

Civil Society Booklets

An Introduction to the Series

CRS Civil Society Booklets

CRS has produced this series of booklets on different aspects of NGO Management for NGOs in Timor Leste because the context in which NGOs are operating is changing. It is 2003 – the emergency period is over, and the long term development process has begun. By NGOs we mean formal and informal organizations working in development that are non-profit and non-government.

During the emergency and transition period it was urgent to deliver humanitarian supplies, and to carry out civic education in connection with the elections. A lot of organizations received money with very few questions asked during that time. They are now finding donors asking many more detailed questions, and having different expectations of the NGOs of Timor Leste.

Many of the present NGOs started to work in the emergency period and they worked with the communities in a different way to how they are working now. In the past communities often sat and waited for assistance to be distributed – expecting that organizations would come and give them things. The NGOs were often the channel for such distribution from the international donors, and this encouraged people to think of foreign aid - and NGOs handling foreign aid - as a mechanism for free gifts.

The situation in 1999 and in 2000 was terrible, and there was a great need for relief and rehabilitation work. The foreign donors had to find distribution channels for their assistance urgently. But the reality was that many NGOs were formed in order to be the channel for foreign funding during the emergency period. That period is now over, and the donors are behaving differently. They are requiring more planning and more attention to results. The NGOs are also starting to behave differently, in response to donor pressure. The people at the grass roots are not necessarily behaving differently. They often have the same expectations of the NGOs. Not perhaps surprisingly, the people in the villages would like the same “hand-out” system to continue, and tend to abuse NGOs who do not want to work like that any longer.

Outboard Engines:

In the emergency period, many Johnson outboard engines were given to fishermen. Donors wanted reports on how many had been given out. Many are broken and no longer working. In a development period, NGOs should be much more selective of both recipients and of the kind of motor provided to make sure that the equipment can be maintained, and will be well used.

Foreign funding for “hand-outs” channeled through NGOs is not available any more. NGOs which only operate as channels for foreign funding and do not think of doing anything else are likely to die out. They will probably not be replaced because that system of emergency relief was temporary and it lasted as long as the emergency lasted. The NGOs which will continue into the future will be NGOs that work in different ways, particularly NGOs that have a very clear idea of what they want to do, and which involve villagers in their planning.

Previously NGOs and donors talked of beneficiaries i.e. people who were the recipients of relief and rehabilitation. They were passive, and they received help simply because they were victims of the terrible events of 1999. Now, however, we are now talking of partnership between NGOs and villagers (and partnerships between NGOs and donors), of villagers who are asked to be active in their own development. We are also talking of NGOs who have thought clearly about what they want to do, and why they want to do it, and this is not just to be a channel for foreign funding.

This change in approach is difficult for many NGOs, particularly when they believe that their only source of funds is foreign grants and when so many of these grants have been for handouts in the past. There needs to be more Timorese NGOs which have the commitment to try and overcome a particular problem which is, for them, the most important problem in Timor Leste, and which they want to pursue. There is a need for more NGOs which say “This is what I believe in, and I am asking support from the foreign donors for this work which I consider important”. There is also a need for those who say, “This work is important, and I intend to do it whether I get foreign funding or not”.

Many NGOs are staffed by people who come from an activist background. They were determined to gain the freedom of Timor Leste and they worked with great commitment to do so. That battle is now won, and the present battle is against ourselves to make sure that the country develops in the best way possible. The best NGOs will be those which show how concerned citizens have identified for themselves things which they consider need to be done in Timor Leste, and are prepared to try their best to do it. If they want to access foreign funds in order to achieve what they are committed to, then they have to move beyond being a convenient channel for others peoples funds, to being a professional development agency which puts a high price on principles like participation, integrity, transparency and accountability.

If the NGOs want to continue into the future they will also have to put a high price on other kinds of professionalism – on good systems and structures, on good training and skills development, on the ability to use materials and resources with competence and skill.

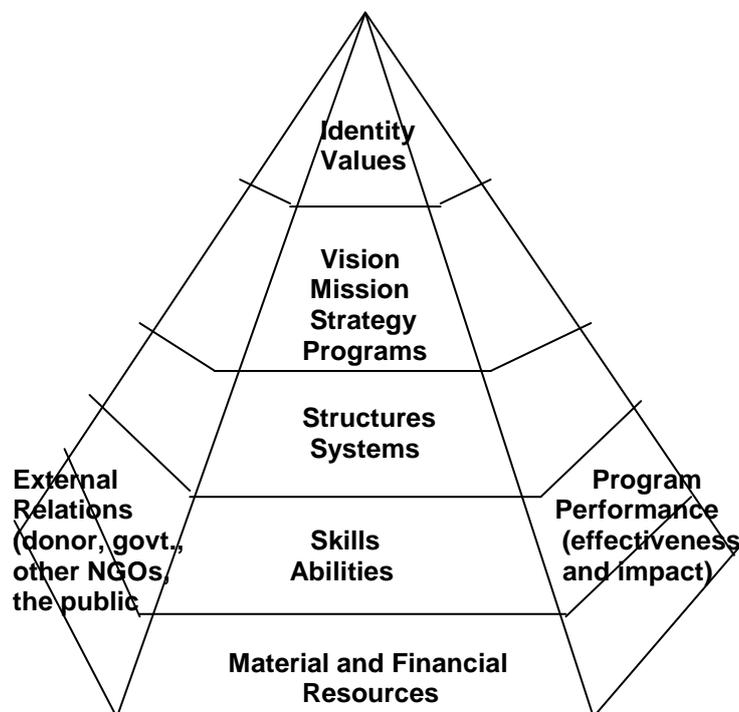
Beyond these immediate skills there will also be a need to learn how to partner with other organizations, how to listen to their suggestions, and how to build joint commitment. There will be a need to learn how to manage projects and grants, how to manage people, and how to think through a community project. Finally, increasingly, there will be a need to learn how to work with the government (particularly local government) as more and more government institutions become operational, and how to lobby for change when the present policies or practices do not seem supportive of the kind of development desired by the people and by the NGOs working with the people.

These skills need to be learnt, and, once learnt, will prove their value for NGOs as they develop into sustainable organizations for the future, not just temporary organizations whose existence depended on easy money from donors.

Because of the emphasis on learning skills. there is a strong focus on capacity building – helping NGOs to build their competence to become effective organizations. These books are part of that effort.

The Capacities Needed for a Sustainable NGO.

If your NGO wants to continue to exist and be effective into the development process - and not collapse because it cannot attract any more emergency money - then the following diagram may be useful. It shows capacities in order of importance (top to bottom) and suggests that you need to build capacities in the upper levels first before you try and build capacities in the lower levels



Sustainability

Please look at the different levels of capacity. It is no use providing capacities lower down the pyramid until the capacities higher up the pyramid are functioning well, because the upper ones have to be in place to make the lower ones effective.

- It is no use providing an NGO with Material and Financial Resources before the NGO has the skills and abilities to use those resources.
- It is no use building the NGO's Skills and Abilities if the NGO does not have the structures and systems to make use of those new skills and abilities.
- It is no use having Systems and Structures in place unless the NGO is clear about its Vision, Mission, Strategy and Programs.

- It is no use having a Vision, Mission, Strategy and Programs in place if there are problems with the NGO's Identity and Values
- Identity and Values are the most important feature of any NGO.

Identity and Values means that an NGO knows what kind of organization it is, why it exists, who it serves, and that it operates with clear values.

Vision, Mission, Strategy and Program means that an NGO has worked out what it wants to do, why it wants to do it, and what results it wants to achieve, and what impact it wants to have.

Structures and Systems means that an NGO understands how an organization works and what it requires to function well. It means that we are talking about an organization not just a particular leader's personality.

Skills and Abilities means that the NGO staff have the knowledge and the training to do the things that it needs to do, both in program and in administration

Material and Financial Resources means that the NGO has the resources it needs to carry out its work and knows how to use them.

In the Indonesian period the government delivered food and bought produce at subsidized prices. In the emergency period the pressure was on to deliver material and financial resources. Now NGOs need to adapt to different circumstances. Now NGOs need to have other capacities themselves, and to be able to nurture other capacities in the people. NGOs will also need to worry about the last elements in the pyramid: good External Relations (including relations with the community and the government), good Program Performance (including effectiveness and impact) and, most importantly, Sustainability.

The other booklets discuss other important skills for Timor Leste NGOs:

- Partnerships
- Managing a Project or Grant
- Making a Budget and reporting on it
- Managing People
- Managing a Community Project
- Working with the Government
- Undertaking Advocacy Campaigns

As other topics become important we will be ready to produce other booklets which deal with other themes which reflect the new reality.

In the Parliaments of the donor countries, legislators will be responding to proposals from their aid agencies for more aid to Timor Leste. Two questions will be asked:

- What did you do with the last money that we gave to Timor Leste?
- What impact has this aid had?

Organisations that are able to show results at community level are likely to be able to attract more resources. Organisations that do not operate in a way that involves community participation, and which cannot show impact are unlikely to do so.

As we finish this Introduction, consider some aspects of 2003:

- The Governments National Development Plan (May 2002) says that one of its main goals is "to strengthen an already robust civil

society and create opportunities for its constructive engagement and participation in national life”

- In 1997 there were 33,602 civil servants in Timor Leste
In 2003 there are 12,000
- In 1997 the Government’s domestic budget was \$ 135,000,000
In 2003 it is \$ 77,000,000

This is the new reality: external donors will emphasise other places in the future. There will not be a large new influx of money. Some other place will benefit – perhaps Iraq.

The NGOs need to recognize these changes, and also to initiate new ways of thinking inside Timor Leste which respond to these changes.

Being an NGO in Timor Leste: Identity and Values

What it means to be an NGO in Timor Leste

There are many organizations in Timor Leste which call themselves NGOs: while a few of them have existed from before Independence from Indonesia, most of them have been created since 1999. There is no conclusive list, but the NGO Forum has listed about 400. This number changes frequently as some cease to exist and others are formed.

Certainly one reason why there are so many NGOs in Timor Leste since 1999 is money. There are a large number of aid agencies working in the country (bilateral, multilateral, and international NGOs) who have money to spend on relief, rehabilitation, welfare and development, and many of them want to spend it through NGOs. They believe that NGOs know the local situation better than the government, and that they have more capacity to spend the money on projects than the government has. The government is only now setting up the district and sub-district structures. They also want to support and strengthen local civil society organizations because they believe this is important for the strengthening of democracy.

In some cases, local NGOs have been created to receive some of the money.

But Timor Leste people do not create NGOs simply to be recipients of foreign money – they create them as an instrument or tool for their values, their beliefs, and their desire to do something useful for their new country of Timor Leste. Because, however, there is no legal structure for NGOs in Timor, and because many people do not have any experience of working with NGOs in the 24 years of Indonesian rule, many people are not clear about the nature of NGOs.

Many people would find it hard to give to give a clear answer to these questions?

- What is an NGO?
- What are its responsibilities?
- Who is it accountable to?
- Who is in charge of it?
- What should it be doing?
- What is its relationship to government?
- What is its relation to private sector business?

Because the answers to these questions are not well known to many people, and because there are all sorts of organizations that call themselves NGOs, we need to try and clarify these issues. Generally we can agree that NGOs are non-government, non-profit organizations working in the field of relief, welfare, development and advocacy. Organisations that call themselves NGOs do not all behave in the same

What are NGOs?

The government of Timor Leste is suspicious of NGOs. It considers that many of them are businesses hiding behind a social flag and seeking government benefits like tax relief. One of the problems is that there is no definition agreed by law and no registration procedure for NGOs in Timor Leste. At present anyone can call themselves an NGO and there are no agreed standards.

way – they have a variety of ways of operating, and a variety of ways of managing themselves. One big variation is between those who have worked on relief and rehabilitation projects, and those who are working on development projects. This booklet is written to help those in the NGO field understand more about who they are, and what principles they stand for.

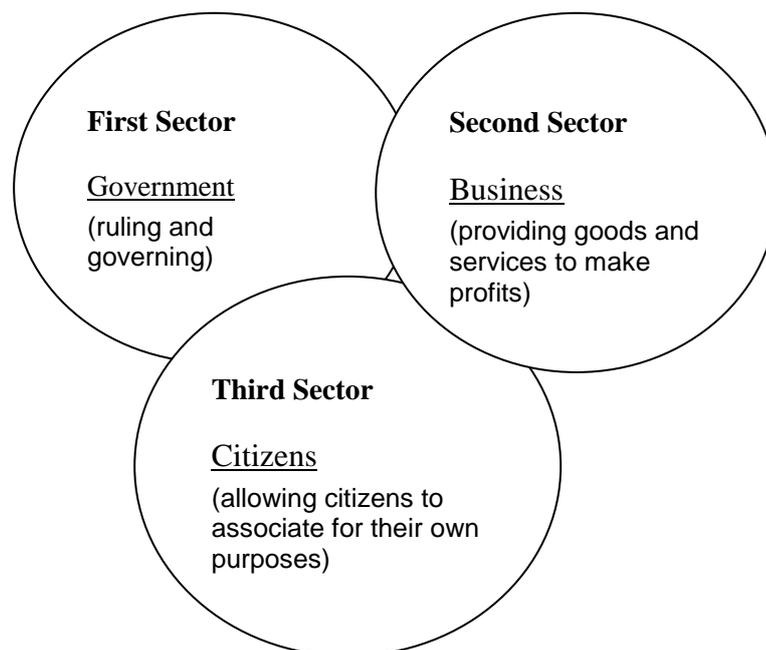
NGOs generally agree that it is in their interests to have a registration process and an umbrella body (like the NGO Forum). This keeps up the standards of the NGO sector, reduces suspicion and protects beneficiaries.

We need to start by seeing NGOs as representatives of the citizens, distinguish them from government and business, and clarify what is their particular contribution to the development of Timor Leste.

Government, Business, and Citizens

In any country there are three kinds of organizations, or three sectors: these are the Public Sector (which includes the government – executive, legislative and judiciary – and the armed forces); The Private Sector (which includes all firms and profit-making businesses); and Citizens Sector (which includes all the different ways in which citizens associate together – when they are not government or business).

These three kinds of organizations are often shown by the following diagram:



All three sectors are important to a country, and while they are different, they have some overlap, and the borders are not completely distinct. People who belong to the government or parliament may also run a business, and be associated with an NGO. People who run a business may also work with an NGO, while people who work with an CSO, may also be government officials. An NGO can run a business in order to get income for its mission, and a government can also run a business. But let us be clear about the main mission of each sector:

- The First Sector (Government) seeks to rule and to govern
- The Second Sector (Business) seeks to provide goods and

- services in order to make money
- The Third Sector (Citizens) seeks to help citizens to associate – for whatever purpose

Citizens may want to associate together for all sorts of different purposes - for traditional activities, for religious purposes, for culture, or for recreation. But they also want to associate together for charitable, humanitarian, and development purposes.

This is where the NGO comes into the picture.

