interview, August 19, 2004), and this description is one of the most fundamental characteristics of bottom-up networks.

➢ *Formation as a "Compensatory Mechanism"*

Both Prewitt and Ashman refer to general economic and/or institutional conditions that may act as an impetus to network formation. In his case study of African networks, Prewitt characterizes the development of many of these networks as resulting from the institutional crisis in the African public sectors during the 1980s. Similarly, Ashman points out that as civil society organizations face increasing financial uncertainty and as government services are decreased, networks often form to provide services no longer provided by civil society

organizations or governments (Ashman 2000). Thus, networks are often "compensatory mechanisms" created to fill gaps (i.e., in service, information, and organization) left by a weak or debilitated civil society or government (Prewitt 1998). Furthermore, Creech and Willard speak of a sense of urgency that arises from the increasing recognition that "the growing complexity and interrelatedness of major social, economic, and environmental problems and the failure of some of the narrow approaches to solve issues like HIV/AIDS, environmental degradation, and poverty alleviation makes multi-stakeholder and widespread learning unavoidable and highly needed" (ICCO 2004). These ideas were also reflected in our conversations with thought leaders and network representatives, and are especially relevant to networks with a service delivery component. As Eric Skarr points out, when the bureaucratic hurdles are high within organizations, it is often easier and more pragmatic to go outside of the usual avenues for getting things approved and done. If two organizations located in the field can get something accomplished without having to go through the red tape, they do it – and networks may be the means to do so.

Vision and Values in Network Formation

When the impetus for network formation is internal, there are a number of practical and vision- and value-based reasons that make it attractive to organize a network. Clearly, many NGOs are well aware of the concrete benefits afforded by membership in a network, but there are some less obvious reasons that networks are formed as well.

1) **Donor Attraction** – NGOs are aware of the growing attention that donors are paying to networks and often believe that creating or belonging to a network will create access to new donors and lead to additional funding opportunities (Beryl Levinger, interview, August 20, 2004; Darcy Ashman, interview, July 12, 2004).
2) **Increasing the Profile or Legitimacy of Member NGOs** – Belonging to a successful network that plays a prominent role in a sector can increase the profile or legitimacy of NGO members by conferring status and creating a platform on which members can be seen and heard.
3) **Expanding Opportunities to Start Projects** – Network formation may allow an NGO's members to begin projects more quickly without facing dozens of administrative hurdles, to improve cost efficiency, and to create access to communities where access for outsiders may be limited (Leach 1997).

Another more vision- and value-based reason for network formation includes the desire to participate in something that will have an impact on an important issue, such as HIV/AIDS, or to gain influence in the civil society arena. At the same time, this is not an either/or type of distinction. Many networks, such as the White Ribbon Alliance profiled in this study, formed out of the practical realization that their interagency group's efforts to reduce maternal mortality were not effective. The network formation was grounded in the vision of a world in which childbirth is not a potential death sentence and women's' lives are valued (Theresa Shaver of White Ribbon Alliance, interview, August 12, 2004).

When asked what made it the "right time" to start up a network, several of the network representatives mentioned the need to fill a void and said that the anticipated benefits outweighed the potential risks (Karen LeBan and Lynette Walker of CORE, interview, August 6, 2004; Sharyn Tenn of SEEP, interview, August 2, 2004; Theresa Shaver of White

Ribbon Alliance, interview, August 12, 2004). In some cases, the impetus for network formation originates simultaneously from the external environment and from within the group. For example, the impetus of the IDB Youth Network (a network not included in this study) came from twelve youth leaders who had attended a meeting of the Inter-American Development Bank in Jerusalem in 1995; the impetus for the Impact Alliance came from the vision that PACT held for connecting a global network of local capacity builders so as to not underutilize local resources for development in favor of northern expertise; and the impetus for the West African Peacebuilding Network came from the passion shared by two young African men who saw a network as a means to harness peacebuilding initiatives and to strengthen collective interventions that were already bearing good fruit in Ghana, Liberia, and Sierra Leone.

Method of Network Formation as an Indicator of Sustainability

While any number of reasons for network formation are equally valid and useful, the specific reasoning and methodology behind the formation of a given network has a strong impact on its sustainability. Many thought leaders agree that, in general, <u>networks that are formed as the result of external, especially donor-driven, impetuses are less sustainable in the long term than networks that evolve organically out of existing partnerships</u> (Beryl Levinger, interview, August 20, 2004; Darcy Ashman, interview, July 12, 2004; David Brown, interview, August 18, 2004; Iain Guest, interview, September 22, 2004*).* A prime example of this lies in the South African experience with networks. During apartheid in South Africa, many donor-created institutions were encouraged because donors did not view the government as a viable partner. After the end of apartheid, however, donor organizations began to partner with the government and many of the institutions that were created lost the majority of their funding. Of those institutions that remain, many have had to significantly change their missions (Beryl Levinger, interview, August 20, 2004).

Networks that form organically out of internal impetuses tend to be more sustainable in the long run. This is because they are built upon a foundation of social capital that is grounded in the presence of existing relationships. Definitions of social capital abound, but each is rooted in the relationships between people and organizations. The term originated with sociologists and political scientists to complement the more traditional notions of capital related to physical and human capabilities. A commonly used definition is that of Woolcock, which describes social capital as "the norms and networks that facilitate collective action" (in Malik 2002). Social capital relies on interconnectedness and social cohesion, and engenders the trust, reciprocity, and cooperation that are required for effective collaboration. In any form, networks both rely on social capital and contribute to its development.

The Evolutionary Paths of Networks: What do They Look Like?

How a network evolves from the initial impetus for formation can vary from organic to engineered. In general, the literature suggests that networks that involve a strong passion, interest, or need on the part of its potential members are in a better position to weather the ups and downs of its life cycle and to grow and flourish than those that do not. The term "engineered" refers to networks that are set up in response to donor funds. While we realize that "engineered" can possess a negative connotation, this does not always have to be the case if the approach used to establish the network builds ownership and if the network connects directly to the interests and concerns of potential members. The IDB Youth

Network above is a prime example of this, having been "engineered" by the IDB but in response to the strong interest from youth in the region, which helped to develop it.
Evolution as a Continuum

While some networks are best suited to maintaining informal structures and associations, others become more formalized over time in response to the changing needs of their members. Karl cites the desires to ensure participatory relationships and accountability as the primary reasons for pushing an informal network toward a more formalized structure. Often this need arises as membership in the network expands and finds it necessary to create specific mechanisms for participation in decision-making.

The following characteristics mentioned by Karl indicate a more formalized network:
- Establishing regional offices
- Holding regular meetings
- Creating ad hoc committees or focus groups for more focused work
- Creating advisory groups (1999)

Results from a Survey of Networks

On a continuum of informal to formal structure, it is interesting to note that <u>nine of the ten networks we studied fall somewhere between the mid to formal end of the continuum</u>. Most of these networks have secretariats, employ paid staff, and actively facilitate relations within the network. This finding is not surprising since, overall, our tendency in the international development arena is to err on the side of more rather than less structure. Networks that have a service delivery function such as NicaSalud, for example, frequently need more structure to be effective and efficient. Donors often require more structure as they ask networks to provide assurances that they are able to handle funds. Also, the cultures in which networks exist often impact the organizational formation of networks, as they usually replicate the organizational forms that are prevalent. For example, WANEP has noticed that its national level networks in Francophone and Anglophone West Africa differ from each other in the way that they are structured, with significantly more centralization in the former. And finally, in spite of the plethora of new organizational forms that are being tested, we are still most comfortable with structure that we can see and understand.

While it was noted above that networks often become more formalized as a way of preserving equitable participation and relations, the use of more formal structures, particularly in governance, may serve to consolidate or create hierarchy where none previously existed. Mulgan elaborates, ". . . some of the characteristics of networks – their reach and exponentially rising value – have led to greater not lesser concentrations of power and have reinforced some hierarchies. The key characteristic of hierarchies is concentration: concentration of resources at the points where it can make most impact, and concentration of control over resources that others need . . ." (Mulgan 2004). Networks must take particular care to ensure that increased formalization takes the form of mechanisms that support democratic decision-making and relationship building, rather than take away from it.

Examples of Network Formation

CORE

CORE formed in response to a donor and, initially, anyone who received a Child Survival Grant from USAID was a de facto member of the network. As relationships deepened, many of the members felt that they would derive more benefit out of forming a collaborative body and leading their own capacity building. They sought assistance from USAID to do this. Many years later, CORE became a registered nonprofit as a dues-paying membership association. With that formalization came regulated membership for which interested organizations must meet a high threshold and be approved by the other members. During a two-year transition process, the network members created bylaws and application procedures that culminated in the 502c(3) status that CORE obtained in 2001. During this process, the work itself did not change and active members did not experience much of a shift at all. The increased formality, however, responded to members' desires to institute more measures of accountability, and created an environment in which they had more ownership over their work (Karen LeBan and Lynette Walker of CORE, interview, August 6, 2004).

The White Ribbon Alliance

The White Ribbon Alliance (WRA), which was actually launched at a CORE workshop, began very informally out of an existing working group, and experienced rapid growth. WRA decided to institute more formalized structures, including a secretariat, in order to facilitate information sharing. WRA sees its evolution as a four-phase process: (1) a beginning period of mobilization in which awareness was raised and interest explored; (2) a period of foundation building in which shared vision, goals, and governance structure were agreed upon; (3) a period of continuous improvement in which adjustments were made according to lessons learned; and (4) a sustainability phase, in which financial and programmatic goals take a more long-term perspective (WRA 2003).

NicaSalud

The NicaSalud network arose as a donor-instigated project to provide health services to the population affected by Hurricane Mitch. As the network evolved, it created an organizational architecture that has allowed it to remain relevant after the crisis. This structure combines a regional subdivision and a grouping around topics of high-priority interest to its members. Each of the three sub-networks operates autonomously, but is in close contact with the larger NicaSalud. By accounting for different needs and interests at the regional level versus the national, the level of coordination for intra-regional interventions has increased and there is greater cohesion and consolidation at the network level (Fernando Campos Ordeñana of NicaSalud, interview, July 14, 2004).

Though the above examples illustrate the institutionalization of some networks over time, not all networks move toward having formal bylaws and membership requirements. KM4Dev, for example, continues to operate very informally, but facilitates the network and holds face-to-face events for its members in different places each year. A core group of facilitators is comprised of individuals that responded to a general solicitation for volunteers. This more

informal network works well for the knowledge management purposes that unite its members, and there is no need for it to become more formal.

There is no single path or blueprint for networks to follow as they grow over time. There is an incredible amount of diversity among the networks we studied in terms of organizational form, leadership, and governance structure. It is clear, however, that form must follow function if the network is to be effective and sustainable. Whether a network prefers to develop in ways that metaphorically resemble a spider web, knot, or spokes of a wheel, it is essential that careful consideration be given to establishing the structures that will best support the goals behind the intentions from which it was formed.

Network Sustainability

Are There Predictors?

