Introduction to Resource Mobilization

Day 1, Session 2
PPD EARHN Resource Mobilization Workshop
February 2012
CAFS – Nairobi
Session Objectives

• Discuss and Define what “Resource Mobilization” is and how it can be achieved.
• Discuss why Civil Society needs resources in the first place.
• Examine the trends in donor funding and the challenges that CSOs/NGOs face in becoming sustainable.
• Discuss the Accessing, Generating, and Mobilizing Resources – 3 main Res Mob Methods.
Definition

• Resources?
• Mobilization?
Definitions

• Multilateral vs Bilateral Aid
• Fundraising vs. Resource Mobilization
• NGO vs. CSO vs. iNGO vs. Non-profit
• Network vs. iNGO
Why are resources important?

- CSOs/NGOs need resources so that they can be 1) effective and 2) sustainable.
- Must think about these two principals
Present Pattern of CSO/NGO Resources

a. Northern Governments
   - Directly as bi-lateral assistance
   - Indirectly as multilateral assistance
   - Via Northern NGOs

b. Directly from Northern NGOs

c. The market
   - businesses
   - from CSO enterprises

d. Citizens
   - Gifts
   - Support

e. National and Local Governments
Sources of Donor Aid and Philanthropy

- The aid and donor landscape is changing.
- Based on economics and the policies of the donor countries.
- Nothing is ever assured.
- Sustainability and advancement are still a challenge.
- The rise of middle income countries.
Issues with Foreign Funding

• Many NGOs were created and designed based on north-south funding flows.
• Some of these resources have not sustained
• Many Organizations were based off of movements rather than donor aid.
• There are limitations to foreign funding
  - does not build local support
  - politically vulnerable
  - goes strictly against self-reliance.
The Flow of Funds to CSOs

What are the alternatives?

Three Categories of Ways to Mobilize Resources

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

Looking towards 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 NGOs wealth sustainability.
- Look for long-term and mutually beneficial partnerships with sources of existing wealth, not short terms ways of capturing wealth.
Accessing Wealth: the usual suspects

- Indigenous Foundations
- Individual philanthropy
- Grass-roots CSOs
- Governments
- Foreign Development Agencies
- Businesses
Generating New Wealth

• Production or Trade
• Tapping into Social Investment
• Building Reserve Funds
• Strategic Knowledge Management
  - resources (documents, manuals, books)
  - products (training and TA)
  - services (conferences, TA etc)
Capitalizing on non-Financial Resources

- Volunteer Time
- Interns and Volunteers (skilled labor)
- Goods and Materials
- Experience
- Seconded Professional Personnel
- Training
- Access to free services
- Champions
Getting Ready for Resource Mobilization

Day 1, Session 3
PPD Resource Mobilization Workshop
February 2012
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Session Objectives

• Explain the importance of organizational planning and the impact the impact of a mission and vision statement has
• Describe the flow of a funding planning cycle.
• Explain the components of a case statement
• Relate the project/programme into logical stages of need.
Ten Steps to Success
UNASO OD Programme – Resource Mobilization

1. **Start with an Organizational Plan**

2. **Prepare a Fundraising Strategy** — needs, markets, objectives, PoA, income vs. expenditure

3. **Ensure the strategy is a balance** — operating, fundraising, project, & future costs

4. **Establish a governing body** — must be committed to ensuring the mobilization of resources.

5. **Fundraising Committee** — appointed by governing body to assist with the fundraising planning, implementing, oversight, evaluating and reporting.
Ten Steps to Success Cont.

6. Appoint staffs for fundraising/business development — assigned to coordinate the running of the fundraising program

7. Training — ensuring that all those involved have the knowledge, skills, and abilities to carry-out the strategy.

8. Build a Donor Base— identify, and analyze donor markets, with the best funding potential.

9. Service the Donors — Understand the needs of the donors, what they prefer.

10. Evaluate the program and engage in active learning — remove failures, make corrections, and learn from your mistakes. Learn from other partners, engage those who have experience in endeavors similar to yours.
THE FUNDING PLANNING CYCLE

1. Examine Case Statement
2. Prepare mission goals and objectives
3. List needs (expenditure budget)
4. Analyze market requirements
5. Prepare strategic plan
6. Prepare plans of action
7. Prepare a fundraising strategy plan
8. Controlling the campaign
9. Evaluating results
10. Planning

Start with awareness of resource development
Where are we now?

