

Capacity Building and Strategic Growth for NGOs Promoting Gender and Nutrition Services in Nepal

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Introduction

Nepal, like many developing nations, has high levels of poverty and associated social issues. Non-Governmental Organizations (NGOs), as major actors in Nepal's civil society, play a vital role in providing numerous services, including those which are gender-responsive and nutrition-sensitive services. Unfortunately, NGOs in Nepal and elsewhere often do not have sufficient organizational management capacities for effective and efficient service delivery. Although they are passionate about these causes, have a deep understanding of the issues, and have grassroots connections with communities, their lack of organizational management skills prevent them from being responsive to clients' needs. Further, there is a lack of trust and collaboration between these NGOs and government entities in providing such vital services. This is especially a major issue in Nepal between NGOs and Agricultural Extension Services, despite their common goals to address issues within the broad areas of gender and nutrition.

The USAID-funded Integrating Gender and Nutrition within Agricultural Extension Services (INGENAES) project, in addition to providing gender- and nutrition-related technical assistance, provided a series of organizational management capacity building workshops and other hands-on technical trainings for NGOs in Nepal. This discussion paper highlights some of the key organizational management areas that were identified by many of Nepal's NGOs as areas of weakness. Although the target audience of this paper is Nepali NGOs that provide gender and nutritional services, most of the topics are also applicable to organizations that work in other thematic and geographical areas.

Capacity assessment and capacity building for NGOs

Major ingredients of an NGO's capacity are people (including board members, employees, volunteers, donors, and clients), revenue from various sources, tangible and intangible assets owned by the organization, and its reputation or goodwill in the society. The first step in NGO capacity building is an assessment of its past and current capabilities in various functional aspects of the organization. These include but are not limited to:

1. Board composition, responsibilities, and governance
2. Executive leadership and administrative structure
3. Fundraising and financial management
4. Program/project planning and evaluation

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5. Accountability and transparency
6. Client/stakeholder participation and satisfaction
7. Volunteer recruitment and management
8. Collaborative partnership with other NGOs and relevant government entities

When a group of key players assess each of the above organizational capacities in terms of what is the ideal for the organization versus what is the actual state of affairs, specific areas of improvement for increasing overall organizational efficiency and effectiveness can be identified. In order to be meaningful, the capacity assessment process needs to be conducted by a group of individuals drawn from the board, administration, volunteers and other stakeholders of the NGOs. Capacity building is the explicit effort to improve the NGO's operational performance in relation to its mission, context, resources, and feasibility. For the most part, capacity building is a self-managed process, with some external technical assistance, of organizational change in which the NGO's leaders and key stakeholders learn to assess various organizational weaknesses, plan and implement necessary changes, and evaluate to make sure the actions achieve intended results. Capacity building requires changes in the organization's skills and behavior in terms of structure, policies, procedures, strategies and decision-making. Creativity and resourcefulness are key characteristics of capacity building.

This paper focuses on four areas of NGO capacity building that are vital for their operation. They are: good governance, strategic planning, resource mobilization, and networking for collaborative partnership.

Good governance

Governance is the process of collective and participatory decision-making by a voluntary board of directors (or board of trustees or board of governors) who play a very important role in leading the organization towards its mission. Initial board formation is based on the process of incorporating or registering the NGO with relevant government authority. Such process provides certain indemnity (protection from liability) for the board that governs the organization to fulfil its mission. Although the NGO board is not involved in the NGO's day-to-day administration and operations, it has certain legal, ethical, and financial responsibilities in governing the organization. Roles and responsibilities of NGO boards vary based on the legal framework from country to country, but in general, good governance is key for the success of an NGO and it encompasses the following eight principles: consensus oriented, participatory, adherence to the rule of law, effective and efficient, equitable and inclusive, responsive to client and stakeholder needs, transparent, and accountable (UNESCAP). The board determines the NGO's programs, monitors its compliance with legal requirements, sets financial and administrative policies and procedures, and steers the organization constantly towards its mission (Kumaran, 2012).