As noted earlier in the discussion of typologies, there are a number of ways to evaluate the effectiveness of networks, and, obviously, networks that are effective are sustainable. In addition to possessing the characteristics of strong pre-existing social capital, strategic fit, donor relationship, leadership commitment, governance, management, mutual trust, joint learning, democracy, diversity, dynamism, and excellence cited by the authors above, we can highlight a few principles that can help predict a network's chances of achieving sustainability:

TRUST
Trust is an essential element of any sustainable network. It has been noted previously that pre-existing social capital provides the best framework from which to launch a network, and the reason for this lies in the trust that develops from a history of effective and fair partnership. Stephenson elaborates this concept eloquently, saying that, "[r]eciprocity is key to the power of networks, exerting a governing logic over them – the alchemy of mutual give and take over time turning into a golden trust" (2004). Trust is fostered and facilitated by strong network leadership, and, as Church et al. say, ". . . provides the glue that allows control to be relinquished into the hands of those [that] will act in the best interests of all" (2003). Trust can be developed in many ways, including through face-to-face meetings, long-term commitment by members, and respecting diversity (Church et al. 2003). By the same token, diminished trust can be a byproduct of poor governance or an insufficient governance structure. It is important that these issues be addressed in the formative stages with very clear mechanisms established, especially with respect to dealing with times of transition.

ADAPTABILITY
Effective networks are adaptable to the changing contexts and needs of their membership, and are thus more sustainable. Pinzás and Ranaboldo state it well, saying that " . . . the more networks understand and effectively develop themselves as spaces for innovation, experimentation and learning . . ., the more successful they are in continually renovating

and revitalizing themselves within an ever changing development context and hence, ensure their pertinence" (in ICCO 2004). Gilchrist says the same, saying that "[w]ell functioning communities possess a range of capacities for absorbing or adapting to change, managing internal tensions and generating (and dissolving) a variety of forms for collective action" (2004).

LEADERSHIP

Leadership as a key indicator of sustainability came up repeatedly in the literature and in our interviews. It is important to clarify, however, the type of leadership that is needed in networks. Skidmore points out the difficulty, saying, "[n]etworks challenge our conceptions of leadership, which too often are still rooted in an outmoded 'great man' theory that mistakes the formal authority of status, rank or station with the exercise of leadership" (2004). Our conversations with WANEP elicited the same response. Emmanuel Bombande offered that leaders of networks need to be prepared to work in a different way to be able to handle the non-hierarchical nature of the relationships (, interview, August 13, 2004). Skidmore offers a new concept, that of "leading between," to describe the type of leadership by facilitation rather than dictation that networks need. He asserts that "[n]ew network-based ways of organizing social and economic activity will only thrive if we can evolve new models of leadership that embrace the distinctive 'organising logic' of networks, and do not seek to apply an old set of principles in an environment that has been dramatically altered. We must learn what it means to lead effectively not just within individual organizations, but across the networks of which they are part. 'Leading between' will be the new leadership imperative of the coming decades" (Skidmore 2004).

Skidmore points to six essential roles of network leadership:
1) Leading from the outside in
2) Being cognizant of the external environment and seeking ways to adapt accordingly
3) Mobilizing energy from the power source of network members
4) Fostering trust and empowerment
5) Coaxing members out of their comfort zones
6) Viewing themselves as "lead learners" in the network; and nurturing other network members to become leaders in their own right (2004)

IMAC highlighted the importance of having motivating leadership charged specifically with promoting the exchange and learning among members and giving support and follow-up (Jennifer Morfin of IMAC, interview, July 14, 2004). WANEP, too, mentioned the importance of strong leadership that is based on communication and consultation. In comparing the effectiveness of various national networks that comprise WANEP, Sam Doe cited the leadership in each country as a crucial factor of its performance. He says quite simply, "Where ownership was translated to members, the network became successful; where ownership was centralized, the network struggled and sometimes failed" (interview, August, 19, 2004).

Sustainability of Benefits is More Important Than Sustainability of the Organization

David Brown claims that "One of the important skills in building a network is knowing when to celebrate victory. There is a knee-jerk reaction on the part of NGO supporters not to want to put an end to a network" (interview, August 18, 2004). Sarah Earl mentioned the same

thing, claiming that the word "sustainability" has become a mantra, but that we do not really know what we mean by it. Sustainability is not always the goal and some networks are very time bound (interview, August 17, 2004). Iain Guest believes we have a hang-up with sustainability, noting that the nature of civil society is to ebb and flow. Drawing on his own experience in working with network partners, he notes that just because a network disappears for a few months, it is not necessarily dead, but may have gone into "cold storage" until it reemerges again in another form (interview, September 22, 2004). When a network is formed with a particular goal in mind, what happens when the goal is achieved? Karl points out that the light structure of many networks allows those that have been formed for short-term purposes to disband relatively easily. When a network no longer meets the needs of its members, participation will drop off and the network will naturally cease to exist. At that point, members must make the crucial decision of whether it is time to adjust and adapt, or to call it quits. For this reason, we believe that sustainability of benefits, such as the building of strong social capital, is a more useful concept to use in relation to networks rather than sustainability of the institution.

The Benefits of Networks
What benefits do members perceive to be associated with networking?

Why Talk about Benefits?

In highlighting the value of networks earlier, we mentioned a number of general perceived benefits that make networks attractive to both NGOs and donors. It is important to reinforce, however, the fundamental voluntary nature of network membership. If members do not benefit from participation, they will cease to participate, and if the feeling is widespread, the network will cease to function. Recognizing the concrete benefits that members receive from network membership is therefore a crucial tool for members and leadership to use to evaluate how well the network is functioning (i.e., meeting its members' needs).

Most Commonly Cited Benefits for Members

Keeping the above in mind, we turned a keen eye to what the literature and our networks say about the benefits to members of networks. While it would not be possible to present an exhaustive list (and indeed, there may be no limit to the benefits possible as contexts and tools change), we can point to a number of benefits that both the literature and the networks cited as most useful.

1) **Increased Access** – One set of benefits to network membership comes from increasing access: to information, expertise, financial resources, etc.
2) **Increased Efficiency** – By leveraging their numbers and allowing for some specialization based on comparative advantage, network members can reduce costs, as well as duplication of efforts. At the same time, the sharing of lessons learned and best practices can keep NGOs from reinventing the wheel every time they undertake new activities.
3) **A Multiplier Effect** – Network membership can achieve greater accomplishments through utilization of the multiplier effect, which is created by effective networks. As mentioned earlier, since the value of the network is greater than the sum of its parts, individual member NGOs can achieve farther reach and greater impact in relation to their own organizational goals when they participate in networks. When one considers the reality that many NGOs belong to several different networks, it is not difficult to see how this multiplier effect can benefit NGOs on a variety of levels.
4) **Solidarity and Support** – Interestingly, several authors mention the development of a sense of solidarity and support as an important benefit that NGOs receive from their participation in networks (International Council of AIDS Service Organizations 1997; Nuñez and Wilson-Grau 2003). However, this idea did not come up during any of our interviews with network representatives or in the survey responses.
5) **Increased Visibility** – Increasing visibility of issues, good work and best practices, and contributions of underrepresented groups (such as youth or rural women) was mentioned quite often as a benefit during our communication with the networks. However, this idea appeared less frequently in the literature we examined.

Less Cited Benefits

All of the benefits mentioned above resonate with the international development community's expectations of the benefits effective networks offer, but we discovered that there are a number of less thought-about benefits that are equally important.

1) **Risk Mitigation** – This benefit did not come up in our communication with the networks. Levinger and Mulroy maintain that partnerships mitigate the risks associated with development projects by supplying diverse skills, contacts, and experiences, which in turn allow organizations to become more adept at responding to changing environments (2004). Perhaps the reason that risk mitigation did not come up in our communication with the networks is that too often risks are seen as something to be undertaken as a prerequisite for joining a network. It is possible that risk mitigation has not been adequately considered as a possible motive for network membership or formation.
2) **Reduced Isolation** – Another less commonly considered benefit that came up in our communication with networks but not in the literature is that of reduced isolation. Through networking, individuals, NGOs, and communities in even the most remote of locations can tap into the resources, ideas, and inspiration of a global civil society.
3) **Increased Credibility** – Since many types of networks have some form of regulated membership, participation in a network can open doors for developing NGOs to both the policy and donor communities. This association assures other NGOs and networks considering partners that the NGO will be a capable contributor to a partnership.

The Need for Cost/Benefit Analysis

Although networks possess tremendous potential to benefit the NGOs that participate in them, they are not the answer to every development challenge. Gilchrist shares some cautions lest we become too naive or overzealous in our praise of networks. She points out that " . . . skeptics have raised issues around the social capital approach to strengthening communities, pointing to inequalities operating within networks and arguing that norms can be oppressive for some, while empowering for others" (2004). In a similar vein, Miller points out the downside to networks, saying, "Accountability, for example, is often messy in networks, not easily corresponding to conventional ideas of due process or democracy. The qualification for inclusion in a network is enthusiasm and a willingness to work with others, but this can develop to a point where the people who are the most enthusiastic and most connected . . . can dominate" (2004). These and other cautions must temper our enthusiasm for networks and suggest that reliance on the principles of effective networks is essential not only when starting a network but also when selecting in which networks to invest. It would not be difficult to inadvertently end up with unintended consequences by supporting a network that accentuates power imbalances already in existence, or fosters other inequities.

It is essential for NGOs that are contemplating starting or joining a network to undertake a cost/benefit analysis to determine whether or not the network will meet their needs. The risks involved in network participation differ depending on the type of network being considered. Networking in itself carries certain risks on a continuum from low to high. At the low end, NGOs encounter risk when they decide to share information with others, and the risk increases when they decide to engage in temporary joint action. At the high end of the continuum is long-term member association in a network with a representative body or secretariat. In formal networks, some measure of individual member autonomy can be

sacrificed (Peer Learning Event, 7/22/04). NGOs considering network membership must also be honest and realistic with themselves about the degree of interdependence that they are willing to accept. Many organizations are willing to engage in more informal, sharing relationships, but may be reluctant to cede any autonomy through a formal network governance structure if there is no history of working together and little or no social capital built.

Other problems may arise with networks. One is that, if poorly constructed and managed, networks can create more work than they reduce, and thus fail. Another potential problem is that members can suffer a loss of identity if they feel that they are not represented sufficiently in the network. A related concern is the potential for misrepresentation if the leadership or certain members speak for the network inappropriately. Along the same line, networks that face this problem may not build the capacity of members to speak for themselves. Finally, placing attention at the network level may take some attention and energy away from the grassroots or local levels.

Networks are clearly not the automatic solution for development needs in every context. With sufficient support and careful attention to the potential pitfalls described above, however, it is possible to take advantage of the diversity and flexibility inherent in networks and construct them in ways that will maximize the potential for achieving real benefits.

Networks in Fragile Environments
What role can networks play in fragile environments?

A Definition of Fragile Environments
As articulated earlier, network formation and development is shaped considerably by the context in which the need arises, and it is not possible to apply a cookie-cutter model of network development that will work in all environments. Nowhere is this clearer than in the consideration of networks in fragile environments. By fragile, we mean most particularly *environments that are plagued by conflict, in transition, or are post-conflict*, although there are a number of other factors, such as famine or natural disaster conditions, that may render an environment fragile for a more limited period of time. To date, little research has been done that has specifically examined the role of networks in fragile environments, yet there is no question that characteristics of these environments may help and hinder network formation and development. We would like to offer some limited comments on networks in fragile environments, while also calling for targeted research in this area.

Social Capital: How Important is It in Fragile Environments?

This study has already highlighted the importance of social capital in the effective functioning of networks. Where there are high amounts of trust, respect, and transparency among actors, the networks that form out of these bonds are almost always more effective than those that have been engineered. Successful networking, however, leads to the trust, respect, and transparency that form the backbone of social capital. The question remains then: is social capital a prerequisite or an outcome? We believe that it is both. Numerous studies and thought leaders have expressed the importance of social capital to network formation. And as one thought leader, Iain Guest, emphatically declared, "Social capital is an inevitable, irrevocable, and irreversible output" of successful networks (interview). It is the latter point which makes the case that even networks that are initiated by external forces, such as donors or international organizations, or what we have been calling "engineered" networks, have the potential to be quite effective. The difference is that a great deal of care must be taken to foster and develop social capital where it is not already in abundance.

