

DAY ONE: SETTING THE SCENE

- **SESSION ONE: THE LARGER PICTURE**
- **SESSION TWO: OVERVIEW OF POSSIBILITIES**
- **SESSION THREE: WHY SHOULD ANYONE HELP A SOUTHERN CSO?**

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.1 What the Training Course Offers

Purpose

This section introduces the beliefs of the handbook.

Text

This handbook sets out to do two things—to change the way that civil society organizations think about their own scope and potential; and to provide tools that civil society organizations can use in mobilizing (mostly) domestic resources. The book is also interested in foreign resources that build self-reliance and sustainability. This challenges the prevailing orthodoxy of the aid system, which creates more and more dependency on foreign resources, and retards the development of an indigenous citizen resource base.

This handbook is based on the following beliefs:

- The existing pattern of support for civil society organizations in the South, which is largely based on foreign funding, is neither desirable nor sustainable.
- A variety of domestic resources are potentially available to Southern civil society organizations, but have not been adequately researched, attempted, or mainstreamed by them.
- Local or domestic support, expressed through local funding, is fundamentally important for the long term sustainability of civil society organizations and their programmes.

For these reasons it is important for Southern civil society organizations to learn more about the different strategies for resource mobilization that are available to them.

This handbook will introduce you to 12 different approaches for resource mobilization, each of which will have its own rationale, and each of which will have its own advantages and disadvantages. Using these different approaches will not only change where your money is coming from, but may also change the way that your CSO thinks of itself and operates. The advantages and disadvantages may appeal to your organization in different ways.

Methodology

Display top half of OHT 1, and discuss.

Display bottom half of OHT 1, one by one. Ask participants if they agree with the statements, or are yet to be convinced.

What The Training Course Offers

- a. to change the ways that civil society organizations think**
- b. to provide tools that civil society organizations can use to mobilize resources**

Use of the tools will help to change the way that civil society organizations think

The Training Course believes:

- The existing pattern of support for civil society organizations in the South, which is largely based on foreign funding, is not sustainable.**
- A variety of other domestic resources are potentially available to Southern civil society organizations, but have not been adequately researched, attempted, or mainstreamed by them.**
- Local support, expressed through local funding, is fundamentally important for the long term sustainability of Southern civil society organizations and their programmes.**

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.2 The Need for Resources

Purpose

To understand why you need resources, and the limitations of the present resources.

Text

Civil Society Organizations need resources so that they can be effective and sustainable. As organizations look for strategies to mobilize resources, they should be guided by these two important principles - and assess the various possible alternatives from these two standpoints.

Resources, particularly money, are not value neutral or value free. They bring certain baggage with them depending on their origin and culture. Some CSOs will have strong reactions to some kinds of resources (like, for instance, resources from the corporate community), but will accept the possibility of resources from individuals. Other CSOs will start from different perspectives. The important point at present is to be open to a range of possibilities and to suspend critical judgment until you have understood them better.

The CSO world is very likely to change. Some of these changes are already taking place particularly the drying up of funds from Northern CSOs. Existing patterns of resources to Southern CSOs will likely fall into one or more of the following categories:

- They will not be available to your organization in the future.
- They have significant disadvantages that outweigh their advantages.
- They seem less attractive in relation to some other resources.

Methodology

Show the top part of OHT 2. Ask participants if they have any prejudices about using any particular kind of resources.

Show the bottom part of OHT 2. Ask participants for examples of resources they have experience with which fit one of these 3 categories.

The Need for Resources

Civil Society Organizations need resources so that they can be:

- a. effective, and**
- b. sustainable.**

The CSO world is very likely to change.

Existing patterns of resources to Southern CSOs will likely fall into one or more of the following categories:

- They will not be available to your organization in the future.**
- They are felt to have disadvantages that outweigh their advantages.**
- They seem less attractive in relation to some other resources.**

DAY ONE/SESSION ONE: THE LARGER PICTURE

Exercise 1: What Resources does your CSO use at Present?

Purpose

Externalize and make visible the background and relevant information of all participating organizations. It also serves as an introduction to participating organizations.

Text

The place to start with any CSO or group of CSOs is where they are at present. To set the scene for new ideas in resource mobilization, each CSO should look at, and list, its present resources. Then, for each one, it should give its origin, advantages and disadvantages from the point of view of effectiveness and sustainability. The result of this exercise is likely to show the CSO that it is relying on a very restricted number of resources. For many development CSOs, the exercise reveals a heavy reliance on grants from Northern donors, and that many of the grants have disadvantages of different kinds from the perspective of effectiveness and sustainability. The main advantage of such grants, on the other hand, is that they are available, that such funds are indeed offered, and that they are usable by the CSO community. Because they exist, such grants have become the norm. Other forms of resource mobilization seem strange. Because they are unfamiliar it is assumed they are difficult.

The other result of this exercise, particularly when practiced with a large group of different CSOs, is that it will throw up a number of different experiences beyond grants from Northern donors. These experiences will probably be of less importance financially than the foreign grants, but will allow participants to appreciate the range of other possibilities that exist, and allow inter-organizational learning based on actual experience.

Methodology

Ask the participants to inform the group what resources their CSO has access to at present. Facilitator puts up cards along the top of a sheet of chart paper giving the following column headings: CSO, Resource, Origin, Advantage, Disadvantage. Hand out blank cards to all participants. Ask those from the same organization to work together. Ask them to write on the cards with markers giving the information needed under these headings as it refers to their organization.

Once they have finished writing the cards, provide tape and ask them to stick their cards in the right place on the sheet at the front of the room. Once all organizations have their cards displayed, ask one person from each organization to stand up, come up front, introduce himself or herself and others from the same organization, read the cards, and clarify any questions from the audience.

Ask for any general comments from the participants after they have heard everyone. What are the common features? Common resources? Common Origins? Common advantages? Common disadvantages? Note rare ones for reference later.

Exercise 1

‘What Resources does your CSO use at present?’

CSO	Resources	Origin	Advantage	Disadvantage
1.				
2.				
3.				
Etc.				

Ask participants to fill out cards for each section and display them.

Before asking the participants to fill out their cards give some explanation or interpretation of the information you are asking for: Possibly prepare some cards with possible multi-choice answers and display them to help participants. This is a very important session that illustrates the breadth of the experience of the participants and will be a reference point many times in the workshop.

1. Name of the CSO: if acronyms are widely known, use them
2. Resources received: eg grants, loans, goods in kind, people, training
3. Origins: eg Northern NGO, Northern government, multilateral, Northern foundation, Northern business, Southern government, Southern foundation, Southern business, local fundraising, own enterprise, own investments

Participants will be very eager to add the names of their donors. Suggest they put the name in brackets
4. Advantages: Participants should answer the question ‘What advantages has this resource brought to your organization?’
5. Disadvantages: Participants should answer the question ‘What disadvantages has this resource brought to your organization?’