The NGO

The NGO is a group of citizens who have voluntarily grouped together for a declared purpose that is charitable, humanitarian, or developmental – and this includes advocating changes which will improve the lives of the citizens. NGOs have looked at the situation of the people and country of Timor Leste, and they have decided (a) that somethings need to change, and (b) that they would like to make those changes happen. They have decided to put themselves forward as concerned citizens who want to do something, seek support from wherever they can get it, and work together to improve the situation. They have a dream of a better world for Timor Leste, and they are prepared to do something to achieve that dream. They do not see that dream being achieved by the government alone, or by businesses, and they therefore start an NGO.

The fundamental characteristics of the NGO, therefore, are that:

- It is a voluntary association of people – no-one is forced to form or join the organisation, and no one is prevented from forming or joining it.
- It is an independent organization – it does not belong to the government, or to a business
- It has a social mission and purpose – it is formed to improve the situation of disadvantaged people, or to improve the situation of society as a whole. It has a clear idea of what it thinks needs to be improved, and what it wants to do to make that improvement

The people responsible for the NGO decide to offer their own human resources for the purpose of improving the situation of disadvantaged people, or improving the situation of society as a whole. They also seek to get other people to support their work. This could be local people, local government, local businesses, or it could be foreign people, government and businesses. Often they seek the support of foreign NGOs who operate in the same way as themselves. They seek this support for the social mission of the organization, not for themselves.

This leads to two other fundamental characteristics of the NGO:

- It is built on public trust – it clearly announces to the public what it wants to do, and seeks support to do just that. The public, both local and foreign, trust it to do what it says and not something else.
- It is not self-serving: if the organization earns income, that income is not profit (i.e. it is not distributed to owners or shareholders) and is put back into the charitable, developmental or advocacy work of the NGO

Not all NGOs are the same, however. There are two kinds of NGOs which work in slightly different ways.

Mutual Benefit NGOs and Public Benefit NGOs

Some NGOs are **Mutual Benefit Organisations**. They are formed to help a group of people of which the members of the NGO are a part. Thus the people in a village may form an association to help that village. They are the members of the organization, and they will also benefit from the work of the organization. Or a group of disabled people may join together to help disabled people in general – they are the members and they also receive the benefits.

Such organizations are usually very democratic and they elect their leaders. If the organization does not seem to be helping the members, they can easily leave, and withdraw their support. They join the organization, agree to its programs and work for it because they will get some benefit from it.

Most NGOs in Timor Leste are **Public Benefit Organisations**. They are formed by a group of people who want to help some other separate group of people who they think need help. Thus a group of people may get together to help victims of rape in 99, or they may get together to help farmers market their crops, or they may get together to mediate in conflicts over land. There are, however, two important differences from a mutual benefit organization:

- The members and staff of the Public Benefit NGO do not benefit from the program – the program is undertaken to benefit others
- The members and staff of the Public Benefit NGO choose the programs of the NGO, not the beneficiaries. Hopefully the beneficiaries are consulted, but there are many examples of programs being carried out that were never requested by those they were intended to help.

Many NGO seek support from foreign donors to pay for the work that they want to do. Part of this work often involves salaries for the staff of the NGO. Some people say that the NGO staff are getting their income by “selling” the poverty of the people they claim to be helping, but most people would agree that salaries for staff of the NGO is a legitimate cost of their programs. Some NGOs can be managed completely by volunteers, but this becomes difficult if the work is extensive, or requires technical expertise on a regular basis.

We have talked of the fundamental characteristics of NGOs. Many also feel that a legitimate NGO should also accept certain principles and beliefs which make it clear that the staff are committed to a social purpose, and not just using the NGO as a way to earn a salary for themselves.

Principles and Beliefs

Most people who work in the NGO field all over the world suggest that the following values are fundamental to NGOs – and that these values make them different from either government or business:

- Participation – by this is meant that all those who are affected by the programs of an organization should have some voice in deciding those programs. NGOs should not carry out programs where the intended beneficiaries have not been consulted.

- Transparency – because NGOs are voluntary organizations working in the public arena, and because they are often taking public funds, information on the work of the NGO should be publicly available, and not hidden. NGOs should publicly announce what it is they want to do, and publicly report on what it is they have achieved and with what resources.
- Good governance – NGOs should have a structure to govern their organization which is not simply the Director and the staff because of possible conflicts of interest. There should be a Board of Advisers.
- Accountability – NGOs usually accept money from people or organizations to carry out their work. They should be ready and able to explain what it is they are doing and the costs of doing it to the public, the government, the donors, the staff and the Board of Advisers. They are set up to achieve desired results for their stakeholders, and they need to report back to their stakeholders on whether they succeeded in this or not.
- Integrity – NGOs should be honest in their dealings with the public and the people they want to help - not lying, and always telling the truth. Leaders have a clear idea what is their own property and what belongs to the organization
- Commitment – Once NGOs have decided on a problem that they want to overcome, and a program by which they hope to do this, they should be determined to carry out this work as well as they can. They should be driven by the mission of their organization, and not driven by the money that they may make.

NGOs define themselves by their values. Their values make them different from government and businesses. They are organizations of citizens who care about poverty, about powerlessness, about injustices, about abuses of citizens rights, and other important matters. They have put themselves forward to do something about this, and they have requested help from others to enable them to do this.

Donors are interested in NGOs specifically because they have values and they have their own ideas. If they lose their values and their own ideas, they are simply labour for hire, doing whatever the donors pay them to do.

Questions to ask yourselves on Identity and Values.

Do you agree that these are the characteristics of NGOs in Timor Leste? If you do, are any of these characteristics a reason for worry? What would you like to do about this?

- The majority of NGOs depend on foreign funding
- The majority of NGOs are led by people with high education
- The majority of NGOs (with some notable exceptions) are led and staffed by men
- The majority of NGOs are led and staffed by people under 30 years old
- The majority do not publish their accounts or an annual activities reports publicly

Questions to ask yourselves about your NGO

1. Why did we come together to form this NGO?
2. What problem or injustice do we want to overcome?

3. Are we a mutual benefit organization, getting some benefit ourselves from the program: or a public benefit organization set up to help others?
4. Are we independent? Do we decide what we want to do on the basis of our own thinking?
5. Do we invite the participation of those we want to help? Do we consult with them?
6. Apart from receiving a salary (if we do), do we get any other benefit from the NGO?
7. Do we tell the public what we are doing, and report on our work and our finances publicly?
8. Are we transparent? Can anyone come and find out what we are doing?
9. Is it clear what is personally owned and what is organizationally owned?
10. Do we feel that the public respects us for the work that we are doing?

Why are you Doing what you are Doing?

Vision, Mission, Strategy, Programs

A Vision Statement

Most Timorese NGOs are committed to changing some aspect of the present social, physical or economic situation. They have identified something which they consider is not right, and they are committed to changing the situation for the better. For instance, an NGO might be committed to:

- Stopping the social conflict over land and cattle
- Decreasing the cutting down of trees for firewood because this causes erosion of soil in the hills
- Getting better prices for farmers' agricultural produce
- Stopping the paying of bribes at the border controls

They see a particular problem which they want to overcome and they intend to base their activities on overcoming that problem. However, another problem might arise which they feel strongly about, and they may decide to work in that field as well. Or some donor may offer them funding to work in a field which was not their original idea. They may find themselves doing a number of things without a clear direction, carrying out any activity for which they may get support.

This is against two of the basic principles of an NGO – that it should be independent and that it should have a clear social purpose. To avoid such problems, NGOs should think long-term about the kind of work that they want to do and the kind of world they want to see in the future.

The NGO should have a vision of the world it would like to see in the future – a vision which is their dream of the world when the problem they are concerned about has been overcome. A serious NGO should not do one thing today, another thing tomorrow, and a third thing the day after. It should think seriously about what is important to it, and the kind of world it would like to help create in Timor Leste.

The NGO's vision should be of the ideal world that the NGO would like to see in 10-15 years time. It may not be able to achieve that vision easily, but the vision is a guide for the direction in which it would like to move. The vision reflects the dreams the NGO has about the future reality it would like to see.

Vision and Mission

Many of the NGOs in East Timor write a lot of history in their Vision and Mission statement. These documents should be forward looking, saying what you plan to do and hope to accomplish, not giving history of why you want to accomplish this.

Visions for the NGOs with the above commitments might be:

- *A state in which land and cattle disputes are settled peacefully*
- *All hillsides are covered in trees and no soil erosion occurs*
- *All farmers get a fair price for their crops*
- *All goods are imported in accordance with the law*

Agreeing on such a vision is useful because it binds together an organization, it clarifies its ideals, and it gives momentum and commitment to an organization. It also helps to explain to others what the NGO stands for.

The Mission Statement

The NGO needs to have a vision of the world that it would like to see in 10-15 years time, but it also needs to have a much tighter idea of what it is going to do this year. It needs to have a clear statement of its "Mission" – which is its reason for existing. The statement of the Mission (at most one paragraph, or at most fifty words) gives the reason for the organisation's existence, and describes how the organization is going to try and reach its vision. A Mission is described as a purpose, using language which says what you want to do ("This organisation's Mission is to do something ...")

In each of the examples given above we can think of a possible Mission Statement that tells us how an organization is going to try and achieve its Vision.

Vision:

A state in which land and cattle disputes are settled peacefully

Mission:

To mediate between opposing forces so as to end disputes peacefully

Vision:

All hillsides are covered in trees and no soil erosion occurs

Mission:

To reduce soil erosion and re-forest the hills

Vision:

All farmers get a fair price for their crops

Mission:

To develop a farmers owned cooperative which will purchase farmers produce and sell it at a good price

Vision:

All goods are imported in accordance with the law

Mission:

To educate government officials about the dangers of corruption and monitor corruption at border controls

The Mission is the instrument for keeping an organization focused and effective, and not disorganized and all over the place. The Mission is also your prominent public announcement about your organization. It should be written in your brochure, perhaps your letterhead, and known by heart by your staff. It is your reason for your existence as an NGO.

Another important thing about a Mission Statement is that, as well as telling your staff and the public what the purpose of your organization is, it also tells people what is not the purpose of the organization, so that they do not approach you with irrelevant requests. The Mission Statement is the way of focusing your organization and making sure that everyone is working for the same purpose.

The Strategy

An organization may be clear about their vision of the future (e.g. *All hillsides covered in trees and no soil erosion*) and it may be clear about its reason for existing (e.g. *to reduce soil erosion and re-forest the hills*), but few organizations have thought intensively about what is the best way for them to carry out their mission – what is the best use of the resources they have or can get access to. What this means is that few of them have a clear strategy.

A strategy is how you use your resources to pursue your mission – how you use your human, physical, financial and knowledge resources to carry out your mission.

A strategy helps you to think about :

- The nature of the problem you are trying to solve
- The opportunities and difficulties that exist in the world in which you are working
- The strengths and weaknesses of your organization

We can go back to the same organization and think about a Strategy which is suitable for an organisation with the following Vision and Mission. There may be many different strategies:

Vision:

All hillsides covered in trees and no soil erosion,

Mission:

To reduce soil erosion and re-forest the hills.

That organization has a number of possible different ways to carry out its mission: it could –

- Hold educational classes for village people on the dangers of soil erosion
- Run training programs for villagers in contour ploughing and small bund creation
- Try to persuade traditional leaders to tell their people not to burn the grass
- Distribute seeds to villagers for quick growing trees
- Identify one area and work to make a model of good anti-erosion practice, and bring others to see it
- Hold public education campaigns through the radio and TV about the dangers of soil erosion

These are all possible strategies - different ways to achieve the same purpose or mission.

From all these different alternatives, the NGO would choose one or two of these strategies (i.e. ways of working) because:

- a. it fits the skills and interest of the staff of the NGO
- b. it has a good chance of being accepted by the people
- c. it has a good chance of success
- d. it fits the financial resources that the NGO can attract

The Strategy needs to fit the real world – the real world of local participants, your own NGO's capacity, the government policies, the available finance. Your strategy will be the way that you have chosen to carry out your mission.

Let us make a choice of one of these strategies and follow it through:

Vision:

All hillsides are covered in trees and no soil erosion occurring

Mission:

To reduce soil erosion and re-forest the hills

Strategy:

Provide seeds for quick growing trees to villagers

Let us also think of strategies that might fit the other Visions and Missions – each NGO has to work this out for itself:

Vision:

A state in which land and cattle disputes are settled peacefully

Mission:

To mediate between opposing forces so as to end disputes peacefully

Strategy

Train teams in reconciliation and have them available to visit “hot” spots

Vision:

All farmers get a fair price for their crops

Mission:

To develop a farmers owned cooperative which will purchase farmers produce and sell it at a good price

Strategy

Help farmers form a cooperative and encourage planting new, high value crops

Vision:

All goods are imported in accordance with the law

Mission:

To educate government officials about the dangers of corruption and monitor corruption at border controls

Strategy

Provide training courses and monitors at border posts

The Program and the Project

When you have decided on your Vision, your Mission, and your Strategy, then you need to get down to serious planning of a program (a long term set of activities) or a project (a shorter term set of activities). Your Program or Project will need:

1. A time frame
2. The result you hope will be achieved by the end of the program/project by your NGO as well as others working in the same field
3. The results that your NGO on its own is committed to achieve
4. The activities that you will undertake to achieve these results
5. The budget that is needed to carry out this program/project.

Because there is always a danger of over-optimism, and of people thinking they have been successful when it may not be true, it is also important to think about signs or indicators of success in the project. How will you know that you have succeeded?

Finally it is very important to think about what others have to do if the program is going to be a success – what assumptions you are making about other people's actions. It is unlikely that your NGO can do everything by itself to make the program a success. It will also have to have contributions by other people. And there will also be risks involved. You need to think about these in advance to make sure that these contributions will take place and these risks managed. For instance, if one of your activities is educational classes in the village, you will need to have the agreement of

the village head. If you do not have that agreement the program will fail. So make a note that you need the agreement of the village head in your planning.

Let us now take the Vision, Mission, Strategy, and design a possible Program which will include the Objectives, the Desired Result, the Activities and the Assumptions

Vision:

All hillsides are covered in trees and no soil erosion occurring

Mission:

To reduce soil erosion and re-forest the hills

Strategy:

Provide seeds for quick growing trees to villagers

Program:

Objective: *Distribute and persuade villagers to plant 5,000 seeds each in 5 badly eroded villages*

Desired Result *4,000 well-growing trees in one years time in each village*

Activities: *Collect seeds
Distribute them to villagers
Demonstrate planting techniques
Agree eroded land for re-planting with villagers*

Assumptions: *Village head will support the program
Villagers will work voluntarily, not demanding money*

We can put these ideas into the form of a diagram called a Log frame (Logical Framework Analysis)

	Objectives	Indicators of successful result	Assumptions and risks
Purpose/ Mission	To reduce soil erosion and re-forest the hills	Reduction in soil erosion and greater forest cover on hills	Good rainfall
Output Objective	5,000 seeds distributed to each of 5 villages in badly eroded areas and planting techniques taught	4,000 well-growing trees in one years time	Village head will support the program
Activities	1. Collect seeds 2. Distribute them to villagers 3. Demonstrate planting techniques 4. Agree eroded land for re-planting by villagers		Villagers will work voluntarily, not demanding pay

Strategic Planning

Strategic Planning is what we have just done - the process by which you decide on (a) your Vision, (b) your Mission, (c) your Strategy(s), and finally (d) your Programs. It is the term we use to describe the whole process referred to above in this booklet. Strategic Planning means that you have thought about the work of your NGO carefully and pragmatically, and that you have planned realistically to do something which (a) is worth doing, and (b) is likely to have the results you want.