This reality is of extreme importance when addressing network development in fragile environments. As Alison Gilchrist explains, "[w]ell functioning communities possess a range of capacities for absorbing or adapting to change, managing internal tensions, and generating (and dissolving) a variety of forms for collective action" (2004). In fragile environments, communities are anything but well-functioning. Humanitarian emergencies, particularly those driven by conflict, break the bonds that have kept communities together, and create environments where the trust that underlies social cohesion is destroyed as individuals and groups enter survival mode. When conflicts contain an ethnic, political, or religious dimension, very often societies become stratified along those divisions. This trend can continue long into transition and post-conflict stages. At the same time, in fragile environments, people often face a common threat and may seek safety in numbers that results in greater, not lesser collaboration (Iain Guest, interview, September 22, 2004). There are numerous examples of networks around the world that have been able to continue

functioning throughout periods of great conflict, and have been the first to start the rebuilding process when the community moves into a post-conflict stage. In any fragile environment, however, the networks themselves are very fragile (Iain Guest, interview, September 22, 2004; Theresa Shaver of WRA, interview, August 12, 2004), and particular care must be taken to support these networks in the best way possible.

The Importance of Networks in Fragile Environments

Networks take on a dimension of extreme importance in fragile environments because the voids left by weak, corrupt, or nonexistent governments create numerous situations in which collaboration is essential for social change (Advocacy Project website). In precisely these environments, however, networks often have a hard time flourishing because of the absence of strong social capital (Sarah Earl, interview, August 17, 2004). Oftentimes, the networks that exist in fragile environments are donor-inspired and created to operate temporarily during a crisis situation. As a result, these types of networks may not have any real constituent base on which to operate effectively (Beryl Levinger, interview, August 20, 2004). There is a real danger that, if not supported in the development of social capital and effective network governance, networks in fragile environments can be used as a platform for a particular political leader or group (Emmanual Bombade of WANEP, interview, August 13, 2004). Increased communication through globalization can provide another threat when it results in institutionalization of radical groups or destructive societal elements (Ivanov 1997.) Interestingly, Ivanov points out that while it appears that informally structured networks may be received more favorably in fragile environments, evidence from a study of NGOs in the former Soviet Union shows otherwise. He states, "[i]informal networks and isolated [NGOs] are more vulnerable to maltreatment and even persecution than the politically connected and firmly institutionalized networks with formal structure, and especially early warning [NGOs] collaborating with the governmental agencies on a permanent basis" (1997). This is yet another reminder that networks in any environment, and particularly fragile ones, must be responsive to the unique context, including all of the challenges and opportunities that the context presents.

Networks as a Conflict Prevention Measure

There is a great deal of anecdotal evidence that networks in fragile environments can serve as a conflict prevention measure. The diversity, transparency, and trust that underlie effective networks can help to increase communication among various constituencies that may buffer resistance to nationalist or extremist agendas. These resources can be leveraged even further when networks are specifically geared toward conflict mitigation or peacebuilding.

Peacebuilding networks have flourished around the world and exist at local, national, regional, and global levels. One of the networks in this study, WANEP, provides a strong example of a peacebuilding network that operates at the national and regional levels. WANEP's experience has shown that its national networks are stronger and more effective in countries that are in or have recently emerged from active conflict. Because the threat is so potent, peacebuilding takes on a priority and relevance that has been more difficult to generate in other states that are immersed in more muted or submerged conflicts.

There are numerous global networks that support peacebuilding undertaken throughout the world, such as the Alliance for International Conflict Prevention and Resolution and Women

Waging Peace, just to name a couple. These networks serve as a vital source of knowledge generation, advocacy, and support for peacebuilding that helps to reduce isolation and connect peacebuilders globally. One study of peacebuilding has shown that, in general, NGOs that are oriented toward conflict prevention are "as a rule, disconnected and under-resourced" (Ivanov 1997). Networks can play a valuable role in leveraging resources, bridging gaps, and strengthening communities in fragile environments that should be encouraged and supported. An added advantage cited by Ivanov is that peacebuilding networks are in a prime position to serve as early warning advocates, and may be able to draw attention and resources to help stem conflicts before they become tragic (1997).

Networks as a Stabilizing Influence

Local level networks in fragile environments can also be a stabilizing influence and build on existing social capital to provide avenues of communication for various stakeholders, even when not specifically formed for conflict prevention or resolution. One such powerful example of this is found in a multilaterally supported project in Macedonia called the Partners for Economic Development in Macedonia (PRiSMa). PRiSMa began in 1999 and fostered partnerships among local government officials, businesses, trade unions, civil society organizations, and traditionally marginalized groups such as women, ethnic minorities, and the disabled. These groups aimed to improve social capital. When escalating near-war tensions in 2001 resulted in the US Embassy ordering the departure of all American citizens, PRiSMa continued to implement its activities and was able to withstand the fragile environment. An evaluation of its success found that the multi-stakeholder formed implementation teams had built up enough social capital prior to the outbreak of war to air grievances, find constructive ways to work through a shortage of resources, and weather conflict by building a sustainable local community development strategy. The PRiSMa processes thus provided a neutral forum in which community members could meet in a positive atmosphere to work past ethnic and religious divisions to focus on the common issue of job creation and economic development (Information provided by Christina Thomas).

The Potential of Networks in
Fragile Environments

There is a great potential for networks in fragile environments to have significant impact in advancing social change and possibly even in preventing or mitigating conflict. It is clear, however, that most networks in fragile environments are not currently in a position to do so effectively. A great deal of support is necessary to provide networks in these environments with the resources, training, and knowledge sharing that will enable them to first function effectively administratively and organizationally, and then to effect change in their communities (Iain Guest, interview, September 22, 2004; Ivanov 1997).

Impact of Networks on NGO Capacity Building
What is the perceived impact of networks on NGO capacity?

Setting the stage for later discussions requires an understanding of the current state of NGO capacity building. This section first looks at current assumptions about NGO capacity building. It then presents a new definition of effective capacity building by offering a Framework of Contemporary Capacities for NGO Excellence emerging from our interviews and discussions with network members and thought leaders. Finally, the central, core question of this study is tackled – What is the perceived impact of networks on NGO capacity?

NGO Capacity Building: Still Hazy After All These Years

In the UNDP published *Capacity for Development*, the authors state that despite an almost constant reassessment over the last two decades of technical cooperation triggered by on-going concerns over its effectiveness, the macro impact of technical cooperation on developing national capacities remains worrisome. Technical cooperation is still frequently criticized for undermining local capacity, distorting priorities, choosing high-profile activities, fragmenting management, using expensive methods, ignoring local wishes, and fixating on targets (Fukuda-Parr, Lopes and Malik 2002). While the authors are speaking of the macro-level here, technical assistance to build capacity of NGOs reflects these same challenges.

We in the development field are operating using assumptions regarding capacity building. One of these involves who actually builds capacity. Capacity building is something that NGOs do for themselves. As outsiders, we can offer resources and facilitate the process, but we cannot deliver the desired outcome (Lavergne and Saxby 2001). When we lose sight of our role in the process and arrive with our plans and our grants, without even realizing it, we can easily distort local priorities or undermine NGOs' self-generated efforts at defining a niche or creating opportunities for capacity building. On the other hand, we need not bend over backwards in the opposite direction. It is essential that we guard against adopting a patronizing attitude that treats NGOs as if they are incapable of making good choices for their own future.

It is clear that at times the skills we emphasize in our capacity building efforts are driven by our own priorities. Much of capacity building has been designed around specific projects that NGOs are funded to implement with or for their international partners and donors. This "project-focused capacity building" stresses the building of capacities that will: help protect the investment made (such as financial management), support the requirements of donors (such as monitoring and reporting), or help complete the project successfully (such as competencies in project planning and evaluation). While there is nothing wrong with building these capacities – they are important ones for an effective organization to possess – they are frequently the only ones that are emphasized, or they are taught in isolation from other capacities that are both more foundational and strategic.

Organizational capacity building is about change. As organizations struggle to become more effective, to grow and to establish a niche for themselves, they must let go of old habits,

perceptions, assumptions, and ways of doing things. This takes time, as well as a high level of trust between capacity builders and those seeking to build their own capacity. It requires taking into serious consideration the genuine interest and commitment of the organization, and designing learning opportunities that are congruent with the organization's values and the context in which it operates.

There exists the potential to inadvertently crowd out newcomers to the scene as well. Northern organizations' penchant for choosing high-profile development activities and designing for high impact can create a tendency to choose the "best" NGOs as partners or targets of capacity building efforts. Oftentimes the bigger and stronger NGOs in a country find themselves approached repeatedly by northern organizations to become a part of the latest project. This leaves behind smaller, less-developed NGOs, which may not have as easy an access to these offers.

While institutional strengthening and the building of organizational capacity remain a concern of donors, little is spent on them in comparison to the total development budget. And when one thinks of capacity building as a sector, such as microfinance or health, surprisingly little new thinking, writing, or practice has emerged in recent years. What little writing and research exists is being generated for the most part by UNDP, the European Centre for Development Policy Management, CIDA, and the International Development Research Centre in Canada. If our primary purpose is to strengthen the NGO sector, it is time to invest more resources in answering these and other questions, in developing a new definition of capacity building and standards for its practice, and in supporting communities of practice that are interested in furthering the field.

What Do Today's NGOs Need To Be Able To Do?

The European Centre for Development Policy Management (ECDPM) and the British Department for International Development (DFID) are currently conducting a major study on capacity development. The authors of this study, which is still in progress, speak about capacity as an amorphous concept. They state, "It is still unclear what capacity looks like, what its components are, how it develops, and what outsiders can do to encourage its development" (http://www.ecdpm.org). Countless organizational frameworks have been developed to guide capacity building efforts. Many of these frameworks are similar and identify the standard capacities that over the years have come to be synonymous with organizational effectiveness.

There must be more research and discussion about the capacities an NGO striving for excellence today should possess, which are most essential; what differences there might be in the capacities needed according to variables such as sector, purpose, and size; and whether or not there is a strategic sequence to follow. Capacity builders are influenced by their own assumptions of what constitutes excellence in the nonprofit sector, and these assumptions differ depending upon their professions. A capacity builder whose primary discipline is health, for example, may tend to see capacity building as the acquisition of technical health skills – an important set of capacities for an NGO working in health, but only part of the picture.

NGOs today need different kinds of capacities to survive and thrive. Romo Rodríguez discusses the new challenges for NGOs: "NGO are facing increased demands, more

complex problems and they now have to operate in more dynamic and complicated environments requiring effective relationships with a myriad of institutions" (Romo Rodríguez 2004). To support these relationships, NGOs need to develop and improve a variety of skills. "NGOs [sic] current focus on narrow management issues (often borrowed uncritically from the corporate sector), the acquiring of skills valued by donors, and traditional skills of lobbying need to be replaced by a broader set of capacities that include the ability to listen, learn, and work with others at both local and global levels" (Edwards in Romo Rodríguez 2004).