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.3 The Characteristics of CSOs

Purpose

The purpose of this section is to acquaint the participants with the analytical context for resource mobilization, and why it is important to build up a citizen's base of resources.

Text

As many commentators on civil society have written, it makes a lot of sense to think of the political economy of the modern society in three basic sectors—the state, business and a third sector defined by citizen self-organization. The state's distinctive competence is the legitimate use of coercion; the business sector's competence is market exchange; and the third sector's competence is private choice for the public good. Citizens mobilize through values that they share with other citizens and through shared commitment to action with other citizens.

Civil society is the dynamic equilibrium relationship amongst these three actors. As Salamon and Anheier (1999) have put it:

[A] true 'civil society' is not one where one or the other of these sectors is in the ascendance, but rather one in which there are three more or less distinct sectors - government, business and nonprofit - that nevertheless find ways to work together in responding to public needs. So conceived, the term 'civil society' would not apply to a particular sector, but to a relationship among the sectors, one in which a high level of cooperation and mutual support prevailed.'

The citizen sector becomes operational through citizens organizing themselves for action for the common good. Formal organizations that result will be stronger if they address social problems together with government and business—and the most effective civil society organizations will be those that have a strong base in many different kinds of citizens in their country.

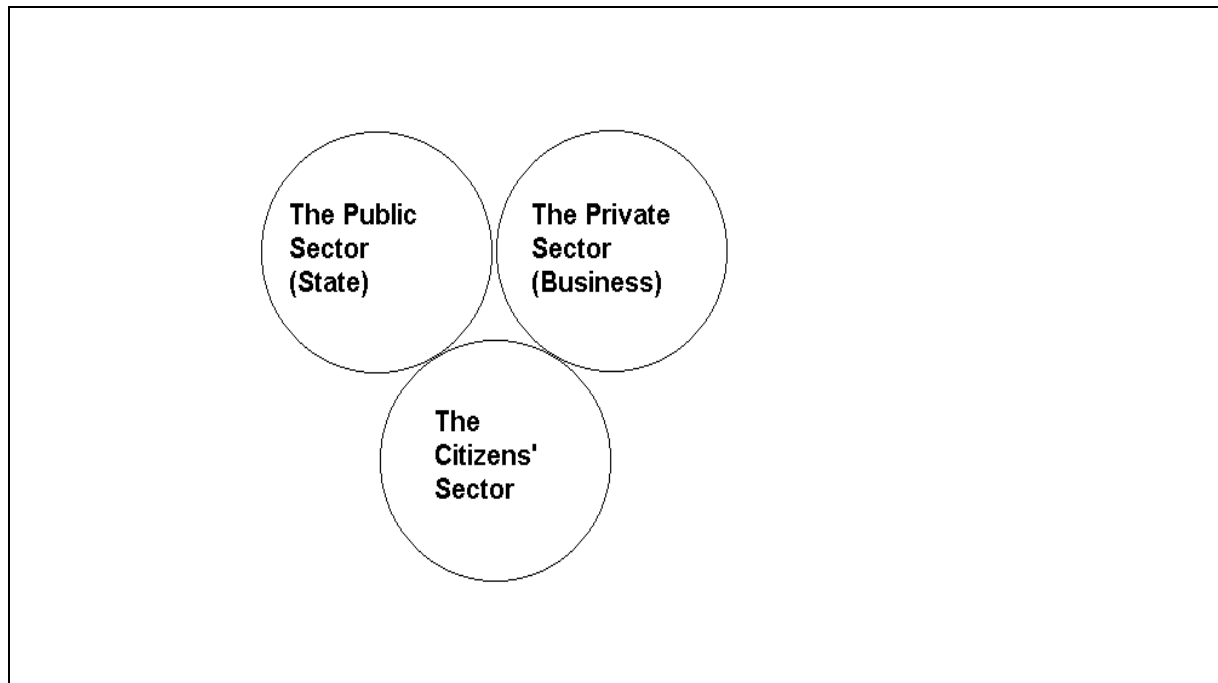
Methodology

Display the three circles in OHT 3 with the rest covered.

Ask the participants to suggest the core competences of each sector - write them on flip charts. After discussion, introduce the list of competences at the bottom of OHT 3 and ask for comments. Ask for examples of citizens sharing values and sharing commitment.

Introduce the subject of civil society being a relationship between all three sectors. Ask for examples of social change activities that have benefited by having all three sectors involved.

The Three Sectors of Society and their Competences



Core Competencies

The State: Legitimate use of coercion

Business: Market exchange

Citizens: Private choice for public good

Shared values with other citizens

Shared commitment to action with other citizens

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.4 Clarifying Who We Are

Purpose

Clarifying the need for resources to the right kind of organizations.

Text

This handbook is based on the premise that there is a continuing need for effective, ethical, committed and sustained CSOs, whose main purpose is to improve the situation of the poorest and most disadvantaged people in the South. It is taken as a given that CSOs can do things which neither of the other national development actors - the government and the corporate sector - can do on their own. If this premise is accepted, it is obvious that CSOs need resources to allow them to have an impact on their chosen field of work and to sustain them so that they can continue to have such impact. The question is which resources and how can they be acquired.

While most CSOs indeed have as their purpose the improvement in the lives of the poorest and most disadvantaged, there are increasing numbers of 'pretender' organizations who call themselves by the name of CSOs, but whose purpose is different. Such organizations are created for personal income or private interests, or as a front for governments or businesses. Such pretenders are challenging the CSO world, and because such 'bad apples' can spoil the reputation of the citizen sector as a whole, it is valuable to reiterate the most important characteristics of civil society organizations before we look at what such CSOs need, and how such needs can be met.

Civil society organizations created in the public interest, both North and South:

- are driven by values that reflect a desire to improve lives;
- contain elements of voluntarism (ie are formed by choice, not by compulsion, and involve voluntary contributions of time and money);
- have private and independent governance;
- are not for anyone's profit (ie they do not distribute profit to staff or shareholders);
- have a clearly stated and definable public purpose to which they hold themselves accountable;
- are formally constituted in law or have an accepted identity in the culture and tradition of the country

Methodology

Display OHT 4 title. Explain that there are many organizations that call themselves civil society organizations, NGOs, Voluntary Organizations etc. If we are looking to help organizations access resources, let us be clear what kinds of organizations we are talking about.

Ask participants for characteristics of CSOs. Write them on flip charts. Then display the characteristics from OHT 4, one by one. Explain them one by one, making sure everyone agrees and understands.

Finally show the rest of OHT 4 and ask for examples of NGIs, Briefcases, DONGOs, GONGOs, BONGOs, etc.