- Is there a Mission and Vision?
- Is there a strategic plan?
- Is there a workplan?
- Are there any start-up funds?
- Governing bodies & Committees established?
- Key donors or sources of funds identified?
Planning Cont.

- Long term goals – where do we see ourselves in 5 years, what is our vision & mission, and what are setting out to achieve.
- Medium term Objectives – planning 12 months, the steps need to achieve the goals at a years end, includes measurable targets.
- Internal Environment: Human Resources, material resources, systems, & leadership.
- External Environment: Governments, Economy, Culture, & Technology.
Recap from Session 2

Three Categories of Ways to Mobilize Resources?
Session Objectives

• To discuss the various methods of accessing, generating, and capitalizing on resources.
• Discuss the advantages and disadvantages of each.
• Discuss which ones we feel are most appropriate for EARHN
Foundations

Foundations are funds set up within a legal structure to be a source of grants, loans or activities for religious, welfare, recreational or developmental activities.

They are started by:

- Private Individuals
- Corporate Bodies
- Governments.
Encouraging Indigenous Foundations

They establish a focal point for organized and structured giving in the country.

They create new sources of funding for CSOs/NGOs.

They can be both corporate and private.
What international and indigenous foundations do we know about that would support the mission of EARHN?
Foundations Cont.

• There are two types of Trusts/foundations Public and Private.
• CSO/NGOs should target public trusts.
• Identify which trusts/foundations have a match with EARHN’s mission.
• Approach the trustees/directors to persuade supporting the cause of EARHN.
• Need to understand the inner workings of a foundation.. Prior history and approach to new initiatives.
Personal Giving
Resources from Governments

Relationships between CSOs/NGOs and governments can be at time complicated.

- Mission
- Identity
- Competition
- Purpose and Advantages of CSOs/NGOs
Government Funds

• Governments should understand that their role is the promotion of effective utilization and governance of public resources.

• Southern NGOs/CSOs must realize that if they want to access government resources they must meet the government on their terms.
Ways of Working Together

• NGOs and Gov. clarify their relationships with each other and seeing how each can be useful to the other.
• Consult on a national level or with our international donors.
• Work with the government to set up agreed upon modalities for the funding.
• Compromise will always have to happen.
Two Ways of Approaching the Government

1. The CSO/NGO persuading the government to support by grants what the CSO/NGO wants to do (Mission Driven).

2. Government contracting the CSO to do what the government wants to do (CSO income driven).

3. Or a combination of the two.
Working Relations

• Extensive time spent by the CSO lobbying and arguing their cases with the government.
• Competition for the CSO/Ngo from other for-profit contractors.
• Payment systems
• Bureaucracy
Legitimate Questions by Government of CSOs/NGOs

- What does the CSO/NGO stand for? Areas of work?
- Who is in charge? How is it governed? In accordance with the law?
- What is the impact and benefits?
- Does it want to do the same work as the Gov? What role can we play in oversight?
- Does the CSO/NGO accept and implement government policies.

Advocacy to an Individual: How can this improve my standing and make me look good?

Advocacy to a Gov Institution: how can this make us look good and help fulfill our mission to the country?
Non-Financial Resources from the Government

- Land
- Buildings
- Personnel
- Technical Assistance
- Food Aid
- Tax Exemption
- Access to Information
- Inclusion in Decision making processes
Foreign Funding for Organizational Self Reliance

• Effort to ensure the continuity of a program but also the self-reliance of the organization.
• Many donors are interested in promoting self-reliance strategies for Southern NGOs.
• Some Northern CSOs/NGOs cite the need that Southern CSOs need for their services.
• May think of a preservation of the “aid trade” where the reliance on project proposals and management stays with the donor or N. CSO.
Foreign Funding

• Dependence on foreign funding may be risky because it makes Southern CSO/NGO vulnerable to changes in policies and practices.
• There is a place for foreign funding but as a supplement to core financing.
• There is a need to expand the financing to include areas that promote organizational sustainability – venture capital & fundraising strategies.