A Framework of Contemporary Capacities for NGO Excellence

Our interviews and research indicate that there is a need for a framework that recognizes the challenges that today's NGOs face and highlights some of the new capacities needed in today's world. According to Theresa Shaver of White Ribbon Alliance, capacities such as leading in new ways and learning how to balance cooperation and competition will be crucial in the next fifteen years as donors continue to encourage groups to work together. She believes that partnerships and alliances make the most sense for many organizations, particularly those working on issues for which there is little funding to go around, and that networks can make a major contribution to forging these linkages (interview, August 12, 2004). On the following page, we offer such a framework to open up a dialogue with the NGO community and begin the process of together reinventing what the practice of capacity building should look like for the 21st century and how networks can contribute.

CONTEMPORARY CAPACITIES FOR NGO EXCELLENCE

External Capacity Areas

❖Lobbying & Advocacy
❖Public Relations & Outreach
❖Partnerships & Alliances
❖Donor Relations
❖Networks
❖Knowledge Management

Generative Capacities

❖Learn How To Learn
❖Lead in New Ways
❖Act with Agility
❖Manage Cooperation & Competition
❖Balance Autonomy with Inter-Dependence
❖Work Across Boundaries
❖Create the Future
❖Access the Potential of Technology
❖Develop a Systems View
❖Align Form with Purpose

Technical Capacity Areas

❖Advancing Sector Policies
❖Service Delivery Models
❖Creation/Dissemination of Practices
❖Intervention Approaches
❖Program Quality/Standards
❖Multi-Sectoral Strategies
❖Building Capacity in Others

Internal Capacity Areas

❖Visioning & Strategic Planning
❖Financial Management
❖Team Work
❖Management Systems & Practices
❖Project Design & Planning
❖Resource Generation
❖Monitoring & Evaluation
❖Governance

STANDARD CAPACITY AREAS

We have identified three Standard Capacity areas necessary for NGO excellence:

❖ *Technical Performance* - Technical performance refers to the actual work the NGO is in the business of doing, such as the prevention of HIV/AIDS, the development of microfinance networks, or the protection of natural resources. Oftentimes the development of technical capacity is what is meant when practitioners or donors speak of capacity building. This performance category contains the following capacities:
  ➢ Advancing sector policies
  ➢ Developing service delivery models
  ➢ Creating and disseminating practices
  ➢ Improving intervention approaches
  ➢ Raising program quality and standards
  ➢ Developing multi-sectoral strategies
  ➢ Building capacity in others

❖ *Internal Organization* – This category has to do with all of the capacities that are associated with the internal functioning of the organization. It includes capacity areas such as:
  ➢ Visioning and strategic planning
  ➢ Management systems and practices
  ➢ Financial management
  ➢ Resource generation
  ➢ Monitoring and evaluation
  ➢ Teamwork
  ➢ Project design and planning
  ➢ Governance

❖ *External Organization* – This category contains capacity areas such as:
  ➢ Lobbying and advocacy
  ➢ Public relations and outreach
  ➢ Partnership and alliances
  ➢ Donor relations
  ➢ Networks
  ➢ Knowledge management

Together, these three Standard Capacity areas represent those found in most frameworks used by organizational capacity builders in past years. While all these capacities are still relevant to NGOs today, they do not represent the whole picture.

1. GENERATIVE CAPACITIES

The Standard Capacity areas mentioned above can be daunting, particularly for new NGOs, but many of them are not difficult to learn. However, today's NGOs are in a world that requires them to undertake tasks with which they have no experience and to build relationships with completely new stakeholders. This requires skills and behaviors that have not been a part of their past repertoire. We have called these skills and behaviors *Generative*

Capacities. Generative Capacities have the potential to be equally as important to the course of an organization as Standard Capacities.

Generative Capacities are the capacities that, once mastered, have the potential to impact each of the three Standard Capacity areas. If an NGO is able to learn how to learn, for example, this will have a tremendous impact on program quality and standards in the performance area, on strategic planning in the internal organization area, and on partnerships and alliances in the external organization area.

So what are these Generative Capacities? We have, with the help of our network colleagues, developed the following list. This list has been influenced by Matkku Sotarauta's article, "Building Knowledge Based Core Competencies and Leadership in the Flowing World" (2003). NGOs need to:

❖ *Work Across Traditional Boundaries*

   Boundary crossing has become almost the norm in the NGO sector today. Traditional boundaries of all sorts are being traversed, including those of geography, culture, technical sector, and civil society sector – i.e., government, private institutions, universities, etc. The stovepiped organization that remains within its narrow confines is becoming more and more obsolete. Particularly at the field level, the integration points and collaboration potential between technical sectors, such as microfinance and HIV/AIDS, is becoming more apparent. This collaboration requires the ability to recognize opportunities for collaboration, to forge new relationships, to challenge stereotypes and prejudices that we have formed about others unlike ourselves, and to reconcile multiple agendas. Working across traditional boundaries brings with it increased visibility and the need to represent one's self in an articulate fashion.

❖ *Learn How to Learn*

   Knowledge has become an important commodity in today's world. The NGO with the competitive edge will be the one that has learned not only how to create new knowledge, but how to manage it. New knowledge is best incubated in a culture of learning. Those NGOs that stand out as exemplars of organizational excellence have learned how to create that culture of learning. These are usually the same NGOs that have recognized that much of the knowledge on development resides not in the North but in the South. The old hierarchy of knowledge is being dismantled. NGOs are experimenting with designing ways of learning collectively through the creation of new organizational forms such as knowledge networks and communities of practice. Participation in these new forms requires the ability to test assumptions; the willingness to learn from peers, including those from another sector or field; the commitment to contribute to the learning of others; the ability to adapt ideas from another context to one's own; and the ability to think creatively, experiment, and take risks.

❖ *Lead in New Ways*

   NGOs are being called upon to lead in new ways. The old hierarchal command and control styles of leadership are giving way as more and more NGOs find themselves in situations and contexts that require leading colleagues, or what Skidmore refers to as

"leading between" (2004). Leadership that creates ownership and commitment across organizations or between groups of diverse stakeholders is now becoming the norm. Leaders and organizations that can inspire, build trust, and act transparently will be thrust into new roles of convening, facilitating, and enabling collective work. These new leader NGOs know how to share power, influence appropriately, and collaborate. They understand the power of appreciation and are able to see the best in others.

❖ *Develop a Systems View*

Development problems are increasingly complex and require a systems view in order to understand the interconnected web of causality and to brainstorm innovative solutions. Systems thinking views an organization and all of its elements, including the environment in which it exists, as a complex whole of interrelating, interdependent parts. The idea that the entire system needs to be taken into account for lasting change to occur is one of the underlying principles of organization development. A systems view can also loosen our grip on a more mechanistic view of the world and help us to understand organizations and communities as living systems.

❖ *Access the Potential of Technology*

Technology has brought with it the need to develop a whole new set of competencies. One must understand the potential of technology, as well as its limitations. This is particularly important in the developing world. While in some cases remote NGOs now have access to the Internet, this is still a long way from being the norm. The technological divide still exits and will for some time to come. However, the present applications of technology to knowledge and knowledge management are nothing short of miraculous. Many NGOs, if they so desire, can relatively easily link up to a global community of thought leaders in almost every area of their work. Information is available at the touch of a keyboard and has enabled decisions to be made and actions to be taken much more quickly. We must realize, though, that technology is only a partial answer. It must be combined with the appropriate human leadership and facilitation in order to be effective.

❖ *Act with Agility*

Acting with agility means being able and willing to "seize the moment" and take advantage of opportunities as they arise. This always involves some risk-taking and a willingness to make decisions that commit the organization to a particular direction. In an agile organization, leadership is distributive and knowledge is recognized as existing at all levels. An agile organization has many open avenues of communication, which encourage an ongoing dialogue about challenges and opportunities and allow members to recognize and act on emerging trends. Agility can involve the flexible use of teams, which form and then dissolve when they are no longer needed. Agile organizations are adaptable, but remain grounded in their core purpose and values, and are unwilling to compromise them at any cost.

❖ *Create the Future*

Organizations that create the future are able to focus on possibilities versus limitations. They have an optimistic view of what is possible and strive to turn possibilities into

reality. They are less bound by current paradigms and systems and are able to create that which does not yet exist, while bringing forward the best traditions, values, and practices of the past. These NGOs have an expanded view of their world and the role they might play in it. They work at the intersection of the imaginative and the practical. Most importantly, they recognize strengths and capacities in others and see potential where others cannot.

❖ *Balance Autonomy with Interdependence*

NGOs must perform a constant balancing act to negotiate between the need to be an autonomous organization that is clear about its identity, and the need to act in relationship with others in order to help forge a collective identity or stance. This capacity also comes into play when negotiating with a donor whose agenda may not be consistent with one's organizational vision or mission.

❖ *Manage Cooperation and Competition*

NGOs belong to fora, communities, and networks where they are being challenged to leave their egos at the door and to behave in ways that build trust and cooperation, and even more important, synergy. It is not enough to say that members of a network will cooperate and not compete. This stance is both unrealistic and overly simplistic. We must be able to cooperate and compete with each other at the same time. Sotarauta says, "[I]n order to be competitive in the network society, the actor must be cooperative, and in order to be cooperative, s/he must be competitive. An actor who is competitive in his/her own field is generally a more desirable partner. At its best, the development network comprises cooperative actors who are competitive in their respective fields" (2003). This is the balancing of cooperation with competition. It takes transparency, authentic communication, and the willingness to hammer out difficult issues, such as intellectual property rules, to make this happen effectively. The building of social capital through acting and behaving in ways that are seen as trustworthy is critical.

❖ *Align Organizational Form with Purpose*

NGOs need to be able to be strategic about their choice of organizational form and to realize that we live in times in which new organizational forms and hybrids of all sorts are being born every day. These forms challenge the old notion of an organization as a collection of replaceable parts that is capable of being reengineered at any time. Some of these organizational forms, such as self-managed teams, can create a new sense of freedom at work. Strategic intention is very important when thinking through organizational design issues. With networks, for example, there are many different forms that are workable. The key questions, though, are: Does form follow function? What is the purpose of the organization and what is its vision? How can organizational structures be designed in such a way that they support purpose and vision rather than constrain it?

Toward a New Definition of Effective Capacity Building

The term "capacity building" has been used so indiscriminately that it no longer holds much meaning. We must begin a new conversation that uncovers our basic assumptions about organizational capacity building and includes our views on how organizations learn best and how they change. In its broadest sense, there is consensus in the field that capacity building refers to developing the tools and techniques required for improving NGO effectiveness.

An effective organizational capacity approach is comprised of the following elements:

1. *A Purpose: To Improve the Organization*

   Some scholars and practitioners view the intended result of organizational capacity building as improved products or services, while others concentrate less on the result and more on the ability, or capacity, of an NGO to fulfill its mission. In a narrow sense of the term, the purpose of capacity building is often to improve a particular area in an organization that will enable it to better perform a stated objective. In its largest sense, NGO organizational capacity building is about organizational change and transformation.

   Even when focusing on smaller changes, such as hiring staff or starting up a new program, organizational capacity building takes into account the whole organization. Organization–wide changes may include changes such as helping an organization create its niche in civil society, develop or change its mission, move to a different level in its life cycle, address major new markets or beneficiaries/clients, develop major new partnerships, and create changes in organizational structure so that the organization's vision and structure are more closely aligned. The question that is often asked and not often answered is whether or not building stronger, more self-confident and independent NGOs leads to improvement in products and services, and whether or not improvements in products and services lead to positive changes in the quality of life of intended beneficiaries. Another question is whether or not there is value in organizational capacity building as an end in itself – i.e., whether strengthening the NGO sector within a society is a worthy goal even if the lives of the poor are not substantially improved.