The structure of the board often determines its effectiveness. Qualifications and diversity of board membership are very important for board effectiveness. Unfortunately, many NGOs tend to recruit high-profile individuals, such as politicians or celebrities, who may not contribute to the governance. Aside from commitment to the organization's mission, board membership should include individuals with professional qualifications in line with the mission, for example, individuals with expertise in gender, nutrition, financial, and legal matters. All boards need to have a chair person, elected by the members of the board. Other officers of the board include a vice-chair, a treasurer, and a secretary. The chair serves as the leader of the organization with responsibilities to organize regular board meetings where decisions

are made. Vice-chair, in essence, is the future chair-in-training. Treasurer oversees all fiscal policies of the organization including budgeting, and the secretary functions as the custodian of all records of the organization. Medium and large NGOs also have standing and ad-hoc sub committees due to the fact that all members of the board cannot oversee all governance aspects of the NGO. The board elects or appoints qualified members to serve on these sub committees that oversee specific aspects of governing the organization and report recommendations to the board for final decision. Standing committees may include an executive committee, a finance committee, a program committee, or a fundraising committee. Ad hoc committees may include an auditing committee, a nominating committee, or a strategic planning committee.

There are two major formal documents that legitimize an NGO's board: articles of incorporation and bylaws. Articles of incorporation are the primary document that establishes the board as legal governing body; it may be replaced by a similar document filed with designated government authorities based on the national legal framework of NGOs. In Nepal, this document needs to be registered with the government's Social Welfare Council. Typically, this document states the purpose (mission), location and duration of the NGO, its initial board of directors with designations, and physical addresses of the organization and board members. Roles and responsibilities of the board are usually written into bylaws, which are essentially policies and procedures by which the board operates. Like the articles of incorporation, bylaws are also filed with the designated government entity in order to secure tax exempt status for the nonprofit. While articles of incorporation remain fairly constant, bylaws can be modified by the board based on changes in governance process and other operational needs.

Board members' responsibilities fall into four broad categories: legal, fiduciary, oversight, and representation of constituency. Legally, all members of an NGO board are expected to have a duty of good faith (acting honestly and fairly on behalf of the NGO), duty of care (act prudently, attend all board meetings and make informed decisions), duty of loyalty (acting in the best interest of the NGO), and duty of obedience (take only the actions that further the mission). The board has the responsibility to ensure that adequate resources (funds) are raised by the organization and they are effectively managed. This financial management includes: approving the annual budget, carefully reviewing regular financial reports, ensuring that required reports are filed with government agencies and are compliant with laws, and authorizing and reviewing an annual audit report. For these purposes, and to fulfill other responsibilities, the board needs to meet frequently and regularly.

The oversight responsibility of the board includes ensuring that organizational policies relating to human resources, conflict of interest, fee structure, and risk management are in place. In setting the organization's priorities and goals, the board needs to work closely with the Executive Director, who is the administrative head of the organization. In fact, the only employee of the organization that the board hires is the Executive Director, and the rest of the staff are hired by the Executive Director in consultation with other administrators.

Strategic planning

Capacity building of NGOs must take into consideration the constantly changing political, social, economic and other conditions within which they operate. Strategic planning is an excellent method for changing an NGO's mode of operation from being reactive to external conditions to being proactive and active in responding to them. Being strategic means being clear about the organization's goals and aware of its resources, and incorporating both into a responsive organizational system.

Strategic planning is "a disciplined effort to produce fundamental decisions and actions that shape and guide what the organization is, what it does and why it does it" (Bryson, 1995). It is not a linear or static process, but a creative and dynamic planning process. The purpose of strategic planning is to produce a practical document (the strategic plan) that will guide the organization to improve its efficiency and effectiveness within a defined future. The strategic plan also provides important action steps and measures of success.

