

Chapter 1: The basics

1.1 OUTLINE OF CHAPTER

This chapter opens by outlining the aims of the manual and listing the elements of organisational success. It suggests which organisations may find the book particularly useful, bearing in mind the many different types of **'not for profit'** or non-governmental organisations (NGOs) that exist.

The chapter goes on to look at some different definitions of and approaches to development, emphasising the importance of **participation, empowerment and inclusion**.

A first step for any organisation to take, either when it is being formed or during periods of reflection on its purpose, focus and direction, is to define the broad **principles** it will adhere to in its daily practice and programme activities. Some guidance is provided to help organisations discuss and agree on these.

The principles an organisation adopts are reflected in the way it defines its mission. Hence another important preliminary step is to clarify the organisation's **mission**. It should be clear what the organisation has been formed to achieve, and how it will set about achieving it.

Establishing a clarity of purpose and focus that is shared by staff teams, partners and other stakeholders provides an important base from which to develop a **governing document** (see Chapter 2: Organisational governance) and a **strategic plan** (see Chapter 3: Strategic planning). A written **mission statement** is also a useful tool for an organisation to **publicise** itself (see Chapter 8: Publicity and fundraising).

This chapter concludes with a summary of some factors that influence an organisation's **success** and **sustainability**.

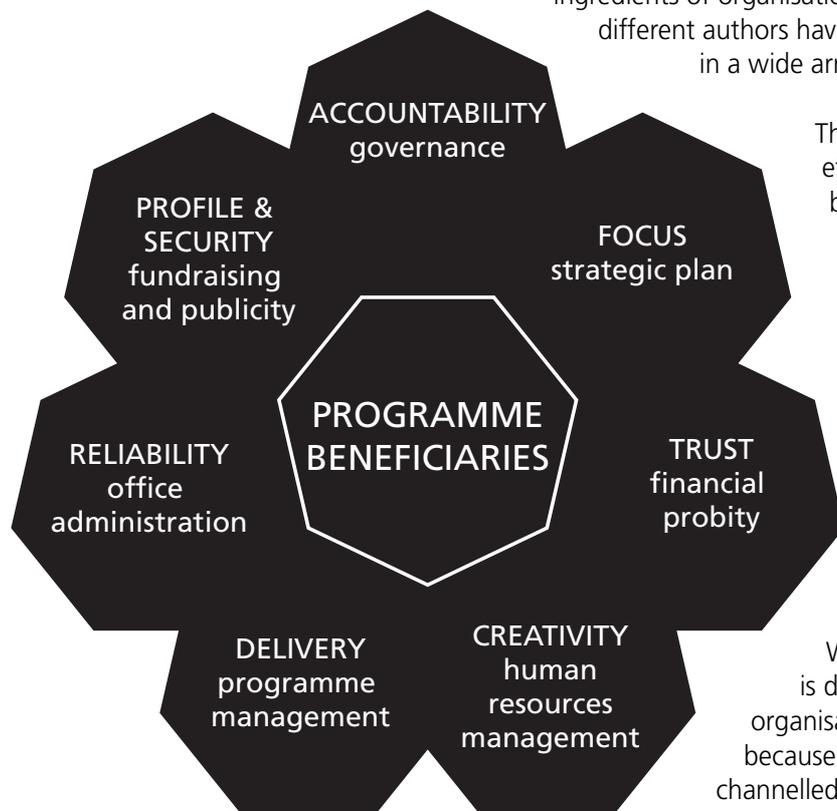
1.2 AIMS

What?

The primary aim of this manual is to help local non-governmental organisations (NGOs) achieve the greatest possible programme impact through the best organisational practice.

Local NGOs are created to bring about, or support processes to bring about, major positive change in the lives of the beneficiaries, clients or service users they have been formed to serve. In other words, these

organisations are a means to a broader end. At the core of their work, as the diagram below illustrates, are the programmes they deliver. If they are to achieve maximum positive impact through these programmes, organisations need to work as effectively as possible. However, the ingredients of organisational effectiveness are not easy to unravel: different authors have advocated different recipes for success in a wide array of books and articles.



The essential ingredients of organisational effectiveness as defined in this manual can be depicted as follows:

If an organisation is to be truly **accountable** it will need a strong system of internal organisational governance. This will assure its clients or beneficiaries that it exists to further their interests, and assure its members, staff and funding agencies that its resources are being put to the best possible use (see Chapter 2: Organisational governance).