Clarifying Who We Are

Characteristics of Southern CSOs

- **are driven by values that reflect a desire to improve lives;**
- **contain elements of voluntarism (ie are formed by choice, not by compulsion, and involve voluntary contributions of time and money);**
- **have private and independent governance;**
- **are not for anyone's profit (ie they do not distribute profit to staff or shareholders);**
- **have a clearly stated and definable public purpose to which they hold themselves to be accountable;**
- **are formally constituted in law or have an accepted identity in the culture and tradition of the country.**

The Pretenders

- ***NGIs, Briefcase NGOs***
- ***GONGOs (Government organized NGOs)***
- ***DONGOs (Donor organized NGOs)***
- ***BONGOs (Business organized NGOs)***

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.5 What Do CSOs Need?

Purpose

To clarify what are the needs that can be satisfied by different resources.

Text

What do such organizations need in order to be effective and sustainable? There are five basic requirements:

1. Good programmes that actually do improve lives and can be shown to do so, as opposed to programmes that claim to do so, but which actually have not had the impact desired.
2. Good management which will make sure that any resources are efficiently put to the service of the good programmes. Good management also means a proactive practice of performance accountability, including rigorous public reporting.
3. A commitment to sustainability: CSOs need to appreciate that their mission is unlikely to be achieved quickly and that they need to be involved over the long haul. CSOs need to be marathon runners rather than sprinters.
4. The financial resources to support the good programmes, the good management and the sustainability mentioned above.
5. Local support which includes:
 - a supportive political, legal, and fiscal environment in which they are enabled to exist and flourish;
 - good human resources to work for the CSO;
 - a good reputation built on the credibility they have acquired from their good programmes;
 - supporters from a variety of different sources (local development agencies, national governments, specific groupings in society, the general public);
 - and, specifically, well-placed champions who can defend them when they are under attack, and promote them when they have something of wide significance to offer.

Methodology

Explain that we want to find out what organizations need to be (a) effective and (b) sustainable. Both are important. If we know what we need, then we can identify the resources required.

Ask for brainstorming - write up on flip charts.

Display OHT 5 point by point, explaining and expanding on each one and asking for comments.

What do CSOs Need?

To be effective and sustainable, CSOs need

- 1. Good Programmes**
- 2. Good Management**
- 3. A Commitment to Sustainability**
- 4. Financial Resources**
- 5. Local support which includes:**
 - a supportive political, legal, and fiscal environment**
 - good human resources**
 - a good reputation**
 - supporters from a variety of different sources**
 - well-placed champions**

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.6a The Present Pattern of CSO Resources

Purpose

To get a global overview of the different ways that resources come to CSOs.

Text

Before we look at the different ways of mobilizing resources that may or may not suit your organization's circumstances, it is useful to get an overview of the ways that resources come to CSOs in the world. Figure 1.1 on the following page illustrates how both Northern and Southern CSOs receive their funding.

In the South, CSOs can expect the possibility of resources from the following:

a. Northern governments

- Directly as bilateral assistance (Channel 5).
- Indirectly as multilateral assistance (Channel 5).
- Via Northern CSOs (Channel 4).
- Via their own governments as bilateral assistance relayed to CSOs (Channel 6).

b. Northern CSOs directly (Channel 4).

c. The market

- From businesses (Channel 7).
- From CSO's enterprises, including investments (Channel 7).

d. Citizens

- Directly as gifts (Channel 8).
- Indirectly as support (Channel 8).

e. Their own governments directly, national and local (Channel 6).

Research done by the John Hopkins Institute for Policy Studies in a number of countries in the North suggests that the greatest flow of resources for Northern CSOs comes from government, followed by the market, followed by the gift economy. This reflects the pattern of government contracting of CSOs to supplement their work for them, and the large number of Northern CSOs (particularly foundations) that have large investments.

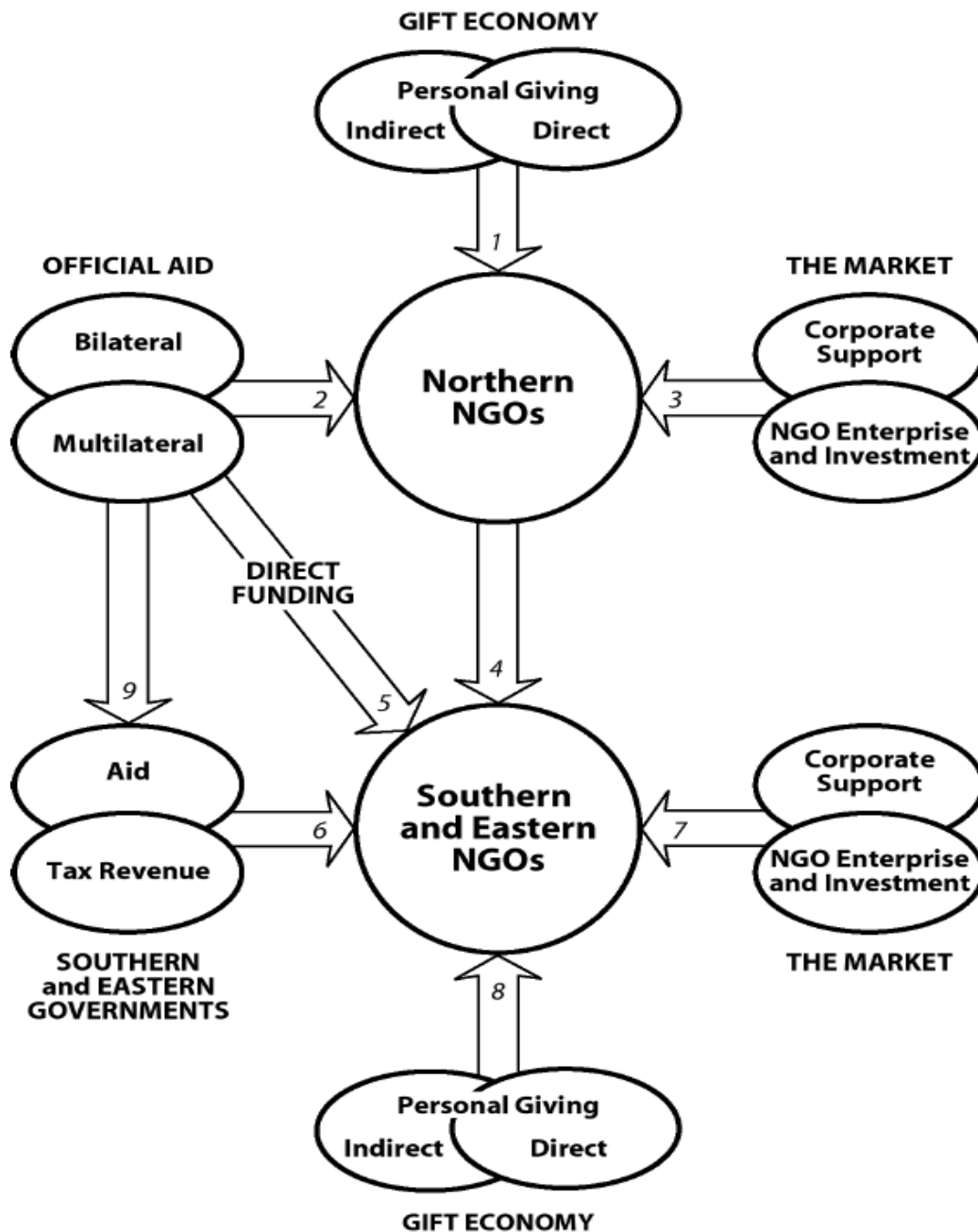
Methodology

Show OHT 6. Then cover up the South and show just the North. Go through Tracks 1, 2, and 3 explaining how Northern CSOs get funds. Ask if any participants have experience of any of these tracks? Anyone worked in the North with a CSO? Which are the largest tracks?