Unlike the NGO's individual program and project planning, strategic planning is an organization-wide planning process that encompasses all program services and management functions. In order to be successful, the strategic planning process requires participation and involvement from all key stakeholders of the NGO. Typically, a strategic plan has a time frame of 3 – 5 years depending on the size and goals of the organizations. Effective NGO strategic planning process has four major steps:

Establishing the context within which the NGO operates: The first step in strategic planning is to review the mission of the NGO, which is the reason for its existence. Usually the mission of the organization is captured in a broad and succinct mission statement, which states the purpose for the organization. By looking back and reviewing the history of the organization, clarifications need to be made about the following: the need or condition which resulted in the original mission and establishment of the organization, changes in the mission of the organization, if any, and their effects on the organization; relevance of the current mission to the organization, its clients and services; need, if any, to make changes to the mission.

SWOT analysis: An important step in strategic planning is the Strengths-Weaknesses-Opportunities-Threats analysis also known as the SWOT analysis. SWOT analysis begins with the inventory of all strengths the NGO possess and its internal weaknesses. Strengths and weaknesses are internal to an organization and expanding organizational strengths and addressing issues that contribute to organizational weaknesses can be done at the current/present time. Based on the prioritized inventory, immediate or short-term attempts to capitalize on the strengths and mitigate or improve weaknesses need to be carried out to make the organization stronger. The next step in SWOT analysis is to inventory all potential opportunities for organizational growth in the near and far future and threats for organizational improvement during the same time frame. Opportunities and threats for the growth of the NGO, unlike strengths and weaknesses, are external to the organization and need to be addressed in the future. SWOT

For more guidance on strategic planning, see these INGENAES activity sheets:

[Introduction to Strategic Planning](#)

- [Nepali version](#)

[Developing Values, Mission, and Vision](#)

[SWOT Analyses & Creating Objectives, Activities, and Outputs](#)

- [Nepali version](#)

[Performance Indicators and Planning Template](#)

- [Nepali version](#)

analysis can be followed by market analysis, in which details of how other NGOs with similar mission are operating, do they compete with this NGO, can they complement the NGO through mutual partnerships, etc.

Strategic plan and the action plan: Based on the broad themes identified and infusing the organization's strengths, resources, and opportunities, realistic goals need to be developed. These goals frame the strategic directions that will lead the organization into the future. It is important that each goal is in alignment with the mission of the organization and be attainable within the timeframe. Each goal is then broken down to objectives that are specific, measurable, achievable, relevant and time-bound (the so-called SMART objectives) in order to be meaningful. Objectives also include clearly stated strategies that will be followed towards achieving a corresponding goal.

The next step is to develop the action or implementation plan that, for each objective, provides clear answers to questions such as: What are the specific activities for each objective? When will each activity be implemented? Who is responsible for the specific objective? What are the qualifications of the staff? How will each activity be implemented? How much resources are allocated for specific projects under the objective? What will be accomplished at various stages of the project timelines? and, What are the expected outputs and outcomes?

Program logic models (also known as log frames) can be developed to establish the linkages between inputs (the resources that go into the program) for each objective, throughputs (specific activities/programs carried out by the organization) for that objective, outputs (number of people served, actions taken, etc.) and outcomes. A logic model is a road map that helps the strategic planning team, implementation team, and the evaluation team to understand the entire process in a simple diagram or table.

Evaluation mechanisms: Another major part of the action plan is the built-in evaluation to assess the success of each objective and goal towards the overall success of the organization. During the development of a strategic plan and its corresponding action plan, a comprehensive evaluation process needs to be developed with benchmarks of success, outcome measures and indicators during and after the implementation of specific objectives. Throughout the implementation of the plans, individuals responsible for specific objectives should make sure that relevant data are collected through surveys, observation, and other methods. A "process evaluation" should be conducted during a project's implementation in order to make sure that the implementation is moving in accordance with the action plan and to facilitate the "outcome evaluation," which will take place after a project's implementation. The final evaluation of the strategic plan period will lead to the process of the next strategic planning cycle that will utilize evaluation results. Thus, strategic planning is a continuous cyclical process that prepares the NGO for constantly changing conditions within which it operates.

