Sustainable Funding Models, Partnerships and Organizations – Learning from African CSOs

In July 2015, Well Grounded and Maliasili Initiatives brought together a small group of representatives from civil society organizations (CSOs) working on conservation and natural resource management issues in Kenya, Tanzania, and the Democratic Republic of Congo. The purpose of the one-day event was to share experiences and ideas across organizations around strategy development, business planning, and the incorporation of new and more sustainable funding models. The following are some of the points and themes that emerged from the learning event:

1. Traditional donor funding models are not working and actually constrain many organizations’ ability to do their work. There needs to be an open dialogue between African CSOs and donors to explore both the challenges and the opportunities for improving funding models and practices.

   • A unified voice – Currently, there is no forum or platform for African CSOs to come together to discuss funding challenges and agree on joint positions, which leaves CSOs somewhat isolated and many do not feel comfortable bringing up issues with donors alone. A joint forum would help create one voice, which is much more powerful than individual CSOs trying to influence donor agendas on their own.
   • Changing perceptions – One of the biggest challenges is changing the perceptions or outlooks of traditional donors or organizations to realize that African CSOs have a key role to play in achieving change on the ground and to see the value in building the long-term and overall capacity of these CSOS to increase impact.

“The traditional funding model wasn’t working – the discrete projects were short-lived. We needed a model that was sustainable. As a team we knew we offered real value that we could market, we just needed to figure out how to do that.” [this CSO recently developed a new organizational business model¹]

2. CSOs need to think beyond traditional donor funding models and seek innovative ways to fund themselves.

   • Opportunities – Thinking beyond the typical donor-funded CSO model presents a lot of opportunities, e.g. organizational sustainability, enhanced constituent accountability, and flexibility with funding.

¹ All quotes included in this overview were comments made by event participants.
“Can you imagine a dialogue with funders around financial sustainability? It’s an idea we can talk about.”

• **Challenges** – Changing funding models also involves numerous risks and challenges: for example, there seems to be some suspicion around social enterprise models in the natural resources sector in terms of how non-profit and business values can be merged; there are not many documented examples of social enterprise within the natural resource sector to help build credibility and interest in this model.

  “There are political risks. There are some who think that NGOs must receive funds from donors and then give that money and services to communities. So now new revenue-generation models bring risk of attacks by politicians and the government because this is a new approach.”

  “There is a long-term view that NGOs are supposed to ‘get’ and then ‘give’ and if you start to call yourself a ‘business’ then alarm bells start to ring.”

• **Overcoming these challenges** – CSOs need to change stakeholders’ (e.g. donors, government, constituents, CSOs, etc.) perceptions about CSO funding.
  o **Communicating effectively** – “In Tanzania, we might brainstorm what we call this: ‘social enterprise,’ ‘social business,’ ‘not-for-profit,’ or is there a Swahili term that might be less threatening?”
  o **Getting buy-in** – Getting the politicians and government involved in the process of re-thinking CSO funding models (from design to implementation) and updating them regularly on the progress of these new models. This can take a fairly big upfront investment, but it’s worth it if it helps sell the idea to a broader set of actors.
  o **Best Practices** – “Stakeholders are suspicious of a social enterprise model – when you start to apply this social or business enterprise model, some institutions, such as government, may become suspicious of you as an organization...we need more examples of social enterprise in the natural resource sector to help build trust and credibility in this model.”

3. **Partnerships with international organizations, not just funders, can be problematic.** While international non-governmental organizations (INGOs) can and do bring a lot to the conservation and natural resource field, they can sometimes bring problems as well. For example, INGOs can at times be in competition with African CSOs for resources, or sometimes there is distrust and a fear that INGOs will take credit for the work of African CSOs.

  “Often CSOs are thrown back and forth when they are in relationships with donors (including INGOs) and often their priorities are shaped by external actors.”

• **Dialogue** – There needs to be a dialogue between African CSOs, INGOs and others around this idea of ‘partnerships’ in order to strengthen the partnership model so that all organizations are benefiting.
“There needs to be an examination of how to manage partnerships between African CSOs and international NGOs.”

4. Networking to focus on organizational strengthening of African CSOs. Donors, INGOs, and even African CSOs themselves often do not see the value or take the time to focus on organizational strengthening because it is complicated and takes time. This needs to change. We need better indicators of growth and impact of organizational development in order to create a stronger demand for it.

“We tend to talk a lot about work on the ground, but put less focus on organizational development (OD), even when the sustainability of actions on the ground depend on the strength on an organization. At the same time an OD process takes time for you to see the impact of the process – I think it would be useful to have indicators of how you know you’re making progress. OD is not like planting a bean seed where you will see the actual growth in two months. Instead it’s a process.”

“One of the concrete ideas or suggestions from today is to put in place some sort of network of African CSOs that specifically focuses on organization development and institutional strengthening – it could be more exchanges like this, or similar spaces to come together and strategize around these issues.”

What’s next:

We thank the organizations and individuals who participated in this learning event. Maliasili Initiatives and Well Grounded are now following up on many of the discussion points and suggestions highlighted above, and are searching for funds specifically to:

1) Convene African CSO leaders in 2016 to continue with this dialogue and learning around organizational development.
2) Carry out research on social enterprise models in the natural resource sector and build up a body of knowledge to support the development of alternative funding models that go beyond the traditional donor-funded approach.
3) Convene African CSO leaders in 2016 to explore options for creating a more unified voice around funding and partnership challenges.
4) Convene international NGOs and donors in 2016 to also discuss these issues around partnerships and funding models, which affect African CSOs.

Participants:

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