Then open up the South. Go through Tracks 4, 5, 6, 7, 8, and 9 explaining how Southern CSOs get funds. Ask the participants, which they think, are the largest tracks - and which are capable of growing.

The Flow of Funds to CSOs

Source: Alan Fowler (1999) *Striking a Balance*, Earthscan Publications, London



From *Striking a Balance* by Alan Fowler
(note use of NGO not SCO)

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.6b The Present Pattern of CSO Resources

Purpose

To clarify the effect of foreign funding.

Text

At present it is likely that the sub-set of CSOs oriented towards development work are dependent on a limited range of resources. The greatest dependence is very likely to be on foreign grants, and it is likely that the funds which make up these grants come from Northern CSOs or from Northern bilateral donors. The grants most likely come in the form of projects – time-limited, fixed budget funding for carefully defined activities. Figure 1.2 on the following page gives a visual picture of the situation experienced by many CSOs. It illustrates:

- A CSO with only two sources of funding – foreign project funding, and much smaller local fundraising.
- A CSO whose dependence on foreign funding increases over time, and the proportion of whose local funding, while it remains steady in absolute terms, decreases relative to foreign funding. It may even decrease in absolute terms.
- A CSO dependent on and vulnerable to time limited project funding, which brings it back to zero after each project grant is expended.

Such dependence is not new for CSOs, but because the amount of grant money that is being offered by Northern donors has increased greatly during the 1990s, the dependence is getting greater and more widespread. At the same time some types of foreign funding, particularly funding by Northern CSOs, has been decreasing - and CSOs are vividly aware of their vulnerability due to their reliance on a few funding sources. From time to time the total amounts of foreign funding that is available to CSOs in a particular country may increase for a while, due to a disaster or a move towards policies cherished by foreign donors, but the trend, on average, is down.

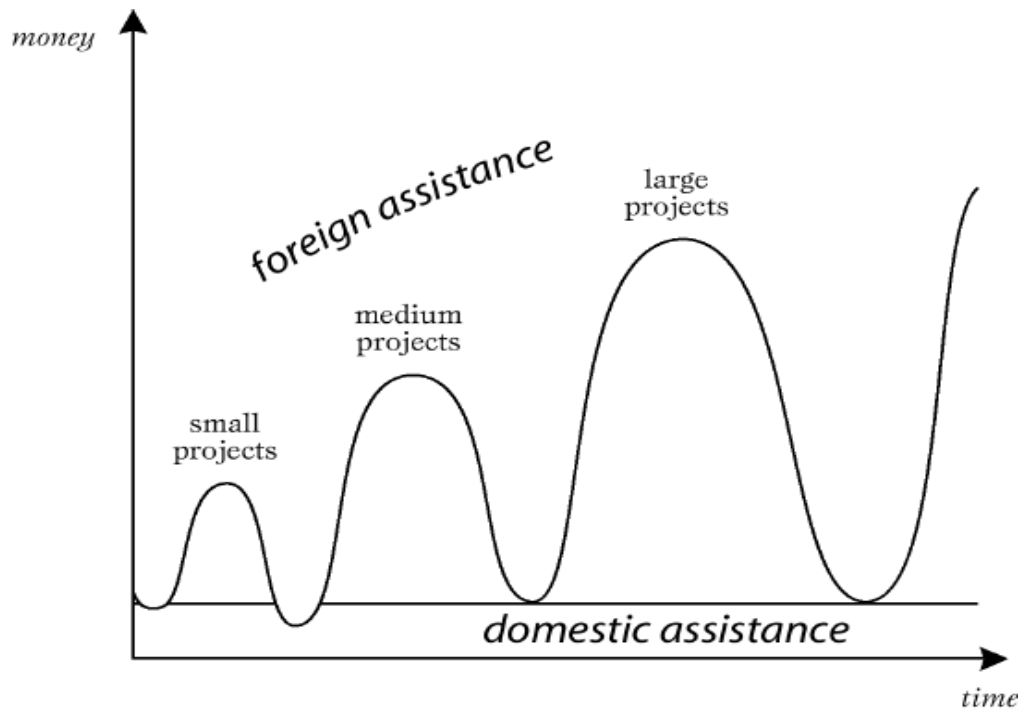
Methodology

Show OHT 7. Explain the graph - time line horizontally, resources line vertically. Trace the evolution:

- *small start from local funds*
- *grant from foreign sources*
- *then nothing, cutting back into reserves*
- *second larger grant, then nothing*
- *third still larger grant*
- *local funding has not grown*

Ask if participants recognize themselves in this.

The Usual Situation of CSO Financing



DAY ONE/SESSION ONE: THE LARGER PICTURE

1.7 The Influence of the Aid Trade

Purpose

To clarify the effect of foreign funding.

Text

Many CSOs have been shaken into awareness of how precarious their situation is. For a long time CSOs assumed that they would continue to be funded from Northern sources ad infinitum; indeed, some new CSOs defined themselves as 'NGOs' specifically to attract foreign funding. While it is true that many CSOs have frequently complained about the limitations and frustrations of relying on Northern donors, not many have decided to do without them or find alternatives to them.

Let us look, by analogy, at the situation of CSOs in the North when they first started, and were working on very similar subjects as the present civil society organizations in the South, such as child rights, cooperatives, environmental health, women's rights, and the care and welfare of those marginalized and forgotten by society. There was no foreign source of funds for such organizations as Dr. Barnardo's, the early friendly societies and cooperatives, the Anti-Slavery Society, or the Votes for Women organizations, when they were first starting. If there had been, they might have developed very differently. Instead they relied on building societal awareness of the problems they identified, seeking contributions from well-wishers, building up their financial assets, and trying to change injurious government and business policies.

By contrast, many CSOs in the South have been nurtured from birth by funds from Northern sources, often to the exclusion of funds from any other source. They are very dependent on such sources, and if the funds from such sources dry up, they are left very vulnerable to closure. Very few of these Northern resources to Southern CSOs have been in the form of financial investments that build long-term financial strength - they have nearly always been time-limited funding for specific projects which ceases once the project is over. In addition to this, the Northern funds have often been made available with a number of conditions. Some of these conditions have been unhelpful and distracting from the main task of the CSOs.