Resource mobilization

Generating adequate revenue for administrative and program/service expenditures has become a major challenge for NGOs, especially given that the number of NGOs have been growing rapidly in Nepal during the past decade while the available funds remain scarce. Unless NGOs become creative and diversify sources of their revenue, they are in danger of not fulfilling their programs and services and ultimately their mission.

Possible revenue sources for NGOs include philanthropic donations, fees for services, membership dues, government grants and contracts, foundation grants, cause-related merchandise, special fundraising events, and corporate grants. Although global recessions have diminished levels of philanthropic giving for causes, there are still numerous wealthy individuals who are willing to donate for such causes. Overall, Nepal's NGOs have not benefited from philanthropic donations like NGOs in other developed and developing nations. This is primarily due to the lack of knowledge on why and how donors give to causes they believe in.

According to Stanley Weinstein (2017), a well-known American professional nonprofit fundraiser and author, organizations need to understand the following five principles of fundraising:

1. Individuals do not donate for the institutional growth of nonprofits, they give for causes that help people. So, NGOs need to give clear messages to potential donors on how the organization helps people and communities they serve.
2. People donate relative to what they can afford. Many NGOs follow an "average gift" strategy of asking all potential donors for one specific amount, when instead they should follow a pyramid gift strategy where potential donors are presented with different levels of donations.
3. In order to motivate people to donate for the organization, individuals closest to the organization (such as board members, major volunteers, etc.) must set the pace by giving to the organization.
4. In many fundraising efforts, around 80% of the donated funds come from just 20% of the donors. So, organizations must identify these high-value donors and make strong appeals for their donations.
5. However, fundraising strategies should also focus on individuals who make small donations, because small donations from a large number of people will yield good results.

Hank Rosso, another American scholar of philanthropic studies, provides another set of five concepts related to philanthropic giving:

1. Organizations should identify their constituents, including current donors, volunteers, clients, etc. Not all of them make donations, but they can influence others to do so.
2. Organizations should develop a list of all potential donors and analyze their linkages and ability to donate for a particular project.
3. Thorough prospect (prospective donors) research need to be done before approaching high-value donors.
4. When it comes to soliciting donation from a high-value donor, it should be done by the right person at the appropriate time for the appropriate amount.
5. Appropriate methods for solicitation (such as face to face meeting, personal appeal letter, etc.) need to be used (Tempel, et.al. 2016).

Many NGOs do not market themselves to their actual and potential constituents. The simple logic is that if people do not know about the organization, its mission, and its programs, even well-intentioned

programs will not garner the support they needed. Marketing and public relations therefore need to be considered as methods of resource mobilization. With the rapidly growth of information technology, even a small NGO's presence on the internet has become a necessity. Developing the organization's website and updating information about its various programs is critical. The organization's website is also a good tool for online fundraising and volunteer recruitment. Medium and large NGOs must develop marketing material that can be combined with direct mail donation appeals or through local media outlets such as newspapers and television networks. As the organization grows, its marketing mix needs to be expanded to include branding and logo development to create a unique position for the organization that people will remember, respect, and—more importantly—donate to.

Grants and contracts from agencies at different levels of government (local, state, and national) are increasingly becoming a major part of NGO revenues. Nonprofit foundations and corporate organizations based in developed countries also make grants available to NGOs for specific projects. However, such grants are highly competitive and require technical knowledge to write sound grant proposals. It is important to train one or a group of employees in grant-seeking and grant-writing. Fortunately, several NGOs and associations of NGOs offer information related to seeking and writing grant proposals. NGOs, regardless of their size and scope, should make use of these resources. Grant-makers also tend to fund projects that have collaborative partnerships between NGOs.

Collaborative partnership through networking

Networking with other organizations—public, private, and NGOs—for mutual benefits is another important capacity building tool. Unfortunately, most NGOs have a territorial mentality that prevents them from reaching out to other organizations for networking. Collaborations provide opportunities for all partners to benefit from others' organizational strengths and learn from one another in resolving common issues. Collaborations also raise both partners' profile within the NGO sector and pave ways to expand opportunities to venture into new and innovative projects. Further, funding agencies are increasingly expecting NGOs to develop collaborative partnerships in planning, designing, and delivering programs and services. Strategic partnerships to maximize the NGO's impacts can be sought both at horizontal level (with other NGOs) and vertical level (with government and private sector organizations).