There are a number of tools to help you with a strategic plan – and which help you to think pragmatically about your NGO and its place in Timor Leste.

SWOT

The first of these is SWOT Analysis. SWOT stands for Strengths, Weaknesses, Opportunities, Threats. With this exercise you look at your organization from each of these perspectives, and brainstorm answers:

What are my organisation's strengths?

What are my organisation's weaknesses?

What are the opportunities for my organization (in the world in which we want to work)?

What are the threats to my organization (in the world in which we want to work)?

Once you have such information you can think which of your program or project ideas is most suitable for your organization given your present situation.

GOPP

The second of these is GOPP. GOPP stands for Goal Oriented Project Planning. It works like this:

1. All your stakeholders are asked to attend a two day planning meeting
2. In the first session you provide cards and speedol to all the participants and ask them to write on the cards the problems they see in the general field in which you want to work (one problem for each card), and these cards are pinned up for all to see
3. The facilitator then tries, with the group, to see which cards are linked to the other cards as causes or as effects, and which card is the main or core problem. We can arrange the cards as a Problem Tree, in which the main problem is the trunk of the tree, the roots of the tree are the causes, and the branches of the tree are the effects, and we can link them by lines
4. The next stage is to write cards which are the opposite of the problems, which are your hope for the future, your objectives. These cards are again displayed as a tree, but this time a more positive Objectives Tree.
5. The next stage is to think about the objectives and consider what work needs to be done to reach those objectives. Which Objective can be reached with the skills, and the competences of your organization? This is the same as choosing the right Strategy.
6. Then from this you can design a Program that is suitable for your organization, and design the Results that you want, and the Activities that are needed to achieve those results. These are all based on the problems you identified originally, and then changed into objectives.
7. Finally you need to think about the Assumptions – what are other people going to do which is needed to make this program or project a success? And what risks are there in this project?

If you use these two methodologies you will have a clear idea of what it is you want to do – and why you want to do, and how you want to do it

Exercises for the NGO

1. What is the main area of work that you want to be involved in? Dispute resolution? Environment? Agriculture? Corruption? Or others? Agree amongst yourselves what is the field you want to work in.

2. Produce a vision statement for your organization based on this field of work – your dream for this field of work in 10-15 years time.
3. Produce a Mission Statement for your organization. Does it clearly say what the purpose of your NGO is? Does everyone agree? Does it say what you don't do?
4. Do a SWOT analysis of your organisation
5. Choose a Strategy for how you will implement your Mission that fits your organization's resources.
6. Think of a Program that will put that strategy into practice, and think about the Objective, the Results Desired, the Activities, and the time required
7. Think of the Assumptions you are making about others actions, and the possible risks.

Questions for the NGO

1. Do you think it is helpful for the NGO to go through these exercises?
2. Do you think many NGOs go through these processes?
3. Do you think your projects have a greater chance of success if you go through these processes?

Structures and Systems

STRUCTURE : Who is in charge of the NGO?

Most countries in the world require NGOs that receive money from outside sources to have a legal identity. Just like most businesses (except the very small ones) have a business licence, so NGOs need something similar. In Indonesian times this was a Yayasan or a Perkumpulan. So far in Timor Leste there is no requirement for legal registration, although it is likely to come soon. We therefore have a system in which there is no difference between the NGO and the members or the staff of the NGO. This creates problems – who owns the assets of the NGO? What happens to these if it closes down? Who is responsible if the NGO does something wrong?

If the NGO receives a motor-cycle, for instance, the motor-cycle cannot be registered in the name of the NGO, because the NGO has no legal identity. If someone thinks that the NGO has done something wrong – perhaps stolen some money from a donor, or used money for a purpose which was not agreed, they cannot take the NGO to court, because the NGO has no legal identity. They have to take an individual to court.

It is important that the NGO creates a structure for itself that will allow it to have a legal identity as soon as the necessary laws are passed. The usual way to do this is to appoint a Board or a Council of respectable people who are prepared to be legally responsible for the organization. These people can delegate the everyday running of the organization to the staff, but they will have the legal responsibility for the NGO. A Board is also useful because it can provide advice and suggestions to the staff, and can help them if they get into trouble. The Board should be more than 3 people who are sympathetic to the objectives of the NGO.

In most cases the Board's minimum responsibility is:

- To appoint the Director of the organization
- To agree the annual plan and the annual budget
- To examine the accounts once a year and approve the annual financial statement.

Who Owns the Motor-cycle?

Many foreign agencies have donated motor-cycles to NGOs as part of a project grant. The donors require documents to be signed by the NGO saying that these will be used for the agreed purposes of the project. Frequently, however, the motor-cycles are used more for the personal business of the NGO staff than the purpose of the project – even sometimes sold. There is little the donors can do about this since the NGO has no legal existence.

In many countries the minimum requirement is that the Board should meet twice a year. An NGO can get considerable help from Board members who know a lot about the field in which they work. The Board members work voluntarily, and do not receive a salary, although they can be paid for any expenses they have to make.

Under the Indonesian law, a Perkumpulan means that there is a membership body which elects the Board, while a Yayasan means that the Board are self-selected, and registered with a Notary. The organization HAK in Timor Leste made the decision to change from a Yayasan to a Perkumpulan in order to make sure that more people were involved in the organization.

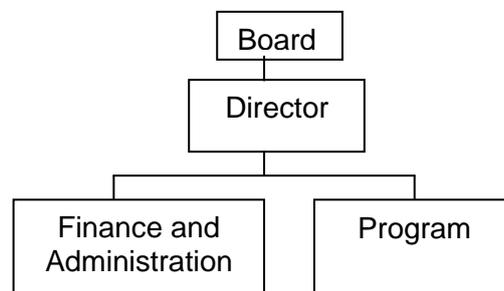
STRUCTURE: Who Manages the NGO?

Once there is a Board elected their first function is to agree or to appoint the Executive Director of the organization who has the day to day responsibility to run the organization.

If the organization is going to ask for and then spend money from a third party – local people, the government, a business, or a foreign donor agency, it is important that there is a person responsible for finance, and that person knows how to do book-keeping, how to make a budget, and how to report on a budget (for more on this see Booklet: “Preparing and Reporting on a Budget”).

If the organization is going to operate in the districts or in the villages then it is important that there is an office where the organization can be reached at a nearby town, as well as staff who work in the field on the programs of the organization.

This suggests a basic structure like this:



Of course, it may be more complicated than this, depending on the number of staff: there may also be training staff, there may be monitoring staff, there may be different kinds of management staff. This is, however, the basic structure.

Once the structure has been agreed, then the NGO needs to have a number of systems in place, which make sure that the NGO can be managed well, can carry out its work, and can achieve the results it wants.

SYSTEMS 1: PROGRAM

1.1. The Work Plan

As soon as your NGO has agreed on the program (or programs) that it wants to carry out (see Booklet: “Mission, Vision, Strategy, Programs”), it must develop a work plan. This will help it to plan its work, to keep track of its work, and to make sure that it is indeed doing what it said it wanted to do. The Work Plan will also help the NGO to deal with other events that happen which were unexpected.

The Workplan should have the following components:

- The Desired Result
- The Activities
- The Tasks (which are smaller activities)
- The Responsible person(s) – “Who”
- The Budget
- The Schedule

On the next page is an example from an NGO working in the field of the environment.

(D=Director, P=Program, F/A= Finance/Administration: Budget is not filled in)

Result Desired	Activity	Tasks	Who	Budget	J	J	A	S	O	N	D
4,000 well-growing trees in one years time in each village	1. Collect seeds	1.1. Organise School-children to collect seeds	D	?	x	x	x				
		1.1.2. Bag them and distribute to each village	P	?			x				
	2. Agree eroded land for re-planting with villagers	2.1. Agree with Chefe do Aldeia	D	?				x	x		
		2.2. List those whose land is affected	P	?					x	x	
	3. Distribute them to villagers	3.1. Enroll volunteers for the project from villagers	P							x	x
		3.2. Provide seeds per volunteer house-hold	P	?							x
	4. Demonstrate planting tech-niques	4.1. Organise trainers	F/A	?							x
		4.2. Organise Demonstration days	P	?							x

After you have made a Work Plan, then the Director must look at it every month with the staff and check whether the tasks have been performed as planned, by the people planned, for the money planned, and at the times planned. If not, there should be some investigation into why there were differences from the Work Plan, what were the reasons, and whether the Work Plan needs to be revised.

1.2. Participation and Constituency

The NGO should recognize that if it is trying to make improvements in peoples lives, then the people who will be affected should have a voice in this. They should be consulted, and they will very likely have some valuable ideas to contribute. The NGO should therefore have a way to consult with the people in the area in which it wants to work who are the people who will be effected. The NGO should not just consult with the influential men, but also find a way to make sure that the voices of poor people, women and youth are also heard.

The NGO needs to get support from the community for the program it wants to undertake. The people involved will be the Constituency for the program. Constituency means the stakeholders for a particular program who support it.

The NGO should not just ask for consultation with the constituency at the beginning – they should also regularly meet the constituency to tell them how things are going, and ask for suggestions from them or how to improve things. The local people are the experts in their own lives – there is much to learn from them.

1.3. Information Collection

NGOs carry out programs based on their understanding of what they think needs to be done. Sometimes this is obvious (for instance, people whose houses have been destroyed need help with re-housing), but sometimes the information is not so clear (for instance, whether land disputes are growing in number and are becoming a real problem for a community). A good NGO tries to collect information that helps it to design better programmes. It tries to collect facts, not just opinions, and uses those facts in its discussion with villagers, local leaders, and the government. If for instance it is able to list all the different land disputes in a particular area, it can tell whether the number is going up or down over time.

SYSTEMS 2: FINANCE

2.1. Financial Procedures

It is very useful for the NGO to spend some time at the start of a program to set up a system for its financial procedures, and, once this is agreed, for all staff and the Board to have a copy. This document will say:

- How the money is kept
- Who has responsibility for authorizing any expenditures
- For what things money can be spent
- How the expenditures are documented
- How the books of account are kept
- How regular financial reports are prepared

Since most district level NGOs do not have a bank account, it is also very important for them to have a safe place to keep any money they have.

2.2. Inventory

The NGO must also keep a list of all property and assets that belong to it, and list who is in charge of each one, and where they are kept – e.g. motorcycle, building, computer. It is also useful to have an agreed policy about how these assets can be used.

SYSTEMS 3: MANAGEMENT AND ADMINISTRATION

3.1: Job Descriptions

Everyone who works for the NGO should have a job description which says what the person is meant to do, to whom the person reports, what wages and benefits the person will receive, and for what period of time the job description is set. If you do not have job descriptions, then there is a very great danger of the Director telling everyone to do everything and making a mess, or the Director telling people to do things which benefit him or her, and not necessarily the organization. From the staff member's point of view, a job description tells them what is expected of them.

The job descriptions should, of course, be in line with the Mission of the organization. It is no use having staff who do not have a role in the mission of the organization

3.2: Staff Meetings

Everyone who works for the NGO should get together once a month to discuss what they have achieved, what changes have occurred, and what else needs to be done. A good time to do this is at the same time as reviewing the Workplan. Meetings can be very boring if they are not handled well. Think of the agenda, set a time limit, and ask for everyone's participation. Try to make meetings interesting and useful to the staff. Make sure that somebody keeps a record of decisions to guide you in the future.

3.3: Personnel Procedures

It is also very useful for the organization to spend some time at the start of a program to set up some policies for staff, and, once they are agreed, to provide all staff with a copy. This will say:

- How staff are recruited
- What ranges there are for staff salaries
- What benefits (if any) staff are entitled to
- How staff can expect increases in their salary (if any)

General

It is a good idea to set up these structures and systems at the start of the organisation's life. If the organization has already started without such structures and systems, it is a good idea to make a time to discuss and decide on them. Once they have been discussed and decided it is a good idea for everyone to sign their agreement to them.

If you have these structures and systems in place, it is very helpful when a dispute arises. Instead of a person arguing about what they want to do, and other people maybe disagreeing with them, both sides can look back at the structures and systems that they all agreed, and get guidance from them.

Discussion points for your NGO

1. Why do you need a Board?
2. Do you want to be a membership NGO or a self-appointed NGO? What are the advantages and disadvantages of each?
3. Do you have a workplan? Is it helpful to you? How do you use it?
4. Who do you think is your constituency? How do you relate to them?
5. How do you make sure you are hearing the voices of the poor, the women and youth, not just the influential men?
6. What information do you collect? How do you use that information?
7. Do you have a Manual of Financial Procedures? Do you find it useful?
8. Do you have a list of your assets?
9. Do all the staff have job descriptions? Do all the jobs fit into the Mission of the organization?
10. How often do you have staff meetings? Are they useful?

Action Points for the NGO

If you have one of these, please review it. If you do not have one, try and design one.

1. A Workplan for your NGO.
2. A Manual of Financial and Property Procedures.
3. Job Descriptions for all staff.

Skills and Abilities

SKILLS AND ABILITIES

An NGO will be productive and effective if the staff of the organization have the skills and abilities that they need in order to do the work that they have planned.

It may well be that the NGO has been formed by people who have strong political consciousness, and very strong views on and experience in certain subjects, but when we move from demonstrations to development, it may be that those skills and abilities are not the most useful ones. It may well be that, for instance, the NGO has been formed by men, and there has not been much involvement of women. It may also be that the NGO has been formed by well-educated people, and there has not been much involvement of those without school education. The views of women and uneducated village people are both very valuable.

Early on in its existence, therefore, an NGO has to think what skills and abilities it will need from its staff to carry out the work that it wants to do. The skills and abilities derive from the Mission and the Workplan: these are the places where you can assess what is needed by your organization.

Generally, however, your organization is going to require skills and abilities in three areas:

- Program
- Finance
- Administration/Management

Let us take these one by one:

PROGRAM

If you have set up your organization to help other people, then it follows that you have something useful to offer them. If they need legal advice, then you had better be a lawyer or have legal advice available. If they need help with irrigation, then you had better have some engineering skills or know where to get them. If they need help with conflict resolution, then you had better have some mediation skills or know someone who has. So the first thing is that you need expertise in the field in which you want to work.

Technical expertise, while needed and valuable, has also to be accompanied by expertise at working with people, particularly village people. Your NGO needs to be able to be accepted and understood by the villagers, and need to be able to adapt its technical expertise to their local conditions. Your NGO needs to be ready to learn from them as well as them learning from you.

Villagers may not necessarily be happy with what you want to offer, and may have some good reasons why they do not think it will work. It is very sensible to spend considerable time listening to the villagers to find out what are their strengths, what are their concerns, and what are their feelings. This is a fundamental and basic start to your program.

Loyalty or Ability?

Many NGOs are formed from people who have known each other for a long time, and they usually have an agreed leader. People will often be loyal to that leader, and the leader is happy with that loyalty. The person who is most loyal may not, however, be the person with the most useful skills for the organization. There is a place for loyalty, but a professional organization needs specific skills that reflect the mission of the organization.