Methodology

Display the top half of OHT 8 and discuss this. Ask people what is the first resource they think of for their work?

Display the questions in the second half of OHT 8. Ask them to identify older (pre-60s) development or welfare institutions, and/or institutions from the developed world. Write these on flip charts. Make it wide-ranging - religious organizations, sports clubs, traditional societies. Ask participants to identify the kinds of resources such organizations had available to them. After discussions, use the last part of the flip chart as a validation. Add others if necessary.

Finally ask participants about the sustainability of these older institutions. Have they evolved? What sustains them now? Any lessons to learn?

The Influence of the Aid Trade

- **CSOs are conditioned by the availability of funds from foreign sources. This only dates from the 60s.**
- **What resources were available to older organizations?**
- **What resources were available to organizations in the North when they started?**
 - **Public contributions**
 - **Government subventions**
 - **Own enterprises**
 - **Investments**
- **Have any of these been sustained?**

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.8 Why Not Just Rely on Foreign Funding?

Purpose

To clarify the limitations of foreign funding.

Text

The first four of the requirements mentioned above (good programmes, good management, commitment to sustainability, financial resources) may be met by foreign funding, given helpful and serious foreign donors, but there are strong reasons why foreign funding cannot help you with the fifth (local support), which is essential, however, for an organization's long-term sustainability.

Some of these reasons are:

1. Foreign funding does not build local support for your work, nor does it build local supporters. As long as you are seen as being supported by foreign funds, local people will not feel the need to help you with funds or other kinds of support. They will assume that you have money from overseas, and that you can buy whatever you need. Moving people from that pre-conception to one in which they feel that your worthwhile work is worth their support, is very difficult.
2. Foreign funding makes you politically vulnerable to accusations that you are only doing the work because you are paid to do so, or because you are obeying the instructions of some foreign power that may have some concealed motives to the detriment of your country. Development is a political process, and foreign funding provides ammunition to detractors—especially those in government - that you are being used politically by foreigners.
3. Foreign funding throws into sharp contrast the very basic contradiction that development CSOs promote and urge self-reliance amongst the groups that they work with, but do not themselves practice what they preach. If self-reliance is an important aspect of development, then the development CSOs should pay as much attention to it as the people with whom they work.

Methodology

Ask participants for their responses to these questions. Write them on flip chart.

Then show OHT 9, section by section. Explain and expand and ask for comments.

The Limitations of Foreign Funding

- **Foreign funding does not build local support for your work**
- **Foreign funding makes you politically vulnerable in your own country**
- **Foreign funding betrays basic principles of self-reliance that you are urging on others**

DAY ONE/SESSION ONE: THE LARGER PICTURE

1.9 A Statement of Belief

Purpose

To clarify what is being expected of participants.

Text

As CSOs look hard at the questions involved in resource mobilization, and accept that there are alternatives to the approaches that they have been practicing to date, a leap of faith is required. CSOs need to be convinced that if they wean themselves from foreign funding, support of some other kind will be possible, and that they will be able to mobilize the resources they need to do the work they think needs doing. The credo is that:

The credo is that if Southern civil society organizations pursue a mission and perform functions that are valuable to society, if they communicate this well to the public, business and government, and if they undertake well thought-out efforts to obtain the resources needed to perform these functions, then, in most circumstances, such resources will be available.

CSOs have to think this concept through, given their knowledge of their own societies, and given their assessment of their own abilities to make strategic changes in their ways of operating. The examples given in this handbook are designed to add to their thinking, and to enable them to accept that article of faith. Specific ways to implement the credo which fit their strategic analysis of themselves and their society are the subject of Part Three of this handbook.

This credo, of course, does not suppose that all CSOs will continue to be supported in the manner to which they have become accustomed. Many CSOs do not perform functions that are valuable to society, and many of them are not competent at mobilizing resources. Many CSOs have been artificially sustained by foreign funding that they have not used well, and probably did not deserve to have in the first place. Readers probably have many examples of unhelpful CSOs.

Let us be clear that many CSOs will not continue to exist in the future. Many people who are involved with the citizen sector will not cry on this account since the rising tide of foreign funding for local CSOs over the last 20 years has lifted not only bona fide development CSOs, but many free riders who contribute little or nothing to society. These foreign aid parasites will be the least likely to develop a local citizen base. This is not to say that there are enough CSOs to respond to the existing need. There is a huge need for more active citizen participation in public benefit activities, and this should translate into more civil society organizations. The credo is, however, that if you do good work, and if you are competent at requesting support for your good works, you will likely be supported by the resources of your own country - with such support perhaps being supplemented by foreign funding, but in no way dependent on it.

Methodology

*Show the first part of OHT 10 (down to 'NB'). Ask for comments. Do participants agree?
Show the second half of OHT 10. Ask for comments.*

The Leap of Faith

In Most Circumstances Resources are available to CSOs from your own country (supplemented perhaps by foreign funding)

IF

- **CSOs pursue missions and perform functions that are valuable to society**
- **CSOs are able to communicate this to society at large**
- **CSOs undertake well-designed efforts to obtain the resources needed to perform these functions**

NB: Not all CSOs will be supported in the future, nor should they be

DAY ONE/SESSION TWO: OVERVIEW OF POSSIBILITIES

2.1 What are the Alternatives?

Purpose

To identify three categories of resource mobilization.

Text

Conceptually, there are three categories of ways to mobilize resources:

- **Accessing existing wealth (from private and public sources)**

There is wealth out there - with individuals, institutions, governments, businesses - and the name of the game is persuading them to give it to your organization.

- **Generating new wealth (through market-based approaches)**

It is possible for your organization to generate wealth by using the market in one way or another.

- **Capitalizing on non-financial resources**

With local support, good will, and a good reputation, many people will be prepared to give time and goods to your organization.

Methodology

Show OHT 11 section by section. This is purely an informative overhead to tell the participants how the topic is going to be organized. Inform the participants that we will go into each category in more depth.

What are the Alternatives?

Three Categories of Ways to Mobilize Resources

- **Accessing existing wealth (from private and public sources)**
- **Generating new wealth (through market-based approaches)**
- **Capitalizing on non-financial resources**

DAY ONE/SESSION TWO: OVERVIEW OF POSSIBILITIES

2.2 Accessing Existing Wealth from Public and Private Donors

Purpose

To reflect on the present and future ways of accessing existing wealth.

Text

Before we look at the individual strategies for capturing existing wealth, it is important to reflect on how this might be different from what CSOs are doing at the present. Capturing existing wealth is basically what aid dependent CSOs have been doing up to now. They have been applying for the wealth of (specifically) Northern CSOs and Northern governments, and trying to capture it for their own purposes. There has been much talk of partnership in the relations between CSOs and Northern donors, but to varying degrees of mutual respect and mutual inter-dependence, funding relations basically obey the golden rule—those who have the gold, make the rules.