2. *A Target: The Organizational Level*

   The term capacity building is used to describe interventions on multiple levels, including with individuals, groups, organizations or institutions, networks, sectors communities, regions, and nations. For the purpose of this study, we are particularly interested in capacity building at the organizational level. Oftentimes we in the development community are satisfied with thinking that we have built the organizational capacity of an NGO if we have enrolled one or even several of its members in a training program.

   One can argue that by increasing the skill level of individual NGO staff members in a particular area, we are thereby increasing the capacity of the organization; however, this may or may not be true. Whether or not organizational capacity gets built by the training of an organization's individual members depends on variables such as those revealed in answering the following questions:

- Did the supervisor of the trainee support the application of the new skill to organizational life?
- Does the trainee have some influence within the organization to push for doing things in a new way?
- Can the trainee train others in the skills he/she has learned, or was there a critical mass of staff that was trained in the skills to make adaptation and application more possible?

Organization-level capacity building takes into account the larger system and considers the organization as a whole to be "the client." This is fundamentally different from the "training approach" described above.

3. *A Capable Provider*

The ideas that there is not a unidirectional flow of capacity from North to South and that southern NGOs can build the capacity of each other (and be even more effective as capacity providers) are taking hold. To the consumer as well, the mystique of the northern expert, while still powerful, is becoming less compelling as southerners develop greater confidence in their own capacity building institutions and recognize the benefits of learning from each other.

4. *A Learner Who is in Charge of His or Her Own Learning*

Remembering that the beneficiary of capacity building assistance determines whether or not capacity is actually built has important implications for the way in which capacity building activities are designed. In order for capacity building to have a chance to "stick" and really make a difference, careful attention must be given to putting adult learners in charge of their own learning and making sure that capacity building efforts are actually going to promote the overall well-being and sturdiness of the NGO.

5. *A Focus on Organizational Change*

If capacity building is focused on organizational change and transformation, all organizational members need to be involved in the process in some way. This whole systems approach helps to ensure some level of ownership of the process by everyone, but more than that, it taps into the collective wisdom of the whole and makes sure that all voices are heard as the organization charts its course. Interventions should be designed to build on local talent and capacity rather than displace it.

6. *A Wide Variety of Tools and Mechanisms*

Capacity building approaches go far beyond training and require a more holistic approach. Over the last ten years, our understanding of what capacity building could entail has grown from sending people to short-term courses, workshops, and training programs to designing new ways of learning that are laterally based. Some of these new approaches to capacity building include coaching, peer assists, and other knowledge management tools, rotations, benchmarking, real-time strategic change, and assets-based approaches to learning and development.

We combine all these ideas to arrive at the following definition of NGO organizational capacity building:

NGO Organizational Capacity Building

The purpose of NGO organizational capacity building is to enable NGOs to be self-confident, independent, creative and effective organizations that make a difference in the lives of the people, communities, and countries that they serve, as well as make a contribution to the thinking and practice in their fields. Organizational capacity building interventions take into account the entire organization and the context in which it operates, and recognize how changes in one part of the organization impact others. NGO organizational capacity building appreciates that today's NGOs need a new set of core capacities, which can powerfully determine the future of the organization.

Standards of Practice

Practitioners in this field should not be exempt from meeting an accepted standard, and it is time that thought leaders and practitioners come together to establish standards of practice like those that exist in other fields. In considering what can reasonably be called capacity building, we propose the following guidelines or practices as the starting point for dialogue on this subject:

☑ Consider the whole organization and take a systems view of any intervention.

☑ Treat NGOs as living, breathing organizations that need to be appreciated and understood in their own right, rather than considered as merely conduits for programs or funds.

☑ Find ways to work with those organizations that have a more limited access to capacity building services, in addition to those that always seem to be "first in line."

☑ Recognize the power differential that exists when capacity building is linked to money, and when the donor is the deliverer of capacity building services.

☑ Understand the history of the organization and its previous experience with capacity building efforts.

☑ Avoid subjecting NGOs to another intervention that may undo or undermine other capacity building efforts.

The Current Role of Networks in Capacity Building

At the Organizational Level

Not all networks are interested in building the capacity of their members. Social change networks in particular may have an entirely different agenda in mind. For example, the goal of the White Ribbon Alliance is to save women's lives. However, whether a network has the deliberate intention to build capacity or whether capacity building is a side benefit, we are finding that networks' members perceive that capacity is being built. The White Ribbon Alliance holds workshops on working with the media so that the safe motherhood issue is brought to the attention of the general public. One can assume that the skills learned about how to work with the media to promote the goals of the network are transferable to other contexts. Of course, whether or not this translates into building the capacity of the NGOs involved in the network is another question altogether.

There is a difference of opinion as to whether or not networks build the organizational capacity of their members. This idea goes straight to the heart of the definition of capacity building as well as to our understanding of organizational capacity building and its goals. David Brown feels that circumstances do not allow networks to build organizational development capacities at a very deep level. He feels that networks and national associations of NGOs are mostly only good at bringing people together as brokers and conveners of a capacity building process, which is then performed by a specialized capacity building agency, such as MWENGO in Zimbabwe or PRIA in India. Both of these agencies have been providing a variety of NGO capacity building services for years. However, if capacity building is defined more broadly, Brown acknowledges that the skills learned from networking relationships may build skills in democratic functioning as well, including an ability to understand the other's perspective in a new way. He says, "Instead of focusing on their work only, [network members] expand their horizons to include a greater, broader view. They become able to shift analysis from their own perspective to the perspective of the network, as in the case of an NGO that joins a social change network attempting to influence policy and in the process changes its own analysis parameters" (interview, August 18, 2004).

When Peggy d'Adamo, who is associated with the community of practice Health Information and Publications Network (HipNet), was asked how participation in HipNet builds the capacity of its individual members, she answered: "I don't know. I have never thought of networks in that way. I always thought about networks in terms of efficiency. They cut down on the amount of time that it takes to do something. Through a network you can get five or six suggestions on how to do something and get it done more quickly and successfully" (interview, July 2, 2004). Her comment point outs that the capacity building potential of networks is not always obvious or the first thing that comes to mind.

The International Development Research Centre (IDRC), a Canadian public corporation that works in close collaboration with researchers from the developing world, has made networks a distinctive feature of the way it does business for the last twenty-five years, and has allocated funds, time, and intellectual attention to their development. In speaking about these networks, Sarah Earl from IDRC felt that these networks were better at building individual capacity in researchers than building organizational or institutional capacity. She explained that research tends to be done in established institutions that are not necessarily open to capacity building. This raises the issue of how well networks can perform the kind of capacity building that leads to organizational change if their members are essentially

individuals and if the organizations to which they belong have not bought into this agenda (interview, August 17, 2004, , August 17, 2004).

Results from a Survey of Networks

All but two of the networks highlighted in this study describe themselves as having a mission that includes the building of capacity. For some, it is a primary goal and, for others, one of several. Some networks are specific in describing the capacities that they are attempting to build, and others treat the term more generally.

The capacities being built, which are most frequently cited by network staff and members of our ten study networks, are the following:

- Creation and dissemination of best practices
- Improved interventions and approaches
- Improved project/program design
- Stronger partnerships, collaborations, and institutional linkages
- Improved networking
- Creation of new ways of learning and working together; creation of an environment for learning and experimentation
- Recognition of possibilities for collaborative action

Using the framework offered on page 37, these capacities fall into three areas – the Technical Capacity area, the External Capacity area, and the central core, or Generative Capacity area. None of them fall into the internal capacity area having to do with the internal functioning of an organization, including capacity areas such as management systems and practices, and financial management.

Networks and Standard Capacity Building

Networks are best known for the capacities that they attempt to build in technical areas, although they may view themselves more as conduits of information or social action networks than capacity builders. Chief capacities that network staff and members in our study mentioned that fall into the technical performance area of our framework include the creation and dissemination of best practices, improved interventions and approaches, and project/program design. Those networks with a specific sectoral focus, such as SEEP (micro-finance), CORE (HIV-AIDS), NicaSalud (health), or WANEP (peacebuilding), were perceived as particularly strong in building capacity in the technical performance area. Within CORE, for example, there are many opportunities for members to teach others about new approaches to HIV/AIDS prevention, such as the concept of positive deviance offered by Save the Children, or the latest practice in health information systems offered by CARE.

The capacity mentioned most frequently in the area of external organization was the creation of partnerships, networks, and new linkages. All of the study networks, regardless of type and intention, are perceived as building this capacity. Finally, the last two capacities most frequently mentioned – creation of new ways of learning and working together and recognition of the possibilities for collaborative action – fall into the Generative Capacity area of our framework.

Very few network staff or members perceived that capacity was being built in the internal organization area, which includes such capacities as visioning and strategic planning, management systems and practices, financial management, resource generation, and monitoring and evaluation – all of the capacities that are associated with the internal functioning of the organization. The networks that were donor-initiated and formed with the strategic intention to build organizational capacity, such as NicaSalud and PROCOSI, were the exceptions.

Networks and Generative Capacity Building

We posit that all effective networks, regardless of purpose, strategic intention, or organizational form, have the potential to build the capacity of their members, particularly in one specific area of our framework – the Generative Capacities. Effective networks, even those with no stated capacity building mission, often build these capacities without even trying because of the nature of the attitudes, knowledge, and behaviors they encourage in their members.

Example 1 – The ability to lead in new ways is a Generative Capacity that is often developed in network members. An effective network provides a learning laboratory for leadership that replaces the old models of leadership that are simply ineffective in this context.

Example 2 – Another Generative Capacity often built by networks is the development of a systems view, which requires a great deal of critical thinking. The European Centre for Development Policy Management (ECDPM) describes this fundamental part of networking, maintaining that "civil society actors want to up-grade their performance through collective action, when they perceive a lack of access to relevant information to be a critical factor hampering their work. Networks are strong because they fortify creativity and critical thinking through dialogue and exchange" (Networking for Learning, p.6).

Example 3 – A third capacity is the ability to work across traditional boundaries. This takes considerable skill because it requires the challenging of assumptions and stereotypes we may hold of the other. Without this capacity, it is not possible to learn enough about each other to understand the contribution that each can make to our shared agenda. Organizations that take the step and join in a network are already crossing traditional boundaries and looking for new ways of thinking and interacting.

There is an assumption that these capacities are somehow already inherent in development organizations or that they do not need much practice to learn – that perhaps they come naturally. On the contrary, these capacities are some of the most difficult to achieve and, in some ways, are more difficult than learning how to develop a proposal or evaluate a project. Networks are the perfect place to acquire and practice these Generative Capacities. In fact, we will go so far as to say that networks may be better positioned to help cultivate these capacities than any other capacity building mechanism.

Networks and Organizational Change

When network members were asked to select from a list the most significant changes that they had seen in their organizations or units over the last five years, the most frequent choice was "collaboration and alliances: the way our organization works with other organizations and institutions for service delivery, capacity building, or learning." The second most frequent choice was "learning and innovation: the development and application of new ideas to our organization's operations and service delivery." The vast majority indicated that they thought these changes were either strongly or moderately connected to membership in one of the study networks.

Some of the organizational changes resulting from network association cited in an open-ended response were:

- "Traditionally, we were a very Holland-based organization. Our membership in the Impact Alliance has helped us become boundary crossers, establishing learning and collaborative relationships with other organizations and networks."

- "We cannot rate it yet; however the network has given us more exposure."

- "Much improved strategic and business planning has resulted for our [microfinance institutions]."