Once you have identified the problems that you want to overcome, an important skill is that of designing and planning programs. This is where NGO people need to be able to use the techniques of the Problem Tree, the SWAT Analysis, and the GOPP process which we have described in the Booklet: "Vision, Mission, Strategy, Programs". There are other, more specialized techniques, like PRA (Participatory Rural Appraisal) which will help you learn systematically of village people's knowledge.

Another important skill for NGO workers is to monitor what is actually happening. We all hope that our projects will be successful, and we often claim success even while we are still carrying out the program. A good NGO will identify indicators of success in the planning phase of a project - and then will be responsible for checking whether the project is actually reaching those indicators or not. Doing an activity is not the same as achieving the results you hope for. The project is only a success if you have achieved the results you hoped for. Many NGOs are not even clear about the results they hope to achieve. They are satisfied with very many activities which may (or may not) have worthwhile results.

If, for instance, your NGO wants to work in conflict resolution, then you hope that you will be able to reduce the amount of conflict in a particular area. Maybe you will be successful in making peace in one or two disputes, but overall the amount of conflict in the area where you are working is increasing. Are you being successful? You need to be able to look at the facts and the root causes of the problems clearly so you can think again about the ways in which you are working.

You can start by only working in the fields in which your staff already have skills. But if you get into areas where you think that your NGO does not have the skills and abilities that are needed, there are a number of ways that you can improve the situation:

- Engage new staff who do have those skills
- Re-train existing staff by their attending training courses
- Have a consultant come and work with your staff to mentor them
- Re-train existing staff by sending them to work with and learn from another NGO
- Have your staff train themselves by reading and learning from books.

Possibly your NGO realizes that it needs certain skills, but does not know where to get those skills. Here the NGO Forum should be able to help you. They have a list of the available trainers and skill areas in Timor Leste. It is also very possible that technical skills are available from the government civil servants in your district.

It is likely that your NGO will be involved in providing training at different times and of different kinds. Training itself is a skill which needs to be taught, and those who have technical skills do not necessarily have skills in training. It is useful to consider sending your staff on a Training of Trainers Course.

FINANCE

Skills in financial administration are strongly linked to mental discipline, and honesty or integrity. If a person is an expert accountant, but has no commitment, or worse, is dishonest, then he or she will not be useful to your organization. However, basic skills in book-keeping and financial management are very important for the organization, and can be learnt from courses that are offered in Timor – particularly by ETDA (East Timor Development Agency).

NGOs often leave the financial affairs to one person, and the others do not get involved. This is a mistake. All staff members of the NGO should have some basic understanding of the budget and the financial reporting of the organization so that they can know what is going on, and so they can make sure that they do not under- or over-spend their budget.

ADMINISTRATION AND MANAGEMENT

It is very valuable, as has been said in another booklet, to design policy manuals early on in the process of starting your NGO so that a lot of the rules by which you can manage your organization have been thought about in advance, and do not have to be created from the start when a problem arises.

There are bound to be a lot of crises, a lot of unexpected difficulties in the operations of any NGO – it is better if possible to reduce the number by setting up systems and then using those systems in the administration of your NGO. Systems can prevent crises.

Donor Liaison

The reality at the present in Timor Leste is that NGOs which need funds have to find them from foreign donors. This means that NGOs seeking funds have to be able to write proposals to foreign donors, and have to be able to negotiate and liaise with foreign donor organizations. In some cases the foreign donor organizations employ Timorese who can explain what is wanted by the donors clearly – in other cases the NGO is dealing with foreigners through an interpreter. What a foreign donor wants to see in a proposal is:

- a. A description of your organization, giving the names of the Board members, the organization chart, and a record of what the organization has done to date, focussing on results and impact.
- b. A clear statement of the problem that you seek to overcome
- c. A clear statement of how you intend to overcome it, with a time scale, a workplan and a budget
- d. A clear statement of the results you hope to achieve by the end of the project.

Representation

As well as managing the organization, the director and other members of the staff will need to represent the organization in different ways – to the local traditional leaders, to the local church officials, to the local government officials, to local political leaders. It will be very useful if the NGO has a brochure or leaflet which describes clearly what the NGO is, what it wants to do, and where it can be contacted. It will also be useful for the NGO if it gets publicity for its work by articles written about it in the local newspaper or programs about it on the local radio. Do not concentrate too much on the personality of the leader. The organization is just that, an organization, it is not just a person – and we hope that the organization will continue in the future even without a particular leader.

Computers

Very many NGOs are very enthusiastic to have computers and to learn to use computers – even in places that do not have electricity! If the NGO is working with rural people it has to consider whether a computer will impress its constituency or whether they will think that this NGO has money to waste – money that could be

better spent on a program to help them. It also must think whether a computer actually helps it to provide its service to the people.

Many NGOs only use the computer as a typewriter – and many of them have difficulties with printers, with unstable electricity supplies, and with toner. For most district level NGOs a typewriter is sufficient for all the letter writing and report writing needs, together with a calculator for the financial work. Too many foreign donors have given out too many computers to NGOs without thinking how they will be used or maintained.

Meetings

Holding meetings is an important part of an NGO's work – they may be meetings with villagers to discuss a program, meetings with government officials to discuss collaboration, meetings with staff of the NGO to discuss the workplan – and many others. Many people complain of meetings as a waste of time.

The most important things to remember about meetings are:

- Have a clear idea about the purpose of the meeting – why are you having it?
- Have a clear agenda for the meeting before you start which is shared with everyone.
- Have a clear time limit for the meeting
- Plan the meeting in advance so you are clear how you will achieve the purpose of the meeting. Tell people in advance if you want particular contributions from them
- Make sure that the Chair of the meeting does their job properly – which means that they allow all to speak (including encouraging women to speak), keep the meeting on the subject, clarify where decisions are needed and made, and keep records of the decisions made
- Make sure that there is a notetaker who notes the action points from the meeting.
- Make sure before the meeting finishes that the action points are agreed by all and make sure they copied to everyone subsequently.
- Make sure that someone is designated to make sure that the action points are indeed followed up.

LEARNING NEW SKILLS

There are a very large number of training courses offered to NGOs in Timor Leste, but many people are pessimistic that this results in better managed NGOs. These are the things that prevent training being successful in improving the skills and abilities in an NGO:

- The training may not be relevant to the situation of the NGO
- The trainers may not be good
- The trainee may not understand the contents of the training
- The training may not focus on how to apply the technical skills after the training is finished
- There may be no documents to take home so that the trainee can refer to them on his return
- The training may be too theoretical and may not reflect the situation at the office or the operational area of the NGO
- The trainee may be given another job on his/her return from the training so that he/she is unable to put the work into practice.

The best training is when the trainer comes to your workplace and makes sure that the training can be used in the local context, and will come back from time to time to help you with any problems you might have. We call that “mentoring”.

Because there is so much training offered to NGOs, sometimes the NGO’s response has been irresponsible. There are situations in which non-finance staff are sent to finance training, or women sent to training meant for gender awareness of men. Training should be specific to the position of the staff person.

FINALLY – SKILLS AND ABILITIES IN MANAGING ASSETS

Many NGOs have sad stories and sad experiences of equipment (computers, printers, photocopiers, stencil printers, motor-cycles, cars) which they were given, but which are no longer working. The reasons for this are various – in some cases the equipment was not suitable to the place (e.g. a computer in a place with unstable electricity), and that is the reason why it broke. In other cases it is a question of attitude – the donors may have pressed, even persuaded you to take some equipment which was not necessary for your program, and so it was not well looked after. In other cases a person took the equipment (particularly the motorcycle) for their own use, and did not look after it well, or treated it very harshly. It will become more and more difficult in the development phase to get goods and equipment from donors, and NGOs will be wise to learn to look after the equipment carefully – both by learning technical skills, but also by setting up rules and regulations that will make sure the equipment is for the use of the organization, not for the use of the staff.

Discussion Points for Your NGO

1. What are the skills needed for your programs? What are the skills of your staff? Are there any big gaps between these two lists?
2. Has your NGO achieved the results it wanted in any of its projects? If yes, clarify how: if no, clarify why not.
3. How have the present staff of your NGO come to it?
4. Do you know what skills are possessed by the local government civil servants? Do you think you could arrange for them to train your staff?
5. Do you know what skills are possessed by other international or national NGOs? Do you think that you could arrange for them to train your staff?.
6. What has been your experience of working with foreign donors up to now? Have you felt that you understood what they wanted?
7. Do you have a brochure or booklet to hand out to people explaining your NGO? Do you think that is a useful idea?
8. What do you think your constituency feels about your NGO having a computer?

9. What problems do you have with meetings in your NGO?
10. Have training courses really helped your NGO? Which, and how?

Action points for your NGO

1. List the skills that your NGO needs to be most effective
2. Produce a brochure or leaflet for your NGO
3. Develop policies and procedures for the use and maintenance of your equipment

Materials and Financial Resources

THINKING FOR THE FUTURE

You are hoping that your NGO will be an organization that will continue to exist into the future. You are not just thinking of how to attract money from donors, but how your organization can make a positive contribution to the development of East Timor in the coming years. Of course, money is important, but it is not money which tells you what needs to be done.

If this is the case, then you must consider what level of material and financial resources is needed by your organization, and is sustainable by your organization.

The present level of contributions from foreign governments and foreign NGOs will not continue. This is one of the facts of donor life. Timor Leste has been attractive for the last three years, but this interest will decrease, and, it is very likely that there will be another emergency somewhere else, and the money will go there. One strong possibility is for the building up of Iraq after the war there.

Financial assistance will certainly continue to come to Timor Leste, and Timor Leste will certainly continue to have international friends and sympathizers, but it will not continue at the same rate as at present.

This means that you must prepare your organization for a level of material and financial resources which is realistic into the future. You must also think about your position in the society of Timor Leste. Up to now, NGOs who have had good relations with donors could do whatever they have been able to persuade the donors to fund. In the future you will need to think about your relations with national government, local government, the local power structure (which may be composed of traditional leaders, church leaders, political leaders), and the local people.

What kind of organization do you think they will be happy with? What sort of level of material and financial resources do you think they will be willing to support? If you are looking for collaboration and help from local people and local organizations, they are likely to be comfortable with an organization that is relevant to the local situation, and not one which is modeled on foreign habits and foreign practices.

This brings our attention to:

- using volunteers and/or paid staff,
- equipment, and
- accommodation.

VOLUNTEERS AND/OR PAID STAFF

If your organization is intending to be a sustainable and professional NGO that will continue to provide valuable services to the people of Timor Leste into the future, it is

Rent and Utilities

Many NGOs are housed in buildings they have occupied since the Indonesian exodus. Usually they have got permission from the Land and Property to do so, and sometimes they have spent money on rehabilitating them. So far they have not paid rent, nor have they paid for water or electricity. What is going to happen in the future? This will have a very great effect on NGO finances.

important that you choose to work on programs that are felt to be useful by the people you want to help. They will not be interested in an organization that is pursuing topics of interest to itself alone, but of little interest to them. The question of what work you should be involved in is dealt with in another book (Booklet: Mission, Vision, Strategy, Program).

After you have decided what useful work you want to do, you will need to address the question of staff for your organization. Many organizations have started with a group of friends who all have the same feelings and the same commitment, and who are all willing to work for the mission of the organization. Many of these are prepared to work for no pay, and are happy to get some short term fee if a donor can be persuaded to pay per diems or honorarium. If you are going to be a serious and sustainable organization, however, you are likely to need permanent full time staff. These people should be a supplement, and not a replacement to the volunteers who are still important.

Timor Leste has a tradition of voluntarism which is very admirable. Catechists working for the Church, villagers involved in self-help projects (to build a rumah adat, for example), *chefe do suco* and *chefe do aldeia* have all done their work with little or no pay. It is assumed that they have enough income from their other activities (usually farming) to feed themselves and their families. Since independence another group of unpaid workers has arisen - party political workers. While such commitment is admirable, the commitment is likely to be part time for the organization since a person has to spend most of his or her time in their main job – usually farming. If they left this work, and worked only for the organization, they would not be able to feed themselves and their families.

If you think your organization can manage its work by the part time contributions of committed individuals, that is fine – you can organize your work along those lines, although you will probably need more staff since each one can only give a limited amount of time.

If your organization is going to require full time staff, however, you have to think about getting salaries for your staff so that they can work full time for the organization.

What should their pay scales be? What do you think is a level of pay which is sufficient to attract good people, but which is also seen by local people, the government and by donors as a fair wage, and not one which increases envy and bad feeling amongst his or her colleagues? What are the criteria for raising salaries, if you think that is a good idea?

Even if you have some paid staff, it is likely that you will still need the services of many volunteers – people prepared to work for no pay, or only occasional pay. A very great difficulty comes when you have to choose who gets the salary and who does not, particularly if you have all been involved in the work from the start. It is a good idea to talk to a range of other organizations – not just NGOs, but church, political, and traditional organizations to see how they handle this problem.

It is also important that the volunteers understand what their rights are. If they are contributing their time to the cause for which you are all committed, what benefits do they get? Apart from occasional honorarium, can you offer them any other benefits – like joining training courses to increase their knowledge, being part of local discussions which increase their status and respect from local people, like recognition from local leaders – or perhaps T shirts and bicycles? This will be an added incentive for them to give their time to your organization.

EQUIPMENT

It has been very common for donors to make grants to local NGOs of computers and printers, sometimes backed by generators where electricity is a problem. It has become so common that NGOs ask for these without any very clear idea of what they are going to do with the computers apart from write reports and letters – which can equally well be done on a typewriter (and this does not need electricity!). Look at the price of a computer and consider whether that considerable expense could be used in a better way to support your organization. In the past donor organizations were keen to give out material goods – in the future this is less likely to be true.

One way for an organization to get community agreement to its expensive equipment is if that equipment can be used to be helpful to the community. If members of the community can access electricity from the NGOs generator, or if members of the community can be helped to write their own letters on the NGOs computers, this would make them accept the value of such a machine for the NGO. The NGO, of course, has to be worried about maintaining the equipment so that it does not break down.

It is likely that the days of donors providing equipment are passing – in the future it is likely that NGOs will have to rely on the equipment that they have already been given. This means attention to maintenance, and planning in advance for the costs and the sources of that maintenance. Since there are very few available and trained computer technicians, every NGO will need to become expert in maintaining its own equipment. NGOs will also have to look after their motor-cycles, and, if they have them, cars. It may make more sense to use public transport than to use your motorcycle in order to make sure that you preserve and maintain your motorcycle as long as possible, and only use it for those tasks where there is no public transport

ACCOMMODATION

Presently most NGOs are based in offices which they have either received permission to use from the government, or they are operating out of the house of one of the members of the NGO. Up to this time very few NGOs have paid any rent on their buildings, or have paid for electricity or water – if there is any.

In the future this is likely to change – the government and the private sector will require rent on buildings owned by them, and the utility companies will require to be paid for the services they provide. NGOs need to start thinking about these problems. They need to consider lobbying the government to get a title and ownership of buildings – particularly if they have rehabilitated the buildings themselves, and they need to think about the possibility of 2 or 3 NGOs sharing a building together and sharing expenses.