The present situation is that:

- There is a decreasing pool of Northern resources
- There is increasing competition for such resources (both between CSOs and, where such funds originate with bilateral donors, between Southern CSOs and Northern CSOs)
- The present practice has given us a legacy of dependency in which CSOs make their applications and wait for Northern donors to agree or disagree. The decisions are not made locally, and are not under local control.

In the future we need to shift our ways of relating to existing sources of wealth, both Northern and Southern: new thinking is required. We look towards a future where:

- There will be strategic joint ventures between CSOs and sources of existing wealth (whatever they be) in which both sides plan together for mutual benefit and both sides win, rather than the South being dependent on the North.
- There will be increasing attempts to build institutional sustainability so that CSOs, after capturing some of the existing wealth, build up their own wealth, rather than have to keep trying to capture wealth time after time.
- Philosophies and practice of partnership will become common in which all contributors think through what needs to be done and what their various comparative advantages are. Various parties' needs for resources, and access to the existing wealth will be more transparent, involve more local decision-making, and will give mutual benefit for all parties, rather than CSOs trying to find the right code which will unlock the safes of wealthy organizations or individuals.

Methodology

Compare the present and the hoped for future. This category does not just reflect what CSOs have always been doing. Discuss partnerships. What do they think of them?

Show the top half of OHT 12 and discuss. Who is competing? Show the bottom half of OHT 12 and discuss. Does this sound possible?

Go through OHT 13, merely giving the names, and explain that this will be explained in more detail later.

The Context for Accessing Existing Wealth

The Present:

- **Decreasing Pool of Foreign Resources**
- **Increased Competition for Foreign Resources**
- **Increasing Dependency on Northern decisions**
- **Increasing search for the right 'key' to unlock the donor's safe**

The Future

- **Look for opportunities for joint ventures between CSOs and sources of existing wealth**
- **Look for existing wealth as a way to build up CSOs' wealth sustainability**
- **Look for long term and mutually beneficial partnerships with sources of existing wealth, not short term ways of capturing wealth**

Six Approaches for Accessing Existing Wealth

- **Indigenous foundations**
- **Individual philanthropy**
- **Grass-roots CSOs**
- **Government**
- **Foreign Development Agencies**
- **Business**

DAY ONE/SESSION TWO: OVERVIEW OF POSSIBILITIES

2.3 Generating New Wealth

Purpose

To introduce the idea of generating wealth and give examples.

Text

Coupled with the acceptance that CSOs will always operate through acquiring wealth from others has been the reluctance on the part of CSOs to generate wealth themselves. CSOs have often been involved in helping others to generate wealth for themselves - as in vocational training, small-scale credit, entrepreneurship training etc - but they have not often seen that they also have the opportunity to generate wealth for their own organization.

In some cases they have not known how to do it, in other cases they worry that such endeavors and enterprises will take them away from their own mission, and in some cases they have felt a distaste for the world of business, and have not wanted to enter that world.

There are, however, plenty of examples where CSOs have been able to generate money, both through enterprises that are linked to their mission, and enterprises that are entered into purely as a source of revenue. Provided they have been clear why they are doing it, what human resources are needed and how it should be managed, many CSOs have found income through enterprises.

The following are suggestions for mobilizing resources can be mobilized through generating new wealth:

1. Production and trade
 2. Conversion of debt
 3. Establishing and operating micro-credit programmes
 4. Tapping social investment
 5. Building reserve funds
- Using the Internet

Methodology

Ask for examples of organizations that have generated their own wealth. Pick up examples from Exercise 1 on resources that CSOs are using.

Show OHT 14 point by point. Any surprises? Omissions? Do not get into explanations of the different categories at this time. Explain that all will be unfolded during the course.

Six Approaches for Generating New Wealth

- **Production and trade**
- **Conversion of foreign debt**
- **Establishing and operating micro-credit programmes**
- **Tapping social investment**
- **Building reserve funds**
- **Using the Internet**

DAY ONE/SESSION TWO: OVERVIEW OF POSSIBILITIES

2.4 Capitalizing on Non-Financial Resources

Purpose

To introduce and explain non-financial resources and their value to a CSO.

Text

Whichever way of mobilizing resources that you decide to use, always remember that there are some relevant non-financial resources that can be tapped. These are cross-cutting approaches that can be used with the other two approaches. The handbook has a lot more text on this point. Please refer to it.

1. Volunteer Time

We are talking about supporters of the work of your organization offering to give their time and expertise freely for the good of your organization. Depending on their abilities, this can involve a great variety of ways in which they can help your organization.

2. Volunteer Skilled Labor

Here we are probably looking at people who are willing to make a small contribution of their time and skills to help your organization.

3. Goods and Materials

This involves both second hand materials and equipment (like computers, printers, furniture when a business office is replacing existing stock with new) and also gifts in kind.

4. Experience

Lawyers, probation officers, auditors, salesmen, public relations officers, media people and many others might be able to give you extremely valuable advice at certain times that you need it if they are motivated to help your organization, and are aware that you would be interested in receiving their help.

5. Seconded Professional Personnel

Such people would work for your organization, but be paid by their original employer, and keep their position in the original firm.

6. Training

Here the possibilities are of outsiders coming to train your staff, or your staff being able to undergo some training outside your organization - both being provided by some organization or person free of cost.

7. Access to Public Policy Fora

Strategically placed people who are well-disposed towards your organization can allow you to present your case in the place where important decisions get made.

8. Access to Services provided for Non-profit organizations

In some countries, particular services are provided free for non-profit organizations, and your CSO may be able to access them.

9. Champions

Someone who can champion your organization, speak for it, endorse it when necessary, and perhaps most of all, defend it when it is in trouble.

Methodology

Explain that these approaches are cross-cutting though the other categories. Read up the section in the handbook for greater clarity. Show OHT 15 and go through each approach, asking for examples from participants.

What CSOs have had experience of any of these approaches? How important have these been for it? Did people want to be paid? How did you handle that?

Nine Ways of Capitalizing on Non-Financial Resources

- **Volunteer Time**
- **Volunteer Skilled Labour**
- **Goods and Materials**
- **Experience**
- **Seconded Professional Personnel**
- **Training**
- **Access to Public Policy Fora**
- **Access to Services provided for Non-profit Organizations**
- **Champions**

DAY ONE/SESSION THREE: WHY SHOULD ANYONE HELP A CSO?

3.1 Some Possible Reasons

Purpose

To think of people/organizations in the South also as donors to help a CSO, and to appreciate that these may have different reasons from a foreign donor.