- "Targeting the community at a grassroots level regarding reducing maternal mortality in the country has been effective."

- "Support of the programme from local government and community leaders has occurred."

- "More interest and involvement in innovative exercises has taken place."

- "Networks have allowed us to better work across sectors – in this case with HIV/AIDS and microfinance."

- "Because WANEP has shared information with us so freely, it has inspired us to do the same in our national level network."

- "By participating in the network, we discovered many people who had the same vision as we do, so we are cooperating."

Karen LeBan of CORE said that she has noticed changes in the organizational culture of members in their increased willingness to share and, with less of a need to claim ownership of ideas and practices (interview, August 6, 2004). Theresa Shaver of the White Ribbon Alliance said that working in a network is not an easy thing – it goes against the grain of many organizations. WRA therefore teaches organizations how to complement each other and not just compete (interview, August 12, 2004). Fernando Campos Ordeñana of NicaSalud reports that changes have been seen in member organizations being able to operate in an interrelated way with other public and private organizations, and in their technical competence, while Claudia Muñoz-Reyes of PROCOSI claims that the analytical capacity of members has increased (interviews, July 14, 2004; July 15, 2004).

It is important to note once again that the above information is based on a relatively small number of member responses to our survey and with their perceptions of capacities that have been built. Future studies will need to include baseline data and longitudinal tracking to which base judgments about changes in capacity can be compared. In addition, we cannot equate the building of capacity in any area of our framework with organizational change – the ultimate aim of effective capacity building. In other words, if one or even several members of an NGO are active participants in an effective network, and have learned and practiced the capacities outlined in our framework, this does not mean that the NGOs that they represent have also been strengthened as a result. There are important variables to consider when attempting to translate individual capacity to organizational capacity, and these are important to study if we want to improve the chances of networks contributing to organizational change.

Variables in Organizational Change

As highlighted above, the issue of who actually participates in networks is an important one. Even when networks count organizations as their members, oftentimes this means that one or only a handful of people are representing the organization and active involvement can vary considerably. Much of the time the Executive Director and senior staff may be aware of their membership, but have little or no involvement in the affairs of the network and may or may not see it as an important capacity building resource. In a recent evaluation of a USAID-funded network, it was clear that although some organizations were longtime members of the network, field offices and other important sections of the organizations were not aware of this. This scenario would not be uncommon in larger international NGOs that work in a number of sectors and have units that act somewhat autonomously from the rest of the organization.

If networks have an organizational change agenda, they must do some or all of the following:

Network Activities to Promote Organizational Change

- Invite/encourage a broader base of participation from each member organization so that a critical mass is bringing back ideas and innovations.

- Choose as network members NGO staff who are willing and able to transfer the knowledge to others in their organizations.

- Involve influential leaders within the organization in the network and get support from organizational leaders for the time and energy network participation takes.

- Share visions for organizational change and bring in members that indicate a readiness for change.

- Develop a clear strategic intention to be a capacity builder and create an approach to move forward.

Networks and Building Capacity of a Particular Sector

Although this report focuses on networks and their role in building the capacity of individual NGOs, we would be remiss if we did not mention the role that networks play in the broader work of building the capacity of the NGO sector as a whole. One has only to look at our study networks and see many examples of how networks have influenced the growth and professionalism of a sector. SEEP, for example, refers to itself as a "thought leader and learning center for North American NGOs around issues related to small enterprise development" (www.seepnetwork.org). From its inception it has published documents that have set the standard for the sector, such as its *Monitoring and Evaluating Small Business Projects: A Step-by-Step Guide for Private Development Organizations,* which has sold more then 7,000 copies and been translated into three languages since its publication in 1987.

Another way to look at sector is by profession. Researchers meeting in 1997 at an event organized by the African Economic Research Council, the Rockefeller Foundation, and the Social Science Research Council investigated the role of networks in strengthening research and learning in sub-Saharan Africa. One conference participant offered the following benefits of networks in this context:

> One is to provide a critical mass of professional peer review not available at the national level, thus sustaining peer pressure for learning and excellence as well as ameliorating professional isolation. Second is to provide an effective mechanism for keeping in touch with the rapidly changing frontier of knowledge through a more rationalized contact with the rest of the world and through information sharing. Third is to provide a medium of exchange of experiences in a comparative mode and a mechanism for gleaning from "best practices" in specific policy contexts, thus making networks an important resource for collective knowledge and contrasting experiences. Fourth is to provide cost-effective means for specialized training and skill formation often not viable at the national level given resource constraints and time availability of specialized trainers. Fifth is to project a professional image and maintain a high profile for a given discipline or specialty (Ndulu in Prewitt 1998).

While organizations can be looked at as systems, the building of the capacity of a sector requires a multilevel approach that considers the interaction between systems. "Systems extend beyond the individual and organizational level to systems of organizations, their interfaces, and the institutions that guide them. The approach requires consideration of all contextual elements as well as the linkages between them" (Lusthaus, Adrien and Perstinger 1999). Networks are a major player in this level of capacity building. Every time a network successfully brings together organizations and groups to collaborate on research, projects in the field, or a social action agenda, social capital is being built and new approaches to development challenges are being born. A group whose members may once have thought of themselves as unlikely partners find themselves at the same table.

Networks and the Social Change/Service Delivery Agenda

Networks are making a tremendous contribution to service delivery and social change. The global secretariat of the White Ribbon Alliance and its various working groups, for example, have provided tools and information to support the formation of new alliances and activities worldwide. Within the first year, the WRA's International Working Group initiated the development of a field guide with basic safe motherhood information and ideas about how to initiate White Ribbon Alliances and organize special events to promote and raise awareness of safe motherhood. It also initiated the global White Ribbon Contest for Safe Motherhood, intended to encourage creativity in designing awareness raising activities and events, and to increase membership in the global and local alliances. The global secretariat also supports information sharing between member countries. For example, WRA/India developed a media kit that was adapted by the Safe Motherhood Network of Nepal. The Zambia WRA's activity toolkit was translated into French and adopted by WRA Koupela in Burkina Faso.

Other social change networks around the world have had enormous influence as well. In *World Resources 2002-2004: Decisions for the Earth: Balance, Voice and Power* published by the United Nations Development Programme (UNDP) et al., several networks are mentioned that have brought important local issues to the attention of the world. Two examples are:

- o "The International Campaign to Ban Landmines, a coalition of 1,400 NGOs from 90 countries, convinced 146 countries to sign a treaty to ban landmines at a time when private companies and government agencies in 52 countries were manufacturing anti-personnel mines and 2.5 million new landmines were being laid each year."

- o "Networks of NGOs from the West and from developing countries have successfully slowed or halted the building of large hydroelectric dams in India, Thailand, Malaysia, and other countries. These cross border coalitions also influenced the World Bank's decision to give greater weight to the potential environmental and social impacts of a dam when making decisions on financing such projects."

Networks can also perform important coordination of services. Pro Redes Salud, for example, coordinates the services of NGOs providing maternal and child health services in the Guatemalan highlands. Oftentimes networks with a goal of service delivery coordination are initiated by a donor, as is the case with Pro Redes Salud, NicaSalud in Nicaragua, and PROCOSI in Bolivia. These three networks in our study receive or received significant funding from USAID.

Characteristics of Capacity Building Networks
What factors characterize networks that build membership capacity?

Why are some networks better at building capacity than others? If we are arguing that all effective networks build capacity simply by modeling a different way of doing things (which, if the conditions are favorable, can transfer to their member organizations), then we must grapple with what constitutes effectiveness. ICCO (2004) addresses three main characteristics that seem to be common among participants of successful networks. Although the reference here is to learning networks in particular, we feel the stated characteristics are applicable to most networks. However, a fourth characteristic must be added to the list – a characteristic that highlights the ability of successful networks to build Generative Capacities in its member organizations.

1. Network members must "dare to share" (Padron in ICCO 2004) – This means that they must feel confident enough about their work that they are willing to share it with others. A network can help make this happen by creating an open environment in which people are willing to analyze and learn from both their successes and their mistakes. While Ashman suggests that networks made up of participants with a history of working together and with a certain level of established trust have the potential to be more effective (in ICCO 2004), we wonder if with the right kind of vision, shared agenda, leadership, and social architecture, this social capital can be an output of an effective network, rather than a required input? Perhaps this means that the network will have a longer incubation and startup period before it can reach the stage of maximum effectiveness.

2. Networks must have the capacity to contribute – In order to foster this capacity there must be space in the day for learning and reflection. If members are completely driven by deadlines, this space will soon get filled with other activities (Gujit et al. in ICCO 2004). Senior leadership must support the involvement of staff in the network and see it as a way in which to build the capacity of the organization (Ashman in ICCO 2004). Also, all members must have equal access to any technology that the network uses so that certain groups are not marginalized. The involvement of senior leadership is particularly important if a goal is organizational change of member groups (ICCO 2004).

3. Networks must be committed – Commitment will be strong if members see the network as adding value to their work, and if the priorities of the network match their own (ICCO 2004). The authors contend that incentive grants are of little value in enticing members (Rosenfield in ICCO 2004) and that funding should not be the reason that a NGO joins a network. In fact, they suggest that a golden rule for success may be to let a network start from its own resources with the idea that initial self-reliance builds commitment (Padron in ICCO 2004). The authors are quick to mention, however, that this does not mean that networks do not need funding for the activities they would like to undertake. It is our contention that networks also need funding to help support a facilitator, coordinator, or staff of some sort that is able to spend the time required to nurture relationships and tend to the mechanics of keeping the group together. It is important that careful attention is given to these aspects when funding is initially proposed.

4. Networks must build Generative Capacities – The Generative Capacities presented in the Framework of Contemporary Capacities for NGO Excellence on Page 37 are applicable to networks as well as NGOs. We posit that networks have the potential to build these capacities in their members simply by giving members the opportunity to practices these skills while participating in the life of the network. More simply, networks must exhibit these Generative Capacities themselves before they can build them in other organizations.

There are certainly many other elements that go into network effectiveness, and a number of these are beginning to be addressed by networks and organizations. One such example that addresses these issues in a practitioner-oriented way is the soon-to-be published *Network Strengthening Action Guide* written by PACT, a founding member of the Impact Alliance. This guide examines issues, including clarifying strategic intention and choosing a form of collaborative organizing that fits that intention, strategies for effective governance and management, the critical role that leadership plays, and the importance of communication and connectivity.

What more can be done to leverage the potential of networks as capacity builders?

In addition to helping networks be as effective as possible, what else can be done to leverage their potential as capacity builders? Networks do not often form with an organizational capacity building goal in mind unless, of course, they are engineered by donors or others with a capacity building agenda. One approach, therefore, may be to simply heighten their awareness of the potential that they have to help bring about changes in the organizations of their members. It is also important to educate NGOs about some of the capacities that can be learned through participation in a network. This learning requires opportunities for self-reflection as well as a focus on process and content. Even networks whose priority is to work on a thematic issue or deliver services must take time to reflect on how the network is functioning and what is being learned about such topics as leadership, balancing cooperation and competition, using technology, working across traditional boundaries, and using innovative approaches for joint learning. Network members must also understand what excellence looks like in these and other areas, and what other networks have done that has worked particularly well. This means that members must have some standard against which to measure themselves and some models of effectiveness.

Networks that desire to make an impact on their members' organizations may need to recruit a broader base of participation from each organization so that a critical mass is bringing ideas and innovations to the organization. Finally, if organizational capacity building is not one of a network's main activities, the network may want to consider partnering with a local capacity building service provider. This provider could bolster those capacities that networks are not particularly good at building. For instance, it could focus on the external and internal organization capacity areas.