If NGOs are going to live and sustain themselves by Timor Leste standards, rather than foreign standards, and have a long term future - they will have to start to think about what is a suitable level of financial and material resources. “Suitable” means a level which is acceptable by local people and local government as necessary for the work performed and not excessive.

Discussion Points for NGOs

1. Is the level of equipment we are using suitable for our work?
2. Can we maintain the equipment that we have?
3. Do local people (including the local government) consider that our equipment is suitable for our work?
4. Are our paid staff paid a suitable salary?
5. Are our volunteers rewarded in other ways?
6. Does the community enjoy the use of our equipment at all?
7. Have we started negotiations about use of buildings for our office?

Action Plans for NGOs

1. Develop job descriptions for paid staff and volunteers
2. Develop a salary scale and personnel policies that reflect East Timor labour law.
3. Make a list of benefits that volunteers can receive from your organization
4. Consider ways that your constituency could help you with accommodation.

Managing a Project or Grant

YOUR PROPOSAL IS ACCEPTED

After careful analysis, planning and hard work preparing a clear proposal and a realistic budget (see Booklets: Vision, Mission, Strategy, Programs and Booklet: Preparing a Budget), you have heard from the donor to whom you applied and he/she has agreed to fund your project. The Grant Agreement has arrived at your office for signature. What are the next steps?

WHERE HAVE THE FUNDS COME FROM?

Before getting ready to spend someone else's money, it is worth thinking through whose money you are using and where it has come from. Some organizations provide in-kind support or technical assistance, but such support has also come from somewhere.

If your money is coming from international NGOs, then the money is likely to have come in part from the government of the country of that NGO, and in part collected from citizens in that country who are sympathetic to helping Timor Leste. Examples of such organizations could be CRS, OXFAM, Concern, JICA. Most of the big organizations have an office in Dili, but the smaller ones do not.

If your money is coming from the government of a country (called bilateral money) then it comes from the Treasury of that country, has been collected from the taxes of the citizens of that country, and the political decision has been made to provide some of that money to Timor Leste. Examples could be USAID, DFID, CIDA, Finland etc.

If the money is coming from international agencies, like the World Bank, or the Asian Development Bank or UNDP, WHO, UNICEF etc., then the money has come from donations to these organizations by national governments.

Where does the Grant Funding come from?

The money of CRS (Catholic Relief Services) which is used for projects in Timor Leste, for example, comes partly from the collections of Catholics and their friends in the churches of the USA, partly from special fund-raising efforts, and partly from grants provided to CRS by USAID. A smaller amount comes from governments of other countries who would like CRS to administer grants on their behalf.

Don't forget there is also money and other support available from Timor Leste itself. Either this is from funds that have been given to the Government of Timor Leste, and for which they are responsible, like the CEP (Community Empowerment Programme), or is from Timor Leste foundations, like the Alola Foundation, which has been given funds or equipment with which to make grants.

THE GRANT AGREEMENT

Donors usually ask you to agree to a Grant Agreement which is the contract between them and your NGO with different conditions specified.

The Grant Agreement means that a certain donor, representing people in or the government of another country, have recognized your NGO as a satisfactory agent to carry out agreed activities in Timor Leste, and that your NGO is willing to take their money under the conditions they have proposed.

Although it is exciting to get funds from a donor, it is very important that you read through the grant agreement carefully, and understand the conditions. Be sure you understand the conditions that you will be agreeing to as a result of signing the grant. Be sure that your organization has the ability to fulfil these conditions. If it does not, then negotiate with the donor. Many donors are willing to revise terms and conditions so that they are acceptable and useful to both parties.

Here are some points to look for in your Grant Agreement:

1. Budget attached to the Agreement
Make sure that there is a clear budget attached to the agreement so you know exactly what you are funded to do. It may be that the donor has made a few changes from the budget that you proposed.
2. Flexibility in line items in the Budget
This refers to the extent to which you can make changes in the expenditure listed in the budget without going back to get approval of the donor. Some donors allow you to change the amount in the budget by 10% without further discussion, others allow 100%. If it is not written down, ask the donor what their policy is.
3. Reporting Requirements
How often and what type of reports are required? Does the donor have a specific form to be filled in? What results have you committed yourself to achieve? Can your NGO handle the reporting requirement? If you cannot, then negotiate with the donor.
4. Property
If this is not stated in the Grant Agreement, clarify what happens to any property purchased by your organization (like furniture, equipment, vehicles) at the end of the project? Who does it belong to?
5. Dates
Are there any foreign laws or regulations that the donor requires you to follow? This often refers to procurement i.e. how you purchase goods and services? Sometimes donors insist that you have a system in place for seeking bids for goods and services from suppliers, and documenting the reason why you chose a particular supplier. Sometimes donors insist that you use a particular book-keeping system.
6. Rate of Disbursement
You may have given a donor a proposal for a year, but it is unlikely that the donor will give you the money for one year's activities in one lump sum. It is more likely that the donor will provide the money on a serial basis, often two or three months at a time. Check this in your Grant Agreement, and make sure it is possible for your organization.
7. Allowable Costs
A budget does not list every tiny detail of expenditure. Some things are to be spent at the discretion of the NGO. But there are some limits on discretion. For instance some donors do not accept the cost of meals for colleagues (outside of per diems when traveling). Others do not accept the cost of alcoholic drink at all. Check with your donor what are allowable costs, if they are not written down.
8. Resolution of Conflicts
How will you resolve any disagreements that may arise between you and your donor? Check with your donor about this before you start.

MANAGING THE GRANT

How you manage the grant is important for two reasons:

- Firstly, a well-managed grant means that the people you serve will benefit to the maximum from your work with them.
- Secondly, if you manage one grant well, the chances are good that donors will be happy to give you another grant.
- Donors share information between them. If you perform well or badly, others will know.

Implementation of Activities

In your proposal you will have presented:

- a set of objectives stating what results you expect to achieve by the end of the project,
- indicators to let you know if you are succeeding, and to what extent you are succeeding, and
- activities which will help you to achieve your objectives

This is the logical framework for your project and should be used to help keep your team focused and on the right track (see Booklets: Vision, Mission, Strategy, Program)

You should also have a workplan which gives you a schedule to ensure that the necessary activities and steps are completed within the time frame you have. An important part of project management is using this plan as a tool to co-ordinate activities and monitor the progress of your project.

If the workplan is included in your proposal, and in the Grant Agreement, then the donor will expect you to follow that plan. Because plans and reality are not always the same, it is possible that you will need to make some changes in your plan, caused by management problems, (like, for example, one staff person falling sick), or events beyond your control (like, for instance, a very poor rainfall). If these changes are large or important, you will need to discuss them with your donor. Donors expect that changes will be necessary and respect grantees that directly communicate about problems and request approval for problems in advance.

Monitoring and Evaluation

We have already mentioned the need to monitor the progress of the project. An important part of project management is ongoing monitoring of the implementation of the project. This includes monitoring that:

- The activities take place
- The activities are of high quality
- The beneficiaries or participants of your activities are satisfied with the project
- That the results of the activities are leading you to your objectives, as measured by the indicators you established.

Monitoring is an ongoing activity and can be used to make minor adjustments as the project is taking place. Evaluation is a deeper activity and happens at longer planned intervals.

Evaluation checks on whether the project achieved its objectives. This is important both for your NGO and for the donor. It also serves as a guide for the planning of future projects and proposals. An evaluation helps your organization to learn what worked well about the project and what can be improved. If you use the lessons you

learnt from one project to improve subsequent projects, donors are impressed because it shows your organization is thinking about providing better services to those people whose lives you are trying to improve.

Financial Management

Good financial management of a grant is as important as the quality of the activities. Most donors will have high expectations of how you manage their money. They expect you to be concerned about what we can call “donor intent”. This means that your organization will be responsible for truly spending the donor’s money as they intended it to be spent when they gave it to you. Another way of saying “donor intent” is “good stewardship” which means protecting resources well and looking after them. This principle is true whether we talk of a gift of \$100 for a bicycle from an individual or a gift of \$100,000 from an international donor for a one year project.

Just as you monitor activities, you should also monitor your spending. You should be checking regularly for two things:

- How much are you spending overall? Are you over your total budget, or under your budget? Are you within your flexibility limit?
- Are you spending correctly? In other words, are you spending as you said you would spend in the approved budget?

The first requires you to monitor the pace and amount of expenditures. You should be checking to ensure that something being charged to that project is an allowable cost. That means, is the expenditure in the spirit or the letter of the agreement of the donor?

The second requires you to look at budget comparisons. This is information that shows you how much you have actually spent on different items compared to how much you told the donor you would spend. The difference is called “variance”. An example might look like this:

Item	Actual Expenses	Budgeted amount	Variance
Salaries	2,345	3,675	1,330
Rent	400	400	0
Transportation	532	350	(182)
Training	767	920	153
Printing	339	350	11

How you analyze this report on budget comparisons depends on how far you have progressed in the implementation of the project, and how much budget flexibility you have. Large variances, or differences from the plan, will have to be explained to the donor (and in some cases, will require prior approval).

If we imagine we are looking at the budget variance report shown above half way through the project, then we will know that we are possibly in trouble with Salaries and Printing, but we have time to correct that. We definitely know that we are in trouble with Transportation, however, because we are already over-budget. We also know that we have already spent all our rent money.

If this was a variance report at the end of the project, and this was your final report to the donor, you would need to explain why you were so underspent on Salaries and overspent on Transportation.

If you notice large variances during the life of a project you should discuss these with your donor. There may be a need to slightly revise the budget to account for a change in plan. Good management of your finances will allow you to make changes before the end of the project so you can be sure that your budget is appropriate for your activities. You also want to avoid having to return money to your donor because it was not spent as was agreed.

Managing Project Staff

If your project has several staff, then you will need to consider staff management as an aspect of Project management. A project team will need good co-ordination, regular communication, feedback, support and advice – and leadership (see Booklet: Managing People). Also importantly, you need to ensure that your staff have the knowledge and skills they need to have a beneficial impact on the people you serve, and help your organization live up to its mission. If they don't, then you need to think about building their capacity (see Booklet: Skills and Abilities)

GENERAL

It often seems that the donor is dictating conditions to the Timor Leste NGO. This does not seem a fair partnership (See Booklet: "Partnership"). To some extent this is true, but don't forget the money comes from the donor, and they have a fiduciary responsibility - to those who support them - to make sure it is spent correctly. At the same time, the donor is in business to give away money. The donor succeeds to the extent that he/she gives money to successful projects and successful organizations. These are likely to be organizations that understand the local situation and the local reality.

The donor needs you as much as you need him and expects open communication to help that mutual relationship along.

Questions for your NGO

1. Do you know where the money comes from that you are receiving from your donor? Do you have any questions about that to your donor?
2. What line item flexibility does your donor allow you?
3. Do you understand the Grant Agreement? Is it written in Tetum or Indonesian?
4. What indicators will you use?
5. How will you measure progress against objectives?
6. Is there a particular person in your NGO whose job it is to monitor the project? Does that person need any special tools or reports?
7. How do you plan to handle the end of project Evaluation? How will you involve the project participants and the donor?
8. Do you understand what expenses are not "allowable" to your donor?

Action Points for the NGO

1. List the different things that you are going to monitor in your project, and prepare a guide for your staff so that they can collect relevant information
2. List the extra skills you think your staff need in order to implement the project
3. Plan your monitoring and evaluation schedule in advance.

Managing People

The NGO Manager

This booklet is targeted at the Director of the NGO. Sometimes he or she is called the Director, sometimes Manager, sometimes Chief Coordinator, or other titles. In some cases the Director will be a new person, in other cases he or she will already have been in charge of the organization for some time.

As Director of the NGO you are responsible for “the big picture” of the NGO. This means that you are not simply focused on a particular task or a particular area of expertise (like training or education), but are responsible for the whole of the organization.

So, if you were previously the Finance Officer (for example), and are now the Director supervising finance, administration, staff, and program, you must give equal attention to all the parts of the NGO – even if you are more experienced in one particular part. Although it is easy for you to stay involved in the field that you worked in previously, you will not be doing your job as Director if you just do that.

Similarly, as the Director, you will not be able to be involved in all the details of everyone’s work. Usually the staff you supervise will be more knowledgeable about their particular work than you because they are concentrating on one particular sector or task. You must strike a balance – keeping in touch with a certain amount of detail, but keeping an overview of the whole organization. Of course you must also help the rest of your staff by helping them when there is a deadline or something urgent and important to finish.

What is the motivation to work for an NGO?

Many NGOs start as groups of volunteers, like-minded people coming together for the same purpose. In many cases they have previous experience together – at school or college, in the clandestine, and they have a group loyalty. An NGO, however, should be a professional development organization whose purpose is to improve the conditions of citizens of East Timor. Sometimes these two factors do not fit easily together.

Approaches to Management

Your style of management sets the atmosphere for the rest of the staff. There are many different ways of managing, but look at these different variations. The **authoritative** and **participatory** styles are good models and are in bold, the others are bad models!

Authoritarian

Repressive

You expect complete obedience from your staff. You make all the decisions. This can lead to alienation or even rebellion

Benevolent Dictators

You make the decision but say you are doing in everyone’s best interest. You think you know what is best for them. This can lead to frustration and non-cooperation

Authoritative

You make those decisions that it is your job to make as Director, but others have the opportunity to question them. This is necessary when you have to implement a decision that has already been made, and when it is not feasible to involve everyone in the decision.

Individualistic

Management vacuum

You make a decision you do not have the authority to make simply because no-one else is doing it.

Intrusive

You interfere with other people's decisions and jobs, and sometimes even try and do it for them

Participatory

Consultative

You make a decision based on the ideas and thoughts of those who are affected by the decision, or experts, or others. The final responsibility for the decision still lies with you.

Democratic

Decisions are made by the whole group either by voting or through consensus. Consensus is when a solution is found that is accepted by everyone even if some do not totally agree with it.

Representative

Decisions are made in a similar way to "democratic" except that there is a group of people representing the full group of those affected.

Abdicative

Denial

You say that a decision has not been made, that you do not know anything about it, that it is not your responsibility. This leads to a management vacuum

False Democracy

You try and include too many people in the decision, and do not give them time to fully participate. You may also throw the responsibility back to someone else to avoid having to make a decision

Chaotic

No-one knows who is making a decision!

A good director knows when to be authoritative and when to use a participatory approach. You are not afraid to make decisions on your own when necessary and appropriate, but also know when people should be consulted. This is difficult when you have previously been a friend of one of the staff members, but now you have to supervise them.

Performance Management

In small organizations it may not be such a problem if there are unclear expectations of the staff, or a lack of clarity about what standards are expected from the staff. However, if your organization is responsible to donors or members of the community, the performance of your staff is very important.

Motivating the People you Supervise

As mentioned earlier, your own success depends very much on the performance of those you supervise. One important component of a staff person's success is their motivation to do well – and the same is true of the Director. How can we, therefore, increase the desire to work of the people you supervise?