Horizontal partnerships: Horizontal partnerships are those an NGO can establish with other NGOs and International NGOs that have similar mission, programs and services. Such partnerships can focus on one service or area of the organization or over multiple programs. Due to the inherent territorial mentality among NGOs, there are several challenges that need to be overcome before meaningful partnerships can be launched. Some of these challenges include: building trust among key officials of the organizations involved; attaining agreements on the goals, objectives, and strategies on collaborative projects; managing communication and logistical specifications; sharing resources and agreeing on rules around resource allocation; and sustaining the collaborative partnership. A good starting point to promote horizontal partnership is that each NGO must consider all other NGOs as overall partners in social development. Such a mindset can help prevent treating each other as competitors or even adversaries.

Building trust and transparency into the collaboration is a major step in organizational partnership development. It takes time, effort, mutual respect, and the right individuals to discuss areas of cooperation that can infuse the capacities of both organizations. Based on each partner's organizational strengths, roles to be played, and expectations for performance, specific aspects of collaboration need to be established.

Emphasizing common values, missions, and goals throughout this process will promote effective partnerships. Collaborative ventures must focus on mutual benefits for both organizations by avoiding unbalanced organizational benefits.

Vertical partnerships: Horizontal partnerships are those an NGO can establish with organizations from government (public) and private (corporate) sectors. Unfortunately, oftentimes NGOs have adversarial relationships with government and private sector organizations. This is due to the historic trends in NGOs considering and treating government agencies as weak providers of vital social programs and corporate entities as exploiters of the society. Continuing such negative relationships with corporate and private sector institutions will further compound the issue. Some of the challenges for NGO-government collaboration include raising awareness among policy-makers and bureaucrats about the NGO's mission and services, and ensuring that the NGO will continue its independence from government.

NGOs' approaches to collaborative partnership-building should include the following strategies:

- Advocacy about the urgency of social problems (such as gender disparities, child malnutrition, etc.) and their potential political/policy consequences for elected and appointed government officials;
- Emphasizing that government alone cannot solve the problem and that NGOs are in a unique position to assist;
- Networking with government officials (such as officials and agents of Agricultural Extension Services) to establish relationships;
- Understanding and respecting government structure and system; and
- Establishing clear expectations about responsibilities in collaborative partnerships.

In the recent years, there have been several best and promising practices where NGOs have collaborated with government agencies to address chronic gender and malnutrition and other social and environmental issues. There are also best practices of NGO and corporate collaboration to address causes and consequences of gender discrimination and poverty.

Establishing horizontal partnerships takes time, patience, mutual respect, and constant engagement towards common goals. NGOs have numerous advantages that government and corporate sectors do not have. They include the grassroots connection, trust of communities, better understanding of community issues, and better solutions to local issues. Government agencies can tap into these characteristics of NGOs and provide resources to resolve issue effectively in a cost efficient manner. Likewise, businesses can exercise their corporate social responsibilities by partnering with NGOs and fund their projects.

Recommendations

Organizational capacity building has become a necessity for NGOs to sustain and expand their operations. In addition to helping NGOs to increase their efficiency and effectiveness, capacity building has also become vital in the wake of the rapidly growing NGO sector that has resulted in high levels of competition for available funding and other resources.

Capacity building is a systematic process that addresses various aspects of an NGO's management and operations. Capacity building should also be a continuous process by which NGOs strategically change their methods of operation through creativity and resourcefulness. This paper highlights the four major

areas of capacity building. However, there are other emerging areas of NGO capacity building that can be incorporated into overall organizational growth. Some of the important capacity building areas include: Human resources and volunteer management, risk management, technology planning, and succession planning. NGOs that balance organizational capacity strengthening areas discussed in this paper and other areas that are relevant to their operation will sustain and thrive because there are direct correlations between capacity building and organizational impact.

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