Donor Policies and Practices
***Are there donor policies and practices that appear to contribute to, or
constrain network effectiveness, impact and viability?***

What Makes Networks Attractive to Donors?

Just as networks are attractive to NGOs for a variety of reasons elaborated above, networks are attractive to donors as well. Perhaps Beryl Levinger sums it up best when she says that "bilateral assistance has gone from retail to wholesale" (interview, August 20, 2004). Both thought leaders and network representatives recognize the appeal of networks to donors. Networks are perceived by donors as a useful vehicle for achieving greater efficiency and more direct accountability (Beryl Levinger, interview, August 20, 2004), as well as reducing the required bureaucratic correspondence with individual organizations (Elizabeth Burleigh of Pro Redes Salud, interview, July 15, 2004). Donors often benefit from the standardization of administrative and financial processes as well as from monitoring and evaluation (Elizabeth Burleigh of Pro Redes Salud, interview, July 15, 2004). Donors also realize that networks provide checks and balances to individual organizations and network leadership by increasing transparency and equity, and minimizing opportunities for individuals to act in their own self-interest (Emmanuel Bombande of WANEP, interview, August 13, 2004). Networks also provide NGOs with opportunities for donor exposure because they attest to their credibility and potential for future partnership.

How Can Donors Support New Networks?

First, "Do No Harm"

Just as the Hippocratic Oath has been applied to the international relief and development fields by Mary B. Anderson, we can comfortably say that this principle bears some consideration by donors wanting to support networks as well. In their eagerness to support new networks for all of the benefits they provide to donors and members alike, it is all too easy for donors to squash the very magic of networks with too much funding and over-direction. Networks have been likened by Jeff Kwaterski to wildflowers, which thrive in their own environment, but are not easily created. They need to be carefully understood, appreciated and nurtured (discussions). In the extreme, inattention to the ways in which unexamined donor relationships with networks can stifle a network can lead to irreparable damage.

Part of the challenge of finding the right type and amount of support for networks lies in the difficulty of achieving true partnership with them. The donor-network relationship is a complex one, made more difficult when each is operating from different paradigms. Fukuda-Parr et al. articulate this uncomfortable reality well: "The shift of control and power from the intended beneficiaries of development interventions to the providers of aid has naturally resulted from the fact that the financing of development interventions comes inevitably from the supplier and not the receiver. . . .Although at the highest level, those involved may feel that they are driven by shared development objectives, for most practical purposes the incentives and interests of the stakeholders – donors, consultants, governments, and local communities – often diverge widely" (2002). When there is too much guidance and

direction, networks can become detached from their own understanding and appreciation of their own competencies.

Donor Practices that Constrain or Negatively Impact Network Effectiveness

One of the most oft-cited problems that may arise in donor-network relationships is that networks may find it difficult to resist aligning their goals and interests with those of donors (Prewitt 1998). This has sustainability implications for member NGOs as well as the network, as NGOs that are enticed into network activities by a donor grant are not likely to persist after the grant expires (ICCO 2004). Networks must engage in full and regular communication with donors, but maintain a sense of autonomy and ownership in their relations. ICCO suggests that "[d]onors must behave more like *sponsors*, supporting initiative without interfering in the 'flow of events' of a network" (2004).

Another potential problem arises when there is inequity in the amounts of funding available for member organizations that participate in collaborative activities. Ashman and Abelson both point out that inequality in relations could be avoided if donor agencies reconsider project management arrangements that assign responsibility to one partner. This kind of inequity results in alienation of the organization and can prevent organizations from contributing meaningfully to the network and its goals (2003; 2003). This can be particularly difficult when working with regional networks, as sometimes individual members are funded separately without the knowledge of the network. At times, this situation can lead to fragmentation within the network and duplication of work (Samuel Doe of WANEP, interview, August 19, 2004).

Another unintended consequence of donor over-involvement in the affairs of a network is that it can seriously undermine the network's legitimacy in the eyes of its membership (David Brown, interview, August 18, 2004). Similarly, when donors participate in network meetings and workshops, the dynamics are often changed in a negative way (Alison Hewlett, interview, August 18, 2004).

Calling attention to the challenges inherent in managing donor-network relations should not suggest that donor involvement in networks is a negative thing. Several of the thought leaders and network representatives interviewed gave examples of networks that have flourished with donor support and have not fallen victim to the above difficulties. It is possible for donors and networks to learn from each other and to participate in each other's activities without threatening autonomy, legitimacy, or sustainability. SEEP, for example, has enjoyed an excellent relationship with USAID, and the two often collaborate on projects.

Over and over again we heard acknowledgement of the delicate balancing act that underlies these relationships and gleaned a sense of encouragement that there is as much to learn from the positive examples of well-managed relations as there is to learn from the potential pitfalls.

Adjust Donor Policies and Practices to Support Networks

1. Develop Tools and Approaches Relevant to Their Capabilities – Networks are Not Institutions

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At first glance, it may seem unnecessary to make the point that networks are not institutions. The fluidity and dynamism inherent in networks that helps give them their distinct character and makes them stand out from institutions quite readily. However, when we accept that networks are entities distinct from organizations, we must also accept that we cannot treat them as if they were interchangeable.

Supporting networks in a way that is effective and fair requires developing new tools for assessment that recognize their strengths and weaknesses and support their capacities without trying to make them into something they are not. This is easier said than done. Ashman points out the difficulty when she references Hage and Alter's (1993) idea that "bureaucracies and networks do not mix" (interview, July 12, 2004). Since bureaucracies are built upon the principles of hierarchy and control, while successful networks build consensus as well as facilitate shared learning, Ashman acknowledges that it is difficult for donors to build a mechanism that allows a network to be a network. Allowing for some messiness and providing space for the evolutionary process is crucial for network support, but is a difficult pill for donors to swallow (Ashman, interview, July 12, 2004). Sarah Earl is clear about this as well, maintaining that donors have not yet come up with a mechanism that prepares people to deal with social cleavages and the fact that group formation is a very delicate process (interview, August 17, 2004). Karen LeBan suggests the same, claiming that donors have a tendency to competitively bid everything, which fits more into the traditional control paradigm. She advocates that if donors want to fund networks effectively, they need to think differently about how to fund them in a more creative way that bypasses more traditional formal mechanisms of support and channels aid more directly at the country level (interview, August 6, 2004). This is not to suggest that assessment standards for networks should somehow be weaker than those applied to institutions. Emmanuel Bondbande of WANEP stresses this point, saying that though donors should not use the same yardstick that they use with other partners, funders must insist on accountability, and networks must be able to demonstrate their professional expertise (interview, August 13, 2004). Teresa Shaver of White Ribbon Alliance suggests using process indicators for success as opposed to impact (interview, August 12, 2004). Applying the same criteria for judging the effectiveness of a network as for judging an NGO only sets the network up to fail.

2. De-link Networks From the Formal Project Cycle

Another way to improve the support that is given to networks is to de-link networks from the formal project cycle. Time issues will be addressed below, but donors must realize that network building and capacity development require a considerable investment in improving networking and learning among development actors (ICCO 2004). It is widely acknowledged that donors must take care not to interfere with constructive network development, which requires a great deal of patience, particularly when the results are not as tangible as with other funded projects. There is a general tendency for donors to treat networks like projects, providing support for a limited three- to four-year period (ICCO 2004). This tendency can constrain the ability of networks to look beyond an individual grant toward long-term sustainability (Ashman, interview, July 12, 2004). Support for projects is typically not renewed, but this is exactly the time when networks are beginning to mature and may need a continuance of funding. Lack of funding at this time could lead to inactivity and a loss of the investment of time, energy, and previous resources put into the networks (ICCO 2004).

3. Trust that the Network Will Do its Job

Donors need to let go of their customary results orientation when they support networks. Karen LeBan asserted that donors should not demand a specific result, but rather trust that the network will do its job. Given that network members participate voluntarily, it can be difficult, if not impossible, for a network to achieve results for which there is not significant ownership and buy-in (interview, August 6, 2004). LeBan goes on to say that donors need to be clear about what a network can provide versus what a contract can. They must appreciate that they are getting something informed by the community-based experience of NGOs at the international and local levels (interview, August 6, 2004).

The Funding Dilemma: Challenging Questions for Donors

How Much Money do Networks Really Need?

There is no consensus in the field about the amount of funding that is necessary for effectively supporting networks, but a somewhat surprising finding is that many thought leaders and a few practitioners suggest that perhaps less is more. When excessive funding is available, it can put pressure on networks to do and produce things that are not necessarily what is most valued by members of the network. Additionally, as Karen LeBan of CORE points out, often the things that network members value most take the most time to develop, but require the least amount of money (interview, August 6, 2004). Darcy Ashman agrees that small grants may be better than large ones (interview, July 12, 2004), while Isabel Alvarez and Alison Hewlett highlighted the fact that the networks with which they have experience operate on very little funding (interview, August 31, 2004; interview August 18, 2004). Sam Doe of WANEP asserted that funding should be context-specific, and donors should avoid blanket allocations in order to appreciate the uniqueness of needs in different environments (interview, August 19, 2004). Theresa Shaver of White Ribbon Alliance advocated that donors should not foster reliance on one funding source, but rather should help networks diversify by opening doors to other funding, such as other bilateral institutions, the UN, and foundations (interview, August 12, 2004).

What do Networks Need Money For?

An area in which there is consensus, however, is that networks need money for core funding and not just for projects. Allison Hewlett and Darcy Ashman both make the point that some funding is useful to bring people together in face-to-face meetings in order to increase network (or community) cohesion and to build trust (interview, August 18, 2004; July 12, 2004;). David Brown advocates that donors should focus on the social and ideological facets of networks as well as financial ones, since networks are sustained by member commitment above funding (interview, August 18, 2004). Sarah Earl cites the importance of this as well, mentioning support for leadership as a critical need (interview, August 17, 2004), while Meg Kinghorn points to secretariats as a key network resource that is currently under-funded (interview, August 16, 2004).

When do They Need it?

It is clear that <u>donor support is most crucial in the startup phase, lasting approximately five years.</u> After this period, networks should be in a position to diversify funding (Theresa Shaver of White Ribbon Alliance, interview, August 12, 2004). Not everyone agrees, however, on the length of time that donors should intend to provide funding to a given network. Some authors caution against underestimating the operating costs of networks (in ICCO, 2004), and advocate for long-term donor commitment, a view supported by Claudia Muñoz-Reyes of PROCOSI (interview, July 15, 2004). Others, like Meg Kinghorn of Impact Alliance and Theresa Shaver of White Ribbon Alliance, believe that there is probably a point in the life cycle of a network at which the donor, if it initiated it, needs to move out of the way (interview, August 16, 2004; interview, August 12, 2004;). Sharyn Tenn of SEEP points out that though the majority of SEEP's funding comes from donors, the percentage of funding that members contribute through fees and earned income becomes more significant as the network grows (interview, August 2, 2004). She suggests that when a donor decides to cease funding, the support should be phased out and attempts made to refer the network to other potential donors (interview, August 2, 2004).

Recommendations for the Future
What are the gaps in our knowledge about networks, and what should be the direction of future learning and practice?

Our final research question concerned the gaps in our knowledge about networks and posited the question of what should be our future learning agenda in this field. We were interested in determining some of the next steps that we take as a community to help set a direction for learning about networks and their potential.