Without a clear **focus** to its programme it is difficult, if not impossible, for an organisation to achieve significant impact because its energies and resources will be poorly channelled and dissipated (see Chapter 3: Strategic planning).

There are many ways in which an organisation can win or lose the **trust** of its beneficiaries, staff, funding agencies and the general public. One of the most important aspects of building trust is to establish systems to guarantee that financial resources are responsibly managed and efficiently used (see Chapter 4: Managing finances).

In an increasingly complex world, development issues are by no means simple to address, so those working to support communities and individuals who most need justice and redress must have **creativity**. A staff body that is well managed, highly motivated and working well as a team is much more likely to succeed than one characterised by insecurity, lack of support and opportunity, hierarchy and unclear lines of responsibility and reporting (see Chapter 5: Managing people).

To effect real change in people's lives, all NGOs develop and deliver programmes. These may use a number of different strategies, including advocacy, capacity building, physical projects (such as buildings or repair of rural roads, water pumps, etc), research and information, networking, and others. An NGO must manage the **delivery** of these different elements of support to beneficiaries efficiently and effectively – from planning through implementation to the review stage – if it is to achieve the intended positive impact (see Chapter 6: Managing projects).

The foundation of an efficient, effective and high impact organisation is its office administration. The **reliability** of these systems must be such that they are largely invisible. An untidy, chaotic office where important

documents cannot be located easily, where visitors feel unwelcome and telephone messages go unrecorded, gives a bad impression and undermines the efforts of the staff team (see Chapter 7: Office administration).

Last, but by no means least, it is difficult if not impossible to advance the interests of beneficiaries without carving out a public **profile** for the organisation and its programme. Without this it will remain unknown and isolated when it could be networking effectively with others and building a solid reputation for delivering high quality, high impact programmes. A solid reputation is also linked to an organisation's long term security: it is much easier for a reputable organisation to secure funding for its work (see Chapter 8: Publicity and fundraising).

Who?

This manual is designed to help organisations in the making, both new local NGOs and those that have been working for some time, by outlining some basic standards of **best practice**. Smaller community based organisations (CBOs) may also find some parts of it helpful. However, the primary target audience is NGOs working at national or regional (provincial) level in partnership with CBOs working at community level, or directly with communities.

The manual is designed to be accessible to NGOs regardless of the number of staff they employ or the size of their budget. Larger, more complex organisations employing experienced and technically skilled personnel may find that they already use many of the procedures and processes suggested. However, even these organisations may find some useful checklists to help them reach ever higher standards.

How?

The manual can be used as a step by step guide to developing an effective and well-managed organisation that makes best use of its people and financial resources to design, deliver and develop its programme. The chapters can be used individually for reference on the topics covered.

Each chapter contains examples of best practice as well as a number of exercises and prompts in the form of 'issues to consider'. These can be used in small internal discussions or larger workshops to help clarify thinking on key aspects of organisational development.

Certain **terms** are employed throughout the manual for the sake of consistency. For example, 'Executive Director' is used to describe the most senior post holder in an NGO, even though this person may be called a Manager, Managing Director or something else. Similarly, the term 'governing document' is used throughout, although some organisations call this document a constitution.

Non-governmental organisations (NGOs)

Defining a national or local NGO is neither as easy nor as straightforward as it might appear. In some cases these organisations are defined by **laws** governing their registration or through an **NGO policy** adopted by the government. But sometimes the way in which the government defines NGOs differs from the way in which the NGO community chooses to define itself.

A study of Namibian NGOs (Allison et al, 1996), for example, found that these organisations had reached consensus about how they wanted to be defined after much debate. Their definition was:

An NGO is any organisation that operates outside government, is not for profit, is voluntary, is non-ethnic, is non-religious, is non-union, is non-political and is not community-based.

Here the NGO community decided that it was important to draw a distinction between:

- NGOs established to operate at a national level within the country as a whole or in the different, vast regions (regional NGOs) comprising it; and
- CBOs that work in a single community and with whom national (or regional) NGOs enjoy close working relations.

The distinction between NGOs and CBOs is maintained in this manual.

Where there is no legislation covering national or local NGOs, it is imperative for these organisations to play an active role in shaping new or proposed legislation to reflect their particular historical evolution and context.

It is important to remember that NGOs are not a homogenous group of institutions. They differ from one another in many ways including those listed in the box below.