Text

CSOs are, for the most part, experienced in the world of foreign financing of local organizations, and know something of the complex reasoning why foreign organization 'x' should support local organization 'y'. What is new terrain for most CSOs when they think of mobilizing a wider range of resources, is working out why a citizen or a business or a government in your own country might support the work of your organization. This requires thinking about the psychology and the culture of your country and the giving behaviour of its people. In many cases, giving is traditionally linked to religion - of whatever kind. All major religions have institutionalized charitable behaviour and have praised and recognized charitable giving as admirable and worthwhile behaviour. Part of the work that needs to be done is to expand people's horizons of charitable giving so that it moves from the personal to the organizational.

Some Possible Reasons

1. Because it is doing good work
2. Because it is doing good work more effectively than others
3. Because it is honest and responsible
4. Because it is attractive and persuasive
5. Because it appeals to a particular interest in a potential donor
6. Because it is potentially useful to a potential donor
7. Because they are asked
8. Because it has no other source of funds and may collapse

Although these arguments have been listed separately, they are very much inter-woven. A person who is inclined to support a programme fighting alcoholism because his/her uncle was alcoholic will not support your organization, even if it is working in this field, if he/she does not think your organization is well managed and effective. A potential donor who is entranced by your persuasive and attractive advertising may well not contribute if the cause you represent (eg birth control) is against his/her religious convictions.

Methodology

Go to the handbook and read up this section. There is considerably more text in the handbook. Learn and use some of the examples shown there to get people thinking.

Show OHT 16 section by section. Give some background on each one, and ask for local examples from participants.

Why Should Anyone Give Money to a CSO?

Some Possible Reasons

- **Because it is doing good work**
- **Because it is doing good work more effectively than others**
- **Because it is honest and responsible**
- **Because it is attractive and persuasive**
- **Because it appeals to a particular interest in a potential donor**
- **Because it is potentially useful to a potential donor**
- **Because it is asked**
- **Because it has no other support and may collapse**

DAY ONE/SESSION THREE: WHY SHOULD ANYONE HELP A CSO?

3.2a Communicating to Ordinary Citizens

Purpose

To illustrate to CSOs that the language they are used to using for foreign donors needs considerable modification for use with local donors.

Text

When you are dealing with people in your own country, and your donor (or potential donor) is Mrs. Phiri (eg an individual) or Abu Bakr Cement Company (eg a firm), or the Ministry of Community Development (eg a government department), or the Brightwell Foundation (eg a local foundation) - please substitute here names from your country - there is a different psychological dynamic from when you are dealing with foreign funding agencies like OXFAM or NORAD, or UNDP or the World Bank.

Apart from the content of the language, it is very common for CSOs to talk to their donors in English, or whatever is the language of the donors. It is also very common for CSOs to give themselves English names (or names in the language of the donors). Not only do CSOs need to learn to communicate in words and phrases that ordinary people of their country can relate to: they may also need to learn to communicate their work in the vernacular of their country (which most people understand) rather than English.

The name of your organization is fundamentally important. Does the name actually tell us what you do? Can everyone understand it easily? What language is it in? Do you think that it needs to be changed to appeal to national, as opposed to international people?

When the most common way of being funded is foreign donors, CSOs need to learn the elements of this language, and be able to use it. If CSOs are trying to raise funds or mobilize resources from people who are not part of this circle, they will need to learn how to speak in the speech of ordinary people. They will need to learn how to communicate what they do (and what they want support for) in the language that people understand.

Those involved in the development business will recognize that the field of development has developed its own jargon, its own 'insider' language, and its own short hand for communicating between professionals in the field. Certain key words or phrases like 'empower' or 'stakeholder' or 'beneficiary' have become common currency in a language that is shared between development financiers and development practitioners, but are not in common usage amongst the public.

Methodology

Display OHT 17. Go through it section by section and ask for corroboration or dissent. Ask for examples of names of organizations among those represented.

Communicating to Ordinary Citizens

- **Foreign donor organizations use different language from local people. They have developed their own jargon**
- **Local people usually understand local languages better than ‘colonial’ languages**
- **CSOs often need to ‘re-learn’ how to communicate to their own countrymen and women**
- **Sometimes even the name of the CSO is not understandable to local people, let alone its purpose**

DAY ONE/SESSION THREE: WHY SHOULD ANYONE HELP A CSO?

3.2b Communicating your Mission to Ordinary Citizens

Purpose

To illustrate to CSOs that the language they use to explain the purpose of their work needs considerable modification for use with local donors

Text

The most important statement about your organization—the one that will not only provide the essence of your identity and your purpose—but will also be the one that has greatest currency in your country, is the mission statement. Most CSOs have appreciated the need for a mission statement as a short, informative statement of what their organization does (and thus, by implication, what it does not do). It is an important exercise to write it down and look at it in the context of this new audience.

A clear mission is very important for a CSO on many levels: it is important because it shows clear thinking in the organization, and it is important to communicate that to others.

1. The mission is something that is created by the organization and by the constituency that the organization represents—it is *their* product and the statement of their purpose for the organization's existence. This is the organization's reason for being – and which needs to be communicated to potential supporters.
2. The mission is the way that the organization focuses and mobilizes its resources—human, organizational, and financial. By that statement all concerned with the organization know the purpose for which they are working, they are organizing, and they are seeking funds.
3. It is the compass against which you plot your forward journey, and your requirements for funding. You are requesting or creating funds so that they fit and advance the mission: you are not creating the mission to fit the funds that are available.

Methodology

Show OHT 18, and explain the value of a mission statement. For some this will be new, for some a practiced routine.

Go through Exercise 2. Explain what you are trying to do. You need paper, marker pens, tape and a big wall. Post the different Sections of the Exercise on flip chart as the exercise proceeds.

1. *Give out quarter sheets of flip chart paper to each organization and ask them to write their mission statement in a way that is understandable to local people. Display these and ask participants to look at each other's. Choose some examples and ask if the guard/cook/driver would understand what the CSO does. This usually produces the realization that they could not.*
2. *Ask the participants to translate their revised mission statements into the vernacular. Ask them to read it to each other. Is it understandable? Suggest they ask someone to translate the vernacular back into English for another version.*
3. *Ask participants to devise a slogan or motto for their organization. Read them out. Do they communicate?*
4. *Ask participants to re-think the name of their organization. Read them out. Do they communicate? Discuss what the participants have learnt from the exercise.*

Understanding and Communicating Your Mission

Your Organization's Mission:

- Provides the leading focus for mobilizing human, institutional, and financial resources
- Is constructed from the ideas of those who created the organization and those who will benefit from the organization (ie the constituency)

The organization looks for resources to implement the mission,

NOT

The mission changes to reflect available resources.

Exercise 2

Communicating your Mission

1. **Write your organization's Mission Statement**

(if you have not already got an agreed Mission Statement, this is a statement of the purpose of your organization)

Display it for others to see

Will this communicate what your organization does to the person on the street outside? Get the other participants' reactions.