There is much more to learn about networks and their potential as capacity builders, and ample room for further study on this issue. The lack of longitudinal data has made it difficult to back up the prevalent assertions in the field, and we must repeat that this study is all about perception.

There is the need for more rigorous study of the capacities of networks, and we recommend the following steps:

1	**Support Research in Areas That Will Benefit PVC and the Development Community**

Research in any of the myriad issues below will do a great deal to further our understanding of networks and their potential to effect change. There are many donors and research organizations that can be supported and a multitude of strong networks that are worthy of study. If research is designed as a learning and capacity building intervention in itself, the potential impact may be further increased.

1) **Develop evaluation and assessment instruments that are uniquely designed for networks** – This was mentioned to us as a vital need by the majority of thought leaders we interviewed. We have already pointed out the dangers in treating networks as institutions, and there is consensus in the field that traditional approaches to monitoring and evaluation are not appropriate. We commend the work done by authors such as Darcy Ashman and Marilee Karl in support of new ways to look at networks. There is room, however, for more study in this area.

2) **Conduct more research on the connection between network form and impact** – We have discussed the myriad of organizational forms that networks can take and asserted that the form should be related to the particular objectives for which the network is created or has developed. What we do not know, however, is whether there are tried and true methods for achieving certain objectives that are distinctly related to network form. Rigorous study on this theme would be a significant contribution to the field.

3) **Conduct research on how early impetus for network formation impacts what a network achieves** – We have discussed the distinction between what we are calling "organic" and "engineered" networks, but the question remains whether they are really all that different. Much more work needs to be done to compare these types of networks and to try and connect them to network success.

4) **Study the potential benefit of networks in conflict prevention and management** – We were unable to uncover any studies conducted in this area, but have some indications that in certain fragile environments, networks that have built strong enough social capital can survive periods of conflict, and even provide a mechanism for communication to continue between various factions in a conflict situation. Focused research in this area would be another significant contribution to the field.

2	Promote Learning and Information Sharing on Networks by Donors and Practitioners

ICCO is one recent organization to highlight this step for donors, maintaining that "[e]valuating specific donor experiences and sharing 'best practices' seems to be very urgently needed in this field; it might provide the much needed practical insights into the way donor agencies may effectively participate in promoting networking and learning" (2004). In this way, donors become learning organizations as well. A key element to this is the openness to do that which Theresa Shaver of the White Ribbon Alliance calls "embracing error." The sharing across networks and donors must involve not just what works, but also what is not working (interview, August 12, 2004).

3	Encourage the Development of Networked Approaches to Learning

Rising recognition of the value of knowledge management is changing our traditional notions of knowledge, information sharing, and technical assistance. Networked approaches to learning, within or without networks, are quintessential ways to exponentially increase the value of learning. Making use of innovation that is occurring at the ground levels of development can do a great deal to more effectively plan development interventions that will achieve the desired impact and be efficient.

One of the advantages to networking for learning is that it moves away from the traditional concepts of knowledge transfer, which usually focus on a transfer from northern NGOs to southern ones. This notion has characterized much of development assistance in the past. However, a partnership methodology building on the knowledge and experiences of diverse actors in the international development arena is more effective. This approach marks a significant shift toward understanding and appreciating the value of "tacit" knowledge obtained through experiential learning, which supplements and in many cases surpasses the value of "explicit" knowledge obtained from books and workshops. Capacity building in this way changes from being mostly supply-driven to demand-driven, and consequently ensures maximum utility of the capacities that are addressed (Japan International Cooperation Agency et al. 2003). Networking for learning avoids many of the pitfalls associated with technical cooperation, and marks a significant development in the field.

4	Fund and Support Existing Networks

In any environment, networks can be fragile and need a great deal of calculated support to help them maximize their potential. Those that evolve organically out of existing social

capital are in the best positions to weather the complexities of network formation and evolution. Targeting resources toward core support of existing networks, particularly in the first five years of their life cycles, places networks in the best position to achieve their objectives and become leaders in the discourse on network effectiveness.

5	Recognize the Special Challenges of Engineered Networks

Closely related to the above recommendation is the notion that network members and the donors that support them must pay special attention not to lose sight of the real reasons for forming or participating in a given network. When network formation is done without serious consideration of the amount of existing social capital among members, the structural support best for efficient and effective functioning, and the coordination of horizontal relationships among members, the network is not in a strong position to succeed. Networks that are formed in response to significant donor funding or PVO support must take special care to ensure that members retain ownership of network activities and stay true to their mutually agreed upon purpose.

6	Encourage Experimentation with Various Methods for Building Organizational Capacity Through Networks

Networks that wish to promote capacity building for their members in any area have a variety of methods from which to choose, and we recommend experimentation with these and any future methods that may develop. With the help of a local capacity building provider, networks interested in organizational development can bring targeted interventions to members through training programs, on-site coaching, or organizational-wide efforts to undertake strategic planning, team building, and other interventions. Also, it may be possible to design networks that are formed for the principal function of organizational development. This would involve entire organizations instead of the particular units or individuals within organizations, which is typically how organizations participate in networks.

7	Encourage Capacity Building for Network Leaders and Members

Since networks depend almost exclusively on the human capital that runs them, support for building the capacities of network leaders and members is crucial. Networks are not organizations, and leading them requires the embodiment of innovative leadership principles that are relevant to the particular challenges and complexities of an ever-evolving entity of multiple and equal stakeholders. At the same time, network members need to recognize the extreme importance of their contributions and develop key capacities necessary for participating in networks effectively. In particular, training programs in the Generative Capacity area are important.

8	**Donors Should Be Flexible with Funding of Networks and Offer Long-Term Support**

Donors must appreciate the uniqueness of networks in relationship to their typical grantees, and know well the ways in which they are both similar and different in relation to other forms of organization. We have included an entire section on donor policies and practices that would be most useful to networks, but the key words are patience and flexibility. In order for their support to be efficient and effective, donors must be willing to let go of some of their traditional ways of doing business. Long-term support in select core areas, such as network coordination, may be essential for many networks that intend to be sustainable over long periods of time.

9	**Support the Creation of a Community of Practice Devoted to Networks and Capacity Building in International Development Work**

Our research has shown that there is no shortage of thinkers, practioners, and funders intensely interested in the great potential that networks have to build capacities within their members and within the communities in which they serve. A Peer Learning Event held at PACT in 2004 was a crucial step in this direction. We believe in particular that a focus on the Generative Capacities that we have outlined in this study will be a valuable contribution to any future work done in this area. Forming a community of practice is one very concrete way in which to further many of the recommendations cited above.

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Summary of Peer Learning Event

Effective NGO Networks for International Development
July 22, 2004

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Purpose of Peer Learning Event

The purpose of this Peer Learning Event was to create a public space for a dialogue to begin within the development community on the effectiveness of NGO networks for international development. This event grew out of a collaboration between two initiatives – a study commissioned by PVC to learn about the utility of local NGO networks as a tool for improved organizational development undertaken by Claudia Liebler and a project led by Jeff Kwaterski at PACT to create a Network Strengt hening Handbook that would serve as a guide for practitioners aiming to improve the impact of organizational networks. The practice of the two project teams meeting together to make meaning of a review of the literature was useful. It became clear that enlarging the dialogue to include additional perspectives would serve everyone well.

The Peer Learning Event agenda included the sharing of themes and trends in the world of networks, a brief overview of the networks represented in the room, a discussion on network typologies, and the development of a set of principles of effective networks.

Themes and Trends

Some of the themes and trends that are emerging in the NGO networks field that were shared by Jeff, Claudia, and other participants included:

- One way of describing and understanding networks is on a continuum. An example of such a continuum may have on one end networks with a dominant service-delivery/operation orientation, and at the other end networks that have been created for knowledge exchange and information brokering.
- The early impetus for network formation can have a lasting influence on the network. Formation can occur in many different ways. For example, it can take a more organic and evolutionary path or be created in a top-down fashion to undertake a specific task.
- Characteristics of the systems of management (hierarchical, politicized, bureaucratized, militarized, etc.) that are widely practiced in a particular country can influence the way in which networks are run.
- Enlarging our definition of capacity and capacity building from a more mechanistic view to a view that includes, for example, capacities built though the creation of social capital may allow us to better understand the potential that networks can offer.
- Networks must balance the need to speak with one voice while allowing for diversity of opinion and individual expression.
- Clarifying our understanding of "network" would be a useful contribution to our community. What are the characteristics that make a network a network?
- The challenge of sustainability needs attention. Early discussions about the long-term plans of a network regarding its life cycle and growth are important. Should a network outlive its initial goals by adopting new ones, or dissolve after the accomplishment of its initial goals?
- Are there conditions in which networks should be encouraged/discouraged?
- What is the role of donors? Is there a sequence of interventions that donors should employ? How can the hijacking of a network's goal by donors be avoided?

Networks Represented

Participants were invited to take a few minutes to introduce a network that they represented and to describe some of its characteristics. The networks introduced were SEEP, CORE, the Impact Alliance, the IDB Youth Network, One World, and Interaction. Some of the common characteristics highlighted were:

- Lateral learning
- Democratic structure/rotating leadership
- Use of working groups/themes
- Paid staff
- Member-driven
- Cross-sector membership and cooperation
- Peer/self-directed learning

- A "tapestry" of both global and international participation
- Advocacy component
- Strengthening the autonomy and visibility of members
- Making non-mainstream voices heard

Network Typologies

The next segment of the morning was used to discuss the need to understand and use typologies for networks. Some of the key issues identified revolved around the topics of social capital, interdependence, and autonomy. Social capital is important as it determines the level of collaboration possible.

How interdependent do organizations want to be? Many organizations are willing to have more of an informal, sharing relationship; ceding autonomy through a formal network governance structure can be something that is risky to organizations, especially if they do not have a history of working together and no social capital has been built.

In terms of risk, networking can be divided into three levels:
- Low risk: information-sharing, informal
- Medium risk: Temporary joint-action
- High risk: member association, long-term, etc, with a representative body or secretariat; some autonomy of individual members is usually given up

Principles of Effective Networks

Small groups met to formulate a set of principles of effective networks and then presented them to the larger gr oup. Some of the principles that emerged were:

- ➢ Social capital and relationships
  - People share and collaborate with those whom they trust
  - Networks and organizations should value the results obtained from informal networking, especially in the initial stages of network formation

- ➢ Mission and purpose
  - Networks must identify and address the felt needs of members
  - The network's organizational structure should reflect its mission
  - Networks and members need to have a clear understanding of what its mission is, recognizing that this mission may evolve over time to meet the members' needs

- ➢ Participation
  - Members should understand the principle of reciprocity: give more, get more
  - Members should participate in defining the collective identity/action agenda
  - Effective networks should maximize and encourage the participation of its members and the members' shared learning

- ➢ Governance and Democracy
  - Networks must have transparent governance that provides for joint-ownership

- Networks should have distributed/rotational leadership

➤ Planning, sustainability, and monitoring
  - Sustainability goals should be stated from the start. Given the network's purpose, how long will the network last? What resources are needed for that purpose and duration, and where will they come from?
  - Consideration must be given to monitoring and evaluating the impact of the network (the impact both on members of the network and the community)
  - At any point during the network's existence there should be an open dialogue regarding the sustainability of benefits vs. the sustainability of the institution

Future Learning Agenda

The meeting ended with identifying possibilities for collaboration between networks and with thoughts about a future learning agenda. Suggestions included conducting a collaborative review of assessment tools, looking deeper into networks as vehicles/mechanisms for capacity building, and jointly developing a curriculum for practitioners interested in strengthening networks.