1. Set clear and measurable objectives which are also a challenge. Do not be afraid to push your staff if the expectations are realistic. Surprisingly staff who are not very productive often respond well to increased responsibilities and a clearer structure
2. Acknowledge good work – publicly
3. Make a job more interesting. Give a person more variety of tasks, so long as they are willing and able. This also helps to prepare the person for promotion.
4. Develop a team. If the people you supervise are not a team, consider developing one. People may become motivated if they know that their work is contributing to the success of their team.
5. Give appropriate rewards. If you recognize good work by giving a pay increase, a special bonus, an award, or extra vacation days, this can motivate people strongly
6. Delegate. This is the hardest thing for a director to do, but if you delegate responsibility to your staff, it shows them that you believe they can do a good job. This allows them to grow, and makes you freer to develop your own work.

If you have motivated your staff to perform well, you need to monitor and support their work. There are three steps in Performance Management – and you are involved in each one.

Performance Planning

This is a plan that each staff member makes in which they write down clear, realistic, but challenging results that they hope to achieve by the end of a period (usually six months or two years). In this plan the staff person says what indicators can be used to show if the results have been reached.

Being the Coach

During the year, you should work with the staff person to see how things are going in respect of their performance plan, and whether any things need to be changed. You should have regular conversations with your staff and give them feedback. Here are some questions you can use:

1. What have they done since the last meeting that has pleased me?
2. What have they done since the last meeting that I am not pleased with? How can they do better in the future?
3. What do they enjoy most and least about their work?

4. What do they think they should focus on most in the coming period? Come to a consensus on what should be done and by when. Make a note of this decision.

Performance Evaluation

This is the time when you formally look at the staff's performance plan at the end of the period agreed, and see what is the result. You are assessing both what they achieved against their plan, and their attitude, skills and knowledge. You are not judging their personality, but their work, and their contribution to the organization.

Criticizing and Disciplining

No-one likes to criticize others, and having to face problems with the people you supervise is never easy. But if you do not address problems, they are likely to get worse.

The discussion will be easier if you have an open mind. Allow the staff person to give their side of the story. Make sure you have collected all the relevant information before making a decision. Be prepared to discuss ways in which the staff person can improve. Try and balance positive and negative feedback, for instance: *"You are a great project officer and perform well in the field. But when you give me your reports late, this gives a lot of difficulty to me and the rest of the team"*.

Development

You should always be ready to consider ways in which your staff can get further training in order to help them be more effective in reaching the objectives of the organization. This can include education, access to new resources, training courses, conferences etc. (see also Booklet: Skills and Abilities)

Managing People in Meetings

If you are managing people it is inevitable that you will have to organize meetings. People often complain about meetings as being boring, and a waste of time, but there are steps that you can take to help improve the usefulness of your meetings:

1. Decide in advance what is the purpose of your meeting – what do you want to get out of it? Some meetings are simply to share information, some meetings are to get advice, some meetings are to get support, some meetings are to make decisions
2. Plan the agenda for the meeting. Tell everyone what is the process for getting items onto the agenda. Make sure that everyone has the information they need to discuss the agenda item. If possible set times for each agenda item.
3. Circulate the agenda in advance so that everyone knows what is coming up, and can give their ideas
4. Make sure that someone is handling the logistics of the meeting (place, food, transport etc)
5. Have a clear chair for the meeting. The job of the chair is to guide the meeting, make sure that the agenda is followed, and that time is kept. The director does not always have to be the chair, It is good practice to give other people the opportunity to chair.
6. Have a person clearly identified to be the note-taker. This person will make the minutes. Minutes should not be too long – they should note the decisions made and actions required.

7. Make sure that everyone gets a copy of the minutes
8. Make sure that someone, usually the Director, is following up to make sure that the action points are followed.

General

Good Directors know that people work in NGOs, whether they are paid or are working as volunteers, for a variety of reasons. These include:

- Earning money
- Commitment and idealism
- Personal development – learning new skills, new experiences
- Opportunities for creativity
- Social contact with other people
- Loyalty to previous comrades

Maybe there are some other reasons? Directors should be aware of the different reasons their staff are working for the NGO.

Questions for the NGO to discuss:

1. What kinds of management styles have you seen in other organizations?
2. Is there an “Timor Leste” style of management? If so, please describe it.
3. What motivates Timor Leste people to do better work?
4. What kinds of criticism work best in Timor Leste?
5. What is your own experience of meetings? How do you think they could be improved?
6. Describe the best chair of a meeting that you have attended.
7. Describe the best boss you have ever had.

Action Points for NGOs

1. List the management practices that you can learn from other organizations you admire
2. List the skills that are needed by your organization which are not present in any of the staff
3. Plan some ways to develop those skills
4. Design a form for performance planning and performance appraisal for your staff

Working in Partnership

Who are Partners?

There are two possible ways of looking at Partnership for NGOs in Timor Leste. The first is to look at Partnerships between the NGO and other organizations in Timor Leste. The second is to look at the Partnership between your NGO and your donor

Partnership between your NGO and other Timor Leste Organisations

There is a saying in English that 'two heads are better than one'. This means that it is always better to work together with someone than to do it on your own. Two sets of brains provide more brainpower than one set of brains. The same holds true for your organization. You may find that you become a more competent organization if you link up with other organizations. Your pool of possible partners includes community groups, other non-governmental organizations, traditional institutions, education institutions, donors, other international organizations, and private businesses. Such organizations may have an interest in what your NGO wants to do, and may be able to offer useful skills and competences.

Your program quality is likely to be improved if you work together with partners who can contribute to the project in ways that you cannot. If you include a variety of partners when you do strategic planning, project design, even implementation and evaluation, you can help to make sure that your activities are appropriate to the people you serve and that a variety of perspectives or opinions are considered. It is also likely that you will have a wider and more long-term impact.

For instance, you may want to work on conflict resolution in cases where there is social conflict arising from issues of land. It would be sensible to involve the traditional *aldeia* organization in your work.

Another example might be that you wanted to form small scale savings and credit organizations. You may find that there already exists in the community women's organizations that could be a good basis for your work. It would make sense to partner with them.

No one organization has access to all aspects of a community. By working in partnership with other organizations or groups, you increase the depth and breadth of your work. For example, you may find that your education program will not have such a strong impact without a complementary health activity, but your organization does not have any expertise in health. By partnering with a health organization, both organizations and the community will benefit.

In addition to reaching out to others, working with partners expands your organizational capacity and expertise. Each partner have a set of skills and experience that can be shared with the other partners.

The Right to Aid

Some NGOs do not like receiving donor conditions. They believe that they should receive aid from developed countries by right after all the centuries of exploitation of the South by the North. Most northern donors do not agree with this analysis. Relations between donors and local NGOs will be quite difficult unless this basic issue is discussed and clarified between them.

Despite all of these excellent reasons for partnering, you must make sure that you do not partner just to partner. Partnerships must have a measurable and beneficial impact on the lives of the people you serve.

Partnerships between Donors and East Timorese NGOs

When Timor Leste became independent, a flood of external donor organizations poured into East Timor, under the umbrella of the UN. They added to the existing foreign solidarity organizations that had been involved with Timor Leste for many years.

Many of these organizations said they were looking for “Partners” – the word became overused and difficult to understand. There was (and is) such a variety of foreign donor organizations, that it is difficult to know, for a Timor Leste NGO, which are the most suitable ones to partner.

In some cases there was an existing relationship from the clandestine period, in other cases there was a relationship based on religion (e.g. fellow Catholic organizations), in other cases it was based on history (e.g. Portuguese organizations). Timorese NGOs need to know something about how to choose donor partners.

Finding the Right Partner

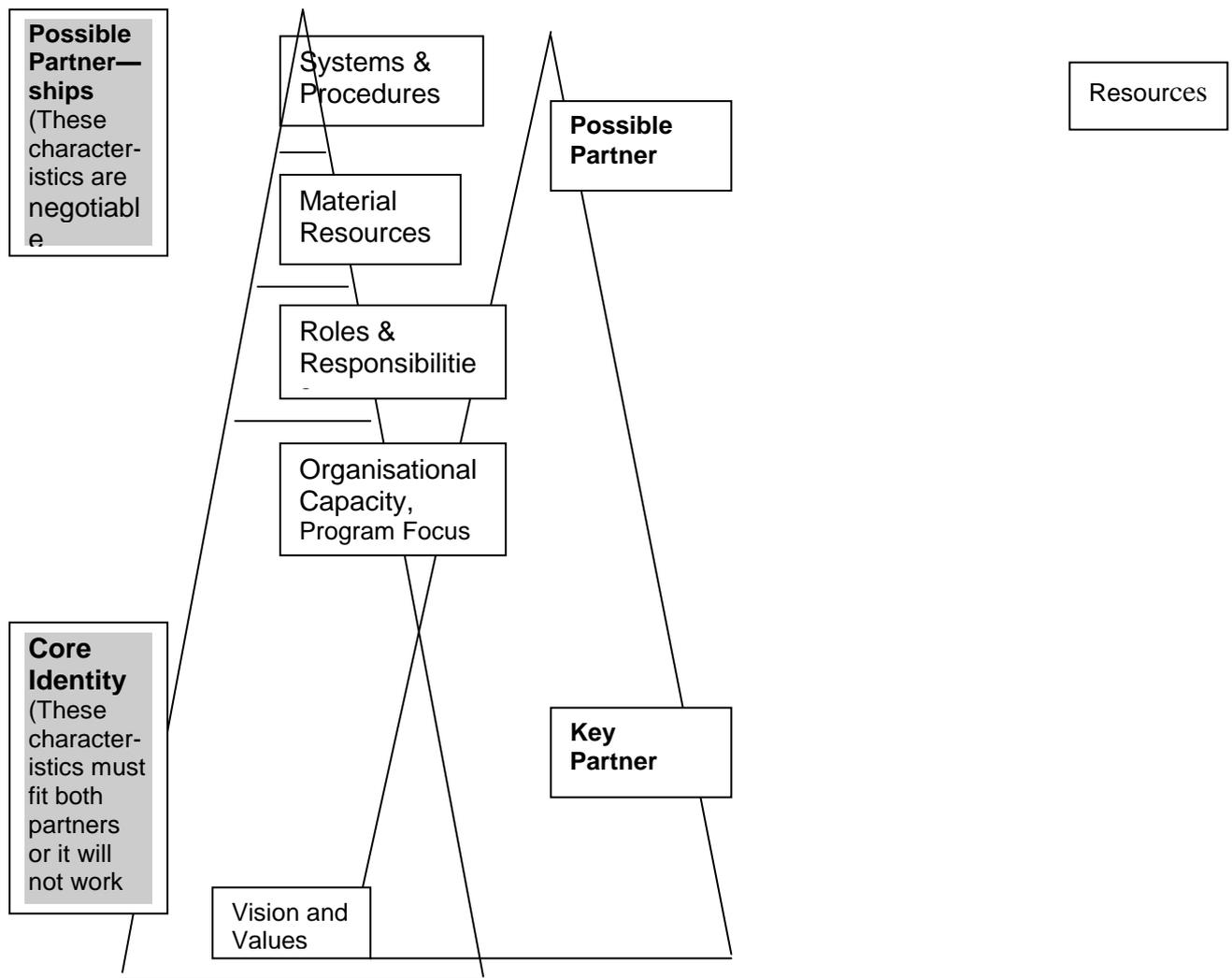
How do you pick the right partner for your organization – either from other Timorese organizations, or from possible donors?

The exact partner you need will depend very much on what you hope to achieve with that partner. You need to think about your own organization’s goals and objectives, and the goal and objective you hope from the Partnership.

Although there are no hard and fast criteria, the pyramid shown on the next page shows a hierarchy of characteristics you should consider when selecting a partner. You will see in the diagram that the most important similarity between you and the partner is shared Vision and Values. This means that both organizations must be working towards similar visions of a better future. You and the partner must also share a similar approach to working towards that Vision.

For example, possibly you both believe in using participatory methodologies, or you both agree very strongly on the need for transparency, or on emphasising gender equality. Similar views in respect of Vision and Values, Strategy and Philosophy and Geographic Focus are fundamental in forming a Partnership with another organization. These characteristics are all below the line. If your organization believes in gender equality, for instance, but the traditional elders involved in land demarcation with whom you work do not, you may have a problem in working together in partnership.

The characteristics in the upper half of the pyramid are also important, but are not absolutely necessary for a partnership to be successful. These are Organisational Capacity (including Program Focus), Roles & Responsibilities, Material Resources, and Systems & Procedures. These areas can be negotiated between the Partners.



Partnership Dialogue

Even if you have the same values and goals, you still need time and effort to make a strong partnership. It is a commitment to sharing and dialogue, and requires trust. Critical to the success of any partnership is regular communication in order to make sure that there are no miscommunications and to make sure that shared values do not get lost.

As the partnership gets underway, there will inevitably be problems and doubts between the members of the partnership. Regular and open dialogue is critical to working through these.

If problems become hard and difficult to resolve, it is sometimes useful to go back to some very basic questions with your partner to try and find out what has gone wrong. Some possible questions that can be discussed with your partner are:

1. What do you think are the strengths and weaknesses of my organization in this partnership?

2. What do you think are some areas in which I and my organization could become a much stronger partner?
3. What are some issues that you hear me and my organization complaining about the most in respect of your involvement in the partnership?
4. Are there any times when I or my organization has ever disappointed you?
5. How can we improve the way we work together?

It is also very important to make sure that misunderstandings do not occur between partners through problems in the use of language. Check your written communication for language and tone. Try to put any sentences with negative words into positive ones. Communication should be done so that you are highlighting what was good, offering options and solutions, sounding helpful rather than bureaucratic, stressing positive outcomes.

It is very easy to get the wrong message in a partnership, particularly on issues of trust. Being careful in your use of written language can reduce these risks.

Understanding Power Dynamics

By understanding power dynamics in a relationship we can intervene to strengthen the relationship and negotiate any difficulties that might arise. The importance of power in a relationship is often overlooked, but it has a big impact on the usefulness of the partnership – particularly between donor and Timor Leste NGO. Whether you are the partner receiving resources, or the partner giving them, this factor needs to be considered. Don't forget that you think of your NGO being a recipient of funds from a powerful donor, but a villager may think of being the recipient from a powerful NGO. Your NGO may be seen as a donor by some people.

The donor (which could possibly be your organization) needs the recipient as much as the recipient needs the donor. Hopefully all will agree that the final objective is the improvement of the lives of Timor Leste people, but there will be many other factors involved. Money will be the biggest one, but status, access and skills are also important aspects of power. Your partner organization may be politically well connected, may be good at public speaking, may have the ear of the President, or the Bishop – all these factors will be part of the power dynamics between your two organizations. Power works both ways – it is not only those who have the money who have the power.