HOW NGOS DIFFER

- 1 The length of time an NGO has been in existence.
- 2 The main reason why an NGO was established: this might be to provide services or for some other purpose such as policy advocacy in human rights or training and capacity building for organisational development.
- 3 The impetus driving the organisation: for example, whether it is a membership based organisation; whether it was formed in response to community demand or to the availability of international funding.
- 4 How it generates its income: whether an NGO generates its own income (this includes those with programme activities linked to small-scale enterprise) or has the potential to do so, or whether it depends entirely on funding from external sources (such as international NGOs).
- 5 Adoption of one or more target groups as a focus (for example, to work with rural women, people with disabilities or pastoralists) or a broader spectrum of work not focused on a particular target group.
- 6 Adoption of a sector focus (for example, primary health care, adult literacy, rural water development) or a thematic focus (for example, the self-organisation of people to advance their rights to land).
- 7 Programmes may be targeted to a specific region or province, or be spread throughout a country.

1.3 DEVELOPMENT: DEFINITION AND APPROACH

Not only do NGOs differ from each other in many ways, but they often have very different definitions of development. This will have a significant influence on their programmes and the relationships they form with others, including their beneficiaries, clients or service users, government, and international funding agencies. It is helpful for organisations to reflect and agree on their approach to development. The exercise below is intended to encourage dialogue. It contains some examples taken from discussions with NGOs in Somaliland.

EXERCISE: DEFINING DEVELOPMENT

See if you agree with the definitions of development outlined below or have different ideas about what development is about.

Definition 1

Development is about people and the way they live, not about objects, things or services given to them. Development is a process in which a community of people strives to make it possible for all its members to satisfy their fundamental human needs and to enhance the quality of their lives.

Definition 2

Development is a process. Fundamental human needs include understanding, participation, creation, identity and freedom. These are things that cannot be satisfied by giving services or things. To be complete and sustainable, development must involve the beneficiaries and help them to develop skills to understand the real causes of their problems, take initiatives, be creative, and participate in and organise action. Development means reflection and action. Members of the community need to be taught about both.

Definition 3

Development is sustainable long term improvement and changes for people and their target community areas.

Definition 4

Development is people's rights to get justice and equal opportunity in all areas and levels of life.

Definition 5

Development is improving people's lives, interests, and whatever they share. That can be achieved by living peacefully, understanding each other, sharing information, and justice.

Definition 6

Development is elevating people's economic situation, knowledge and skills to meet their fundamental human needs and achieve self-reliance, understanding and sustainable changes in life.

Empowerment, participation and inclusion

For many NGOs the concepts or **principles** of empowerment, participation and inclusion are of central importance in the way they define and approach development. This is because they see disempowerment, marginalisation, discrimination, exclusion and voicelessness as major causes as well as results of poverty, conflict and suffering. Increasingly NGOs believe that unless people can influence decisions that directly affect their lives, they will remain excluded from mainstream development. They will be merely the passive recipients of aid and assistance from the government or other sources.

National or local NGOs that define development in this way see their role as being, first and foremost, to support increasing empowerment and the active participation of people in decision making. The Capacity Building Caucus (CBC) in Somaliland emphasises that NGOs have a duty to support communities in deepening their understanding of the root causes of suffering and identifying their own solutions to overcome them:

The role of a local NGO is not to do things itself, but to help the target community make changes for itself ... The CBC, as one of its principles, always recommends a participatory approach to capacity building. It recognises the importance of allowing the community to select its own priorities.

The way an organisation chooses to work is important. Its approaches are not neutral. How programme activities are designed and implemented will directly affect their impact on people's capacity to bring about real changes in their lives, and their ability to dictate for themselves the direction and pace of such change.

1.4 ORGANISATIONAL PRINCIPLES

The principles of an NGO are reflected in the ways it works internally as an organisation and externally in its relationships with communities, clients, service users or beneficiaries.

What is a principle?

A principle is a belief or rule about which people agree.

For example, the principle of **sustainability** is one that many NGOs believe is important for an organisation and its programmes. It means approaching development in ways that are lasting, rather than dependent on continual external assistance and intervention.

A principle is an idea or concept that people support.

For example, many people support the principles of **equality** and **non-discrimination**. An organisation with these principles would take steps to make sure that ethnic minorities, disabled people and women, among others, do not suffer discrimination. It would take concrete steps towards realising these principles through, for example, an **equal opportunities policy**. It might go a step further and actively encourage and celebrate difference and **diversity**, in both its staff team and its programme (see Chapter 5: Managing people).