2. **Re-write your Mission Statement in your own language.**

Display it for others to see

Read it out. Will this communicate what your organization does/does not do to the person in the street outside? Get other participants' reactions.

3. **Write a short slogan or motto for your organization**

Display it for others to see

Read it out. Will this communicate what your organization does/does not do to the person in the street outside? Get other participants' reactions.

4. **Consider your organization's name.**

Will the person on the street outside understand what your organization is/does? Consider possible changes.

Write and display for others to see. Get others participants' reactions.

DAY ONE/SESSION THREE: WHY SHOULD ANYONE HELP A CSO?**3.3 Educating Ordinary Citizens****Purpose**

To explain that CSOs are able to educate citizens about conditions in their country at the same time as they explain their purpose to their countrymen and women.

Text

Apart from using good communication as a tool for resource mobilization, CSOs are in a very good position to educate the public about the issues in society for which they will subsequently be asking for assistance. One of the very important roles of CSOs is to expose wrongs, inform the public and authorities of the real situation of the poor and disadvantaged, and challenge society's ignorance, prejudice, or rejection. CSOs using good communication skills will be able to both inform and educate the public and also seek their support (part of which will be financial). An organization in Indonesia exposed the terrible conditions under which children in North Sumatra were forcibly marooned on exposed fishing platforms in the sea where they had to catch fish for their masters/employers or not get fed. Their very competent exposure not only aired the issue, but brought them a considerable income from those who were previously unaware of the situation.

CSOs have a lot to learn from journalists who are expert at putting over a story in language that people can understand, and in ways that command people's interest. CSOs may think about how they can involve journalists in their causes.

Methodology

Display OHT 19. Ask participants for examples of ways in which CSOs have educated people in their country about conditions or events that were otherwise not well known.

Educating Ordinary Citizens

- **Part of CSOs work is to inform the public about abuses or difficulties that may not be well known**
- **Sometimes explaining their work and their purpose involves educating the public**
- **Educating the public is often a first step to getting their support for a particular cause**

DAY ONE/SESSION THREE: WHY WOULD ANYONE HELP A CSO?

3.4 Diversity

Purpose

To prepare CSOs to look at a variety of possible donors, and learn how to communicate with them.

Text

It will be obvious by now that one of the great differences in moving from financing that comes from international development agencies to financing that springs from local sources is DIVERSITY. You will need to be engaging a great variety of diverse parties in order to assure yourself of support from inside your country, and you will need to develop skills that allow you to communicate with them in ways that they will understand. In order for us to work on these each of these ten approaches for accessing existing wealth, or creating new wealth we will need to engage with some of the following range of people:

- The targets of your assistance - hopefully the people who will become your partners in together trying to improve their lives
- The local community who live around the people that you are trying to help
- The wider public in your country
- Specialised groups within the public - like the industrial workers, or the bankers, or women, or coffee farmers, or veterans
- The business community - or particular business houses
- The media
- Academia or the intelligentsia
- The government - at both national and local level: both regime (political parties), the legislature, the executive, and the judiciary

In your engagement with these diverse parties let us be absolutely clear what we are trying to do. We are trying to educate them and we are trying to encourage them to support our work, - and we are trying to persuade them to give funds to enable us to do the work that we have said we want to do.

Methodology

Go through OHT 20 section by section. Ask participants to think how they would communicate with them, gain their moral support, and gain their help in acquiring resources.

The important point is that participants realize that they are different kinds of people, offering different potential help, but requiring different approaches.

The Importance of Engaging with Diverse Parties

- **The beneficiaries or target group**
- **The local community around your target group**
- **The wider public**
- **Specialized groups within the public**
- **The business community - or particular businesses**
- **The government (national and local - political, legislature, executive, judiciary)**
- **The media**
- **Academics or the intelligentsia**

DAY ONE/SESSION THREE: WHY WOULD ANYONE HELP A CSO?

3.5 Two Kinds of CSOs and their Different Dynamics

Purpose

To clarify that different kinds of CSOs use funds in different ways, and CSOs must make this clear, and be responsible in carrying out agreed activities with donated funds

Text

At this point we need to note the difference between the two kinds of CSOs - organizations that support and benefit their members, and organizations that support and benefit others ('third parties'), because these two kinds of organizations use funds in different ways:

A member benefiting organization is mobilizing funds from different sources for an organization managing programmes of which the members of the organization are the beneficiaries. This is the case of a CBO (Community-Based Organization) or a mass membership organization (sometimes called a People's Organization)

A third party benefiting organization is mobilizing funds from different sources for an organization that is managing programmes whose beneficiaries are other people, not the members. This is the case with a CSO, which is an intermediary organization - taking funds from one group or groups and spending them, through its intermediary position, on others who need help, or on a clearly identified cause.

It is important to clarify this to your prospective donors - otherwise they may be surprised to find who is actually receiving the benefits from the organization. It is important to tell people what you are raising the money for; it is important that people understand what their money will be used for if they give it. The CSO has the FIDUCIARY RESPONSIBILITY (which is legal language for the trust that people have given you) to spend their money on what you told them you would spend the money on, and nothing else.

Methodology

Show OHT 21 in sections. Ask the participants for examples of member benefiting organizations. Do people have any objections to giving money to such organizations for such purposes?

Ask the participants for examples of third party benefiting organizations. Are CSOs always intermediaries?

Ask participants for examples or their experiences of funds being raised and then not being spent on what had been announced. What is the result of such behaviour? What can you do if circumstances change?

Two Kinds of Southern CSOs

Member Benefiting & Third Party Benefiting

Donors (of many different sorts) give your organization resources trusting you to spend those resources on what you asked for and they agreed to give

- **Member Benefiting Organizations**

These collect funds (or other resources) for of which the members are the beneficiaries

- **Third Party Benefiting**

These collect funds (or other resources) for programmes of which other parties are the beneficiaries - the organization is an intermediary between the donor and the beneficiary.

The CSO has the FIDUCIARY RESPONSIBILITY not to break the donor's trust

DAY ONE/SESSION THREE: WHY WOULD ANYONE HELP A CSO?**3.6 Single and Multiple Approaches to Resource Mobilization****Purpose**

To sum up the variety of possible approaches compared to the limited present options

Text

The rest of this handbook will illustrate the differences between a CSO that derives its finance from a single resource, and one that derives its finances from up to ten different kinds of resources. The diagrams in OHT 22 give a schematic (and highly simplified) view of the differences. The most important point at this stage, therefore, is that there are a variety of approaches for resource mobilization. The rest of this handbook looks at each of these approaches and at some of the issues involved in these ten different approaches.

Methodology

Show OHT 22 as a whole. Illustrate the difference between relying on a single approach and a variety of approaches. Clarify that CSOs can choose which approaches fit their situation - they do not have to use all.

Single and Multiple Approaches to Resource Mobilization