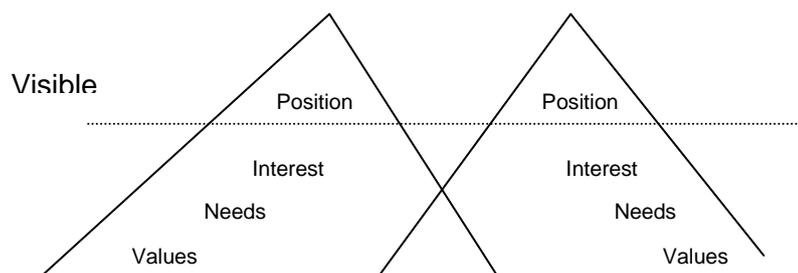
The following list is helpful in thinking of how power is shared between two partners:

1. Funds or materials: If you have desirable materials, resources, and funds it may mean that you have considerable power.
2. Legal Position: A partnership may be affected by the power which has come through some legal agreement, formal or informal.
3. Status: Status and position in an organization can create a perception of power.
4. Access: Access to other organizations, influential community members, or communities themselves is an important aspect of power.
5. Knowledge and Skills: Sometimes knowledge, skills and expertise are aspects of power
6. Personality: Persuasiveness, creativity, energy, can be aspects of power

Managing Conflict

Conflict between organizations is normal and healthy. If used creatively, it can lead to new ideas and a stronger relationship. If ignored, it can destroy the partnership.

If you and your partner are facing conflict you will need to stop and reflect on the origins of the conflict. This means analyzing until you discover the root causes. You must work backwards from the visible aspect of the conflict down to the values of each organization, and then back up again to find a solution that is acceptable to both. Reminding yourselves of your common values and missions, and your positive experiences of each other can help in this process.



In the diagram above two partners have “Visible” positions – possibly on using money, possibly on politics, possibly on attitudes to women. But the “invisible” aspects of their organizations, based on their interests, their needs and their values are also very important, and need to be investigated, analyzed, and worked out.

So partnerships between your NGO and other institutions or organizations in East Timor are an important aspect of doing your job well. Good relations with the Church, the traditional societies, the government, the politicians, the women’s organizations, the youth organizations, the media – all of these are likely to make your project successful.

A good partnership with your donor so that you are both clear what you expect from each other, and what you are prepared to give to each other are also very important, and are likely to prevent any of the difficulties that could stop your project from being successful.

Discussion Points for your NGO

1. Which other Timorese organizations could be most useful to you in achieving the objectives of your project?
2. What could you offer in turn to such organizations that would attract them to partner with you?
3. What donors seem to you to have the best approach to working with partners in Timor Leste?
4. What donors seem to you to have the worst approach to working with partners in Timor Leste? How?

5. What power do you think the Timor Leste NGO has in respect of a donor?
6. What should be the roles and responsibilities of the donor and the implementing partners in a project?

Action Points for your NGO

1. List the range of possible Timor Leste organizations that exist in the area where you are working
2. Think of (and list) the reasons why you think individuals or organizations provide aid to Timor Leste
3. Get to know the donor organizations – which donors work in which fields.

Preparing and Reporting on a Budget

A Budget is a Plan for Expenditure

A budget shows what you plan to spend over what period of time and for what purpose. The Purpose is reflected in your Work Plan. You cannot prepare a budget until you have a Work Plan. (see Booklet: Vision, Mission, Strategy, Programs)

A budget is calculated according to the needs of your organization and the needs of the community, shown through:

- A work plan
- Your previous experience of the costs of goods and services
- Your estimates of likely future costs of goods and services

Your estimates are based upon the lowest reasonable cost compared with others for the goods or service that you consider you need.

A Work Plan

It is very important that your workplan and your budget fit each other. This extract from a Work Plan shows the Outputs, Activities, and Tasks that are planned for a period of two months. It can also include the Budget and who is responsible. Here is an example concerning advocacy training:

Output	Activity	Tasks	Who	Budget	Schedule	
					July	August
1. District Level CSOs knowledge-able about advocacy	1.1. Provide 4 training courses	1.1.1. Contract trainer	AA	400.00	x	
		1.1.2. Hire hall	BB	160.00	x	
		1.1.3. Purchase fuel for transport	BB	100.00	x	
		1.1.4. Arrange per diems	CC	320.00	x	
	1.2. Provide 4 follow up courses for advocacy	1.2.1. Organise per diems	CC	160.00		x
		1.2.2. Purchase notebooks etc	CC	16.00		x
		1.2.3. Hire hall	BB	80.00		x
		1.2.4. Purchase fuel for transport	BB	160.00		x

This work plan requires a budget for the following items:

1. Hire of Consultant
2. Hire of hall
3. Fuel
4. Per diems
5. Notebooks/pens

These are the factors you need to consider when making up the budget (using the numbers of the Tasks in the example given above).

1.1.1. Hire of consultant to carry out the training:

You have to decide who you will try to hire and what his/her consultancy fee is. You will need to check whether this is a reasonable fee compared to others, or compared to the last time you hired the same person. You will have to agree a fee either for the whole work, or a fee per day.

1.1.2. Hire of hall

You have to decide on the price of a hall based upon your experience with other halls that you have hired in similar places, and agree a fee based on the whole period or on a daily basis.

1.1.3. Purchase fuel for transport

It may be that you have a regular account with a petrol supplier, or it may be that you purchase fuel for each long journey. Your expense for fuel will be based on the distance, the fuel consumption of your vehicle and the cost of petrol.

1.1.4. Arrange per diems

For per diems you should already have an agreed policy. Therefore you will need to calculate the number of days and people multiplied by the agreed rate.

1.2.2. Notebooks/pens

These are small items. A visit to a few local shop will give you the usual cost of these items.

Now you are ready to make up the Budget

In order to calculate the budget you need to know:

- a. The unit of the goods or service whose costs you are calculating (e.g. days, months, kilos, litres, etc)
- b. The cost of one such unit
- c. The number of units you want
- d. The total cost

When you have the information then you can display it in the following way:

Program Budget

Tasks	Tasks	Unit	Unit Cost	No of Units	Total Cost
1.1.	Provide 4 advocacy training courses of 2 days each for 4 people from each organisation				
1.1.1.	Hire of Consultant for 4 x 2 day training courses	day	50.00	8.00	400.00
1.1.2.	Hire of hall in Baucau for 4 x 2 day training course	day	20.00	8.00	160.00
1.1.3.	Fuel for transport to collect trainees	litres	0.50	200.00	100.00
1.1.4.	Per diems for 16 people for 2 days each	day	10.00	32.00	320.00
	Sub-total				980.00
1.2.	Provide 4 follow up training courses of 1 day each for 4 people each from 4 organisations with CRS staff as facilitator				
1.2.1.	Per diems for 16 people for 1 day each	day	10.00	16.00	160.00

1.2.2.	16 notebooks	each	0.50	16.00	8.00
	16 pens	each	0.50	16.00	8.00
1.2.3.	Hire of hall for 4 days	day	20.0	4.00	80.00
1.2.4.	Purchase fuel for transport	litres	0.50	200	160.00
	Sub-total				416.00

It is better to have one item in each heading – do not try and put too many items in one budget heading or it will be difficult to calculate, and difficult to report on in the future.

Other Parts of a Budget

The other parts of a budget, outside the program activities, are likely to be salaries, and overhead costs. These can be calculated for a year, or for each program activity. In the example we are using here, we are discussing a two month project.

Sometimes overhead costs and salaries are divided up between two or more different programs or donors, and so are shown in the budget as a percentage, for instance:

2.1	Overheads				
2.1.1	Proportion of Rent of Office (50% of 100.00 per month)	month	50.00	2	100.00
2.1.2.	Proportion of Electricity (50% of 40.00 per month)	month	20.00	2	40.00
2.1.3.	Stationery	month	50.00	2	100.00
	Sub-total				240.00

Dealing with Salaries

An organization needs to have its own policy on salaries, and it is very sensible to sit down and prepare one of these if you have not done so previously (see Booklet: Structures and Systems). The Board of your organization should help you with this.

1. Salary levels: You need to decide what jobs are required by the organization and a range for the pay to be given for each job, depending on experience and length of service. For instance a book-keeper might have a range from \$125 - \$195 a month in 8 stages of \$10 each as follows:

Bookkeeper								
Level	1	2	3	4	5	6	7	8
Base salary	125	135	145	155	165	175	185	195

Other positions would have other ranges

A new and inexperienced bookkeeper would thus be offered \$125 per month, whereas a more experienced one would get a higher salary. This would be shown in their contract, and any amendment to their contract.

This also allows you to recognize greater experience, greater skills (e.g. computer, or language) and promote people to a higher range after a certain amount of service.

The base salary of all staff needs to be documented, and shown in their employment contracts.

2. Benefits

An organization has to decide whether it is going to offer any benefits such as payments for health, transportation, insurance etc. Many organizations consider such costs when they calculate the salaries, but do not pay them separately because it is more difficult to administer. Don't forget certain benefits are required by law (severance pay, withholding wage tax etc).

3. Comparison with Other Organizations

If you are going to attract and keep staff in your organization you will need to be competitive with other similar organizations. So you need to check how much different jobs are paid in other organizations. If you are hoping to get funding from international donors, they will also be looking at this factor, because they may be funding many different organizations, and they will not want to have different rates.

4. Salary increases

The reasons for all salary increases need to be documented. The reasons for salary increases can be:

- a. Annual merit increases: if this is agreed in your personnel policy, then you can provide annual increases for good service – usually 5%
- b. Greater responsibility: if the staff member has taken on new responsibilities (such as supervising more staff), then it is logical to consider a salary increase
- c. New skills or qualifications: if a staff member has acquired new skills or a new level of education, it is logical to consider a salary increase
- d. Cost of Living: if the cost of living increases greatly, it is logical to consider raising salaries, but this must be documented with data from the Statistics office, for instance.

Salaries can be stated in a budget like this

Tasks	Tasks	Unit	Unit Cost	No of Units	Total Cost
3.	Staff				
3.1.	Director	month	250	2	500
3.2.	Program Coordinators x 2	month	175	2	350
3.3.	Finance Manager	month	160	2	320
3.4	Driver	month	125	2	250
	Sub-total				1420

Sometimes a staff person is not working on one project, but on two (or more) different projects. His or her salary would then be shown in the budget for one project as a percentage of the total salary (e.g. 50%). Like this:

3.1.	Director (50%)	month	250	2	250
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Dealing with Capital Items

Sometimes there will be a capital item in your budget – like a vehicle or a computer or a printer. If the item is worth more than \$500 and you are using USAID regulations, then you have to get quotations from 3 different suppliers, and provide a justification as to which supplier you chose based on the lowest quotation. If there is some reason why you do not want to accept the lowest quotation, you need to write down the reasons to justify your choice (e.g. better quality, or because they provide good after sales service)

Capital items sometimes add to your recurrent expenditure. Do not forget, for instance, that a computer printer will need replacements of toner: if you buy a printer, you will need to include an item for toner and possibly for the increased cost of electricity.

In general it is best if you can purchase capital goods in Dili from a store where you can pay by check and get a receipt. If you have to import goods from overseas, it is increasingly complicated for NGOs to deal with important regulations and taxes. Let the store owner deal with those complications!

Try to get a good bargain from the store-owner. Try to get maintenance of the equipment built into the price you pay. Make sure that the supplier has spare parts if you need them for the future.

General

If you have any difficulties in calculating the costs of goods and services, or salaries, or in presenting your budget, it is a good idea to discuss these with your donor organization before finalizing them. He or she may be able to help you express your plans more clearly.

The final budget appears on the next page

	Tasks	Unit	Unit Cost	No of Units	Total Cost
1.	Program				
1.1.	Provide 4 advocacy training courses of 2 days each for 4 people from each organisation				
1.1.1.	Hire of Consultant for 4 x 2 day training courses	day	50.00	8.00	400.00
1.1.2.	Hire of hall in Baucau for 4 x 2 day training course	day	20.00	8.00	160.00
1.1.3.	Fuel for transport to collect trainees	litres	0.50	200.00	100.00
1.1.4.	Per diems for 16 people for 2 days each	day	10.00	32.00	320.00
	Sub-total				980.00
1.2.	Provide 4 follow up training courses of 1 day each for 4 people each from 4 organisations with CRS staff as facilitator				
1.2.1.	Per diems for 16 people for 1 day each	day	10.00	16.00	160.00
1.2.2.	16 notebooks	each	0.50	16.00	8.00
	16 pens	each	0.50	16.00	8.00
1.2.3.	Hire of hall for 4 days	day	20.0	4.00	80.00
1.2.4.	Purchase fuel for transport	litres	0.50	200	160.00
	Sub-total				416.00
2.	Overheads				
2.1.	Proportion of Rent of Office (50% of 100.00 per month)	month	50.00	2	100.00
2.2.	Proportion of Electricity (50% of 40.00 per month)	month	20.00	2	40.00
2.3.	Stationery	month	50.00	2	100.00
	Sub-total				240.00
3.	Staff				
3.1.	Director	month	250	2	500
3.2.	Program Coordinatorsx 2	month	175	2	350
3.3.	Finance Manager	month	160	2	320
3.4.	Driver	month	125	2	250
	Sub-total				1420
	TOTAL				3056

Reporting on Expenditure against Budgets

Once your budget is clearly set out, it is easy to report on expenditure against that budget. You keep the same categories, and you show how much has been spent against your planned expenditure for the agreed period of time of the financial report – often two months which is the same as your budget. The expenditure will be backed up by the receipts that have been collected for each expenditure.

If the expenditure is less than the budget, there is no problem: simply show what has been spent against that budget heading. If it is very underspent (or not spent at all) it means that the expected project activities are not taking place, and you may need to think of other ways to spend that money, and discuss these ideas with your donor.

If you think, nearer the time, that the expenditure is going to be over the budget – because, for instance, prices have gone up in the shop, then check with your donor organization before spending the money. If it is a small increase i.e. less than 5%, there is usually no problem: but if it is larger than that, you need to get advance agreement from your donor.

It is valuable to check your expenditure against your budget to see where you underspent and where you overspent, so that the next budget can be more accurate. As you will see from the 2 month report on the next page, the organization was overspent by \$23.00. The biggest variation was for fuel. The next budget can learn from the experience of this budget and budget more accurately for fuel next time..

They will also claim an extra \$23.00 in the budget for the next two months to replace their over-spending.

The financial report for the two months is one the next page:

Task	Item	Budget	Expend-iture	Over	Under
1.1.	Provide 4 advocacy training courses of 2 days each for 4 people from each organisation				
1.1.1.	Hire of Consultant for 4 x 2 day training courses	400.00	400.00	0	0
1.1.2.	Hire of hall in Baucau for 4 x 2 day training course	160.00	150.00	0	10
1.1.3.	Fuel for transport to collect trainees	100.00	120.00	20.00	0
1.1.4.	Per diems for 16 people for 2 days each	320.00	320.00	0	0
	Sub-total	980.00	990.00	20.00	10
1.2.	Provide 4 follow up training courses of 1 day each for 4 people each from 4 organisations with CRS staff as facilitator				
1.2.1.	Per diems for 16 people for 1 day each	160.00	160.00	0	0
1.2.2.	16 notebooks	8.00	7.00	0	1.00
	16 pens	8.00	7.00	0	1.00
1.2.3.	Hire of hall for 4 days	80.00	75.00	0	5.00
1.2.4.	Purchase fuel for transport	160.00	180.00	20.00	0
	Sub-total	416.00	429.00	20.00	7.00
2.	Overheads				
2.1.	Proportion of rent	100.00	100.00	0	0
2.2.	Proportion of Electricity	40.00	36.00	0	4.00
2.3.	Stationery	100.00	90.00	0	10.00
3.	Staff				
3.1.	Director	month	250	2	500
3.2.	Program Coordinators x 2	month	175	2	350
3.3.	Finance Manager	month	160	2	320
3.4.	Driver	month	125	2	250

Good luck with your budgeting, and your reporting on expenditure against budget.