A principle is something that guides everyday practice.

For example, many NGOs share the principles of **democracy** and **accountability**. This means that they give a high premium to consultative, transparent and participatory ways of working and decision making. However, internal organisational democracy, transparency and accountability are often difficult principles to practise and NGOs that advocate transparent democratic and accountable government are more likely to be heard if they are seen to practise these principles themselves. Some NGOs regard their accountability to staff, members and target groups as equally important to their accountability to international funding agencies.

Clarifying organisational principles

An organisation's members together with its staff, the governing body and other key stakeholders might want to share ideas about its principles so that they have a real stake in it and share a common understanding of its purpose and what it stands for. The CBC has developed a checklist of organisational principles.

CHECKLIST: ORGANISATIONAL PRINCIPLES	
Our organisational principles	How to implement the principle
<p>1. Use a participatory strategy</p> <p>A participatory strategy means involving the participants and the community in the organisation, starting from when it defines its objectives and ideas all the way through to programme implementation and evaluation.</p>	<ul style="list-style-type: none"> • Approve a governing document that will define roles and responsibilities. • Adopt a management style that supports people. • Plan the involvement of beneficiaries in measuring the NGO's effectiveness.
<p>2. Be transparent and accountable</p> <p>The organisation must be transparent to staff, members, communities and funding agencies, in both financial and programmatic senses.</p>	<ul style="list-style-type: none"> • Approve and implement financial and administrative policies and procedures. • Prepare quality financial reports for the governing body and other key stakeholders. • Conduct regular systems audits.
<p>3. Build partnerships and trust through:</p> <p>Cooperation. Work with and listen carefully to others.</p> <p>Impact. If an organisation supports a community in achieving real and positive change it will earn respect and reputation</p> <p>Participation. People respect and value what they are or have been involved in themselves.</p>	<ul style="list-style-type: none"> • Put the concept of partnership into the NGO's system so that people work together. • Collaborate with other key actors in social development. • Establish strong links with the community and plan how best to collaborate.

1.5 DEFINING THE ORGANISATION'S MISSION

An important step for any organisation is to make clear its key purpose and how it will achieve what it has set out to do. The process of doing this can offer a good opportunity to build consensus within the staff team as well as with partners, beneficiaries and other stakeholders. A written **mission statement** provides a brief summary of the decisions reached during what may have been a long process of consultation, dialogue and debate. It can be useful to share this document with others to publicise the organisation (see Chapter 8: Publicity and fundraising). Ideally, it should be no more than a one page summary.

What is a mission statement?

A mission statement summarises what the organisation is about. It defines its direction, and tells others how it hopes to achieve its ideals. The mission statement distinguishes an organisation from others by specifying what it aims to do and how.

A clear and well defined mission is important to focus the organisation. It also clarifies the organisation's style of working. An NGO that has a mission statement will have a better idea of why it exists, whom it wants to help, and how it will reach its goals. Such a statement is best developed when an organisation is founded. However, once an organisation has been operating for some time and has a clearer mandate, this may be an opportune moment to write it down. A mission statement has the characteristics outlined in the box below.

CHARACTERISTICS OF A MISSION STATEMENT

- It is the organisation's **self-concept**.
- It is a **broad-based**, strategic statement of the NGO's goals, attitudes, orientation, and outlook.
- It is **clearly defined** to serve as a focal point, to encourage others to identify with the organisation's purpose.
- It is **long range**; it looks into the future of the organisation.
- It is **brief** and to the point.
- It **distinguishes** the organisation from others and shows what makes it different.
- It **provides focus** for the organisation.

The organisation's members and its staff team can join together to share their ideas and to agree on the **common purpose** of the organisation and why it was formed. An organisation is formed for the good of its beneficiaries, so they should participate in the process of defining its mission, which will provide a summary of the NGO's **agreed mandate**. If only a few people take part, others may not have a sense of ownership.

Before developing a mission statement, it may help to read those of some other organisations to get a better idea of how they look. The next step is to identify what information the mission statement might provide about the organisation by discussing the questions outlined below.

EXERCISE: INFORMATION FOR A MISSION STATEMENT

- **Founding date.** On what date was the organisation formed?
- **Purpose.** What is the main reason the organisation was formed? What change does it intend to help bring about?
- **Focus.** What type of focus does the organisation have in terms of its target groups, sectors, themes, strategies?
- **Geographical area of work.** Where does the organisation work?
- **Beneficiaries.** Who does the organisation support (eg refugees, women, street children, poor women and men, pastoralists, landless rural residents, etc)?
- **Organisational values.** What does the organisation stand for?
- **Type of organisation.** What type of organisation is it (eg non-governmental, voluntary organisation, independent charity, women's organisation, non-profit, non-political, etc)?
- **Religious affiliation.** Does the organisation have any ties to a religious body? If not, the mission statement may state that it is non-sectarian (non-religious).
- **Methodology.** What is distinctive about the organisation's style of working (eg participatory, inclusive, empowering)?

It can be helpful to work in a large group or smaller subgroups to decide what defines the organisation and what makes it different. This will help to determine what information to include in the statement. The following exercise provides some guidance on how to work together to define a mission statement.

EXERCISE: DEFINING A MISSION STATEMENT

- 1 Once the types of information to be included in the mission statement have been agreed, write a list on a flipchart.
- 2 Discuss what information to include under each heading. Some items are easy, such as the founding date; but others, such as organisational values, are more complex and may need more discussion.
- 3 Discuss all the information to include until consensus is reached.
- 4 Finally, summarise the information into a single statement.
- 5 Once a draft mission statement has been developed, share it with and invite feedback from members, staff and other important stakeholders who did not participate in drawing it up.
- 6 Once the mission statement has been agreed and put in writing, the governing body should approve it.
- 7 After it is approved, discuss whether to display the mission statement in the office or include it on the office letterhead. Think about what languages it should appear in.

Here is an example of a mission statement developed using these guidelines:

The Association of Pastoral Farmers is a membership based non-governmental and non-sectarian organisation. It was established on 28 July 2001 with the purpose of obtaining grazing rights for small pastoral farmers. Working in partnership with representative CBOs, it will provide capacity building for advocacy through small grants for organisational development and training. The target group is female-headed households living in the poorest regions of X and Y.

If the organisation wanted to put the mission statement on its printed stationery, then it would need to develop a **strap line** that is even more succinct. This might read as follows:

The association works in partnership with representative organisations to promote the grazing rights of impoverished women pastoral farmers by building their capacity for advocacy.

1.6 CONCLUSION: ORGANISATIONAL SUCCESS AND SUSTAINABILITY

Organisational sustainability is essential for an NGO to be effective. This concept can be defined in different ways, but it boils down to certain key factors that lead to success. Not all NGOs are created to last for decades. Some may be set up for a timebound purpose.

For example, an NGO established to organise women's groups to participate effectively in a world conference on women's rights might transform itself or close down after the conference. Nevertheless during its existence the organisation would strive to be sustainable. In other words sustainability does not necessarily imply longevity but it does mean effectiveness.

Some of the factors which national NGOs in Namibia, for example, regarded as most essential for success are summarised in the box below. In other settings different factors might be identified.

SUCCESS FACTORS FOR NGOS

- Organisational vision, which includes the positioning of an organisation within the external environment and its flexibility to adapt to changes in this environment.
- Individual staff capacities, skills and aptitude, and their collective synergy.
- Organisational capacity to attract and retain a staff body and individual staff of the calibre or potential calibre necessary for running programmes effectively.
- Organisational capacity to be accountable to funders, governing bodies or boards, staff and target groups.

In the box below are some examples of what Namibian NGOs believe are the major factors that determine their effectiveness. It may be helpful to look at these factors, pick out those most relevant to the local context and add new ones to the list.

ORGANISATIONAL EFFECTIVENESS

- Organisational ability to remain detached from party politics.
- Able and committed leadership with solid skills derived either from grassroots experience and connections, or from formal educational qualifications.
- Participatory and democratic involvement of grassroots membership and NGO staff in matters pertaining to organisational and programme development (including staff selection).
- Transparent and accountable (to grassroots membership and staff) management.
- Secure donor funding from known organisations with which partnerships have been developed.
- Donors who are committed to capacity building, skills development and conflict resolution.
- Donors who refrain from becoming enmeshed in internal organisational politics, and who are able to adopt non-interventionist methods.
- Donors who are able to gauge the NGO's capacity to absorb and manage resources and who tailor financial and other support to meet this.
- Sound organisational control mechanisms deriving from democratic participation and/or measurable control systems.
- Development of forward-thinking management and leadership strategies, and reduced reliance on organisational crisis management.
- Investment in human capital without prejudice to individual personalities, and with carefully selected training interventions.