If you need help, please call on the staff of your donor organisation.

General Points

Contribution from the NGO

Some donors want to see a contribution from the NGO or from the community towards the project. Sometimes this is shown in money, sometimes in contribution of labour or local materials (like sand or thatching grass). This is important because it shows that they are prepared to put some of their effort or resources into the project, and therefore they value it.

Who is benefiting?

If you look at the amount of money that is budgeted to be spent on overheads and administrative salaries and compare it with the amount to be spent on program costs, you may be a bit shocked. With many NGOs the first figure is higher than the second. You need to think about this. Who is the project actually benefiting?

Discussion Points for the NGO

1. Are you aware of the costs of goods or services that you are frequently using?
2. Do you already have a Financial Procedures and Personnel Policy Manual – which will tell you in advance what is your NGO's standard for consultant fees, per diems, and salaries, for instance?
3. How does your NGO's salaries compare with other NGOs' salaries?
4. Do you share any of your staff between two (or more) projects?
5. Are you intending to purchase any capital goods? Will they be available in Dili, or have they to be imported?
6. What sort of a bargain have you got for your capital goods?
7. Suggest some reasons why you might over-spend or under-spend?
8. Check your budget: what percentage of the total is spent on overhead of administrative running costs, and what percentage on program activities?

Action Points for the NGO

1. Design a budget for your whole organization, and then, from this, design a budget for separate projects. Thus you can offer different possibilities to donors
2. Make up a file on sources and prices of goods and services you frequently use, and keep it up to date.
3. Divide the total amount of the budget by the total number of people helped by this project. How much is spent on each participant? Is this reasonable in your view?

Managing a Community Project

The Emergency Period

Donors who were coming to Timor Leste in the emergency period were looking for:

- evidence of urgent needs
- evidence of existing organizations who could manage projects
- evidence of organizations that had some connections to the communities

In many cases donors were under pressure from their capital cities to show that they were helping in Timor Leste following the emergency, and the way they showed they were helping was by showing that they had spent money. Showing that money had been spent is not the same thing as doing good community projects.

Local NGOs soon understood the situation and presented proposals which showed the points above, but did not necessarily show much understanding of participatory development with communities. NGOs largely got money if they said that they could carry out such and such a project for the donor. Since they were not asked for detailed information about local conditions and practices, they did not provide it.

Who Gets the Goods?

In the emergency period large numbers of two wheel tractors were distributed around Timor Leste following the logic that the buffalo are dead, and therefore tractors must replace them. Few of those distributing tractors had any criteria for picking the recipients for the tractors or worked out whether those who received the tractors would help the others who did not receive the tractors or had any idea how to maintain them.

Now in the development period it is considered much more important how these technical innovations are managed for the good of the community.

The Development Period

Now donors are likely to be asking more detailed questions of the NGOs they want to fund, and asking them for information that they can only get through close involvement with the people. This in turn requires the NGOs to think more deeply about the kind of work that they want to do, and to think more about their relations with the communities they say they want to help, and to consult more extensively with the communities.

A community project is no longer a question of getting a list of who should receive gifts of hardware, and making sure that the goods are distributed. A community project now is much more interested in what the communities can do for themselves, what is the most relevant kind of hardware they need, who will be looking after it, who will be benefiting from it (and who will not be benefiting from it) and how will the community continue after the project has ended.

The following document is a list of the questions that a donor interested in working with a long term NGO partner in Timor Leste would be likely to ask. As you can see it requires the NGO to have a very close knowledge of the community that it claims it would like to help.

1. Background Information about the implementing NGO

1. What is the Mission of the organization?
2. What is the Vision of the NGO?
3. Does it have a Strategic Plan?
4. How is it structured? Does it have a Board? Who are they?
5. What staff does it have? What are their roles and responsibilities? Are they paid/unpaid? Full time/part time?
6. What is the history of the organization? What projects have they carried out previously? What was done in these projects? When? How? Where? With what results?
7. Were these projects supported by donors? If, so, which donors and for how much?
8. What are the assets of the organization?
9. Is the organization registered? Where?

2. Background Information for a Community Project

1. Who was involved in collecting the information that is presented here? Where did the information come from?
2. This community project is being planned for what *Aldeia*, what *Suco*, what sub-district, what District?
3. Where is the community located? Make a small map showing distance (time and kilometers) from the community to the main district town, main road, other *aldeias*, main physical features (e.g. river)
4. Why was this community chosen for the project? What is the relationship between the organization and this community?
5. Give some information about the community – language, population (number of households, number of women heads of households, population)

3. Background History of the Community

1. History of the community: has this community always lived here? Did they come from another area? If so, where? Why did the community come into this area?
2. Recent history: what happened to this community during the Indonesian period? What happened in 1999?
3. Projects already been carried out here – by government, by the Church, by NGOs, by CEP
 - a. Have there been development projects here in the past?
 - b. What were these projects?
 - c. Who implemented them?
 - d. Were the projects successful? In what way? What were the reasons for success?
 - e. Are there any development projects taking place now?
 - f. What are these projects?
 - g. Who is implementing them?
 - h. Are the projects successful? In what way? What are the reasons for this success?

- i. Does your proposed project have any connections with any previous or present projects?
4. What are the main organizations or who are the people in this community who should be involved in this development project?
 - a. Church?
 - b. Farming groups?
 - c. Womens groups?
 - d. Youth groups?
 - e. Political groups?
 - f. Chefe de Suco?
 - g. Conselho do Suco?
 - h. Conselho do Posto?
 - i. Teachers?
 - j. Priests?
5. What are the main livelihood resources of the community (farm lands, crops, forest, water)? Make a map of the area.
 - a. how much land in hectares is used for each crop? Is this private or collective land?
 - b. How much land in hectares is unused land, forest, grassland, grazing land, water sources (seasonal and all year round)?
 - c. Are there any conflicts about these resources?
6. What were the main livelihood activities for men and women previously (Portuguese time, Indonesian time, UNTAET time)? What are the main livelihood activities for men and women now in each season?
 - a. Is there an irrigation system? Does it work?
 - b. What animals are raised? How are they kept?
 - c. Do people eat fish? Where do they get them from?
 - d. Do people use the forest? What for?
 - e. Does the community sell any products to others? What?

4. Problem

1. What are the main issues/ constraints to a good livelihood for this community now? Do the people face food shortages every year? Who is most affected?
2. Why do they have these problems?
3. How has the community resolved these issues in the past?
4. How can these issues be resolved now?

5. Project Proposal

1. What are the objectives of this proposal?
2. Who will participate from the community?
3. Which staff from the organization will be responsible for working with the community members?
4. How will the project be implemented?
 - a. What activities will be carried out?
 - b. What is the expected result of each activity?
 - c. How will this activity help to reach the objective?
 - d. Who will participate from the community and from the organization?
5. When will the project be carried out? How long do you expect it to last? (make a work plan for 12 months)

6. Where will the project be carried out?
7. What risks do you see possibly affecting the project?
8. What is the budget?
9. What does the community or NGO contribute to the project?
10. Does every part of the planned expenditure or cost appear in the budget?
11. Are there items in the budget that are not explained in the proposal?

6. Monitoring and Evaluation

1. How will we know if the project is successful? What indicators will we use?
2. Who will monitor the project as it is in progress? (from the organization, from the community, from local government?)
3. Who will evaluate the project at the end? (from the organization, from the community, from local government?)
4. When will the monitoring and evaluation be carried out?

If your organization is able to answer all these questions clearly and truthfully, it will be clear that it knows the community, that it is an accepted part of the community, and that the community is prepared to work with it.

This is different from the information required during the emergency period.

Working with the Government

History of NGO-Government Relations to date

As in most countries of the world government and NGOs are most successful when they act as partners in development activities. In 1999 and 2000 many NGOs (both local and international) were highly operational across both sectors and districts in Timor Leste. In the aftermath of the events of 1999 and 2000 a large number of the government agencies began to establish themselves, but were not yet operational throughout Timor Leste. Foreign donors contacted local NGOs directly and arranged programs with them without any consultation with national or local government.

As time went on government officials and government services started functioning in Dili, and then in the districts, but NGOs did not have very much to do with them. Government officials and NGO leaders did not always inform each other of their plans and coordinate their work.

Therefore, in many cases, parallel operations have developed – some activities being carried out by the government, and some activities being carried out by both local and international NGOs without enough sharing of information between them.

In every country there are some activities which are always undertaken by government (like formal schooling, defense, police, health services), and other activities always undertaken by NGOs – like advocacy, welfare, disaster response and various forms of service provision. In many countries many of these activities overlap: in Timor Leste, for instance, the influence of the Church has meant that some functions of education (like vocational education at Fatumaka) and health provision have been also part of the work of the Church.

Mutual Ignorance?

A foreign donor was asked by an NGO working with a community to help them to build an irrigation system to produce more crops. He asked them to check with the Ministry of Agriculture and they discovered that their village was in the plans of the Ministry to receive an irrigation system soon. Neither side had previously talked to the other.

Government services are bound to increase in the future: as more and more line ministries of the government become active in the districts, with staff, programs, budgets, and equipment, they will become more important actors in the district, and NGOs will have to adjust their programs to complement government activities, and coordinate effectively.

Even though the new government departments are agencies of the new and independent government of Timor Leste, some NGOs still do not trust government as an institution, based on their experience of government departments during Indonesian times. There are tremendous opportunities for good and mutually beneficial relationships between government departments and NGOs, if both sides can overcome their suspicion of each other, and see themselves as complementary institutions - two different ways of helping the people and the country of East Timor to develop. This need for greater understanding of each other is important at both the national and the District and sub-District levels.

Given the shortage of resources in East Timor, it is essential that all institutions work as much as possible with each other. So far we have been talking about links between the two institutions of Civil Society and Government, but we should not forget there is another agent of development – business or the private sector. So far, there has been limited investment by private enterprise in the districts of Timor Leste, outside Dili. (see Booklet : The Introduction to the Series)

Government and NGOs Understanding Each Other

Understanding of each other's goals

Often government's goals are quantitative—to increase production, or decrease morbidity, for instance - whereas NGOs goals are more qualitative - for instance, to build self-reliance and community involvement. However, for their development partnership to be more effective, both sides need to clarify to the other what their goals are, and understand more about the other.

Understanding the NGOs agenda

The government may be more aware of welfare types of NGOs, or more aware of NGOs which are publicity conscious, or more aware of those which work in the capital city. They may worry about NGOs as competitors for the people's loyalty, or they may worry about businesses hiding behind the NGO structure. The government also particularly worries about NGOs as a source of anti-government feeling. Governments also have a concern about working with NGOs which may be too critical of the government, or may disclose government inefficiencies - and yet these may be the most effective NGOs.

The attitudes of both sides

NGOs are suspicious that government ministries and departments are corrupt, inefficient and interested only in reaching numerical targets in order to please their political bosses. Governments are suspicious that NGOs are hazy, ineffective, ready to elevate process above demonstrable impact, possibly playing politics, and possibly subversive of government.

NGOs hoping Government will carry on what they have started

Government departments continue as long as the government continues: NGOs and their projects usually have a limited life. In many cases NGOs assume that government will take over from them when the NGO project comes to an end, and yet the government is rarely involved in this planning, and this worries government considerably, given the shortage of government resources.

Clear government policy and guidelines on NGOs

In Timor Leste both government and NGOs say that they want to collaborate, but there are, so far, no clear government guidelines on how government should work with NGOs. Government officials are not clear how far they should work with NGOs to develop policies and implement government programs. They also do not know whether such activities will be well received by their bosses or not.

Better communications among NGOs and between NGOs and government

Channels and forums for NGOs in a particular area to talk to each other and to talk to the government are not very common. As a result information is not exchanged, and people do not get acquainted with each other in a way that overcomes suspicions. While everyone knows where a government office is, NGOs are often difficult to find.

Improved understanding of the relative weaknesses and strengths of both sides

NGOs do not appreciate the difficulties that well-motivated government officials work within, particularly their very small budgets and exposure to political interventions. NGOs do not appreciate either the wealth of experience of government officials, and the technical expertise available to them. In the same way sometimes government officials do not see the difficulties that NGOs have of managing an organization through funding of time limited projects. Government officials also do not recognize the problems of an organisation which is concerned to make sure that the people are committed to a project rather than simply ordered to participate in a project.

Government departments have a duty to carry out their responsibilities under the control of their ministers and the Council of Ministers. NGOs are voluntary organizations which exist because citizens have the enthusiasm to make them exist. They may close down any time. Both these structures are very different, but both can complement the other if there is clear communication.

Clear division of responsibilities between NGOs and Government

Government, so far, has not addressed the question of the value of NGOs in Timor Leste, outside the emergency period. It is very likely that NGOs have skills and abilities that can supplement the work of the government in the implementation of the National Development Plan - in agricultural extension, in health provision (particularly primary health care), in education, in welfare, in small business promotion. From time to time the government has invited the NGOs to discuss where they complement each other, but the NGOs frequently do not show. Government planning up to now does not clarify the role that they expect the NGOs to play in national development: as Timor Leste moves forward in the development process it is very important for the government, in consultation with its constituents, to clarify what they expect the NGOs to and how they expect them to collaborate with the government.

Greater NGO accountability to their constituency, and to the public at large, for the ways in which resources are used.

Government officials will contrast the way in which they work - and the checks and balances they have - with those of the NGO. The Government's position is that a government is tested by the people's faith in them through periodic elections, by the people's ability to complain up a recognized hierarchy, by the people's contact with the MPs - their representatives, and by the complaints institutions like the soon to be established Provedor's office. They contrast this with the autonomous nature of a NGO which can do whatever it wants to do, provided it can get funding and its Board's agreement.

So long as NGOs take foreign funds they will direct their accountability to foreign funders - not to the government, their constituency or the national public. This is an important point of vulnerability for the whole citizen sector - and it is still vulnerable to such accusations even when the government's own governance machinery may not work. For instance, many people complain that the parliamentary system does not work because they cannot meet their MPs, but NGOs are not there to take the place of the MPs. NGOs work is more to exchange information with various levels of government about what is actually happening at the community level.

Benefits and Risks of Government-CSO Collaboration

There are definite advantages to both NGOs and government from working together, but such collaboration also brings risks. There are not yet very many examples of NGO-government collaboration in Timor Leste, but this is likely to change in the future. It is worthwhile looking at the benefits and risks of closer government and NGO collaboration from both sides' perspective.

In reality it is not all risks or all benefits – but somewhere in between. If government and NGOs dialogue together and openly about these benefits and risks, then both sides can together manage any problems that may occur.

Benefits and Risks from the Government's Perspective

Benefits	Risks
Better delivery for government services	Government services shown to be inefficient by the NGOs' presence and actions
More information available to the government from the grass roots	NGOs mobilization work may promote social change which may have an impact on social stability.
More interaction with the target groups of the program / project	The demand for government services instigated by the NGOs may increase beyond the capacity of the government to meet it
Enhanced cost-effectiveness	NGOs may compete with the government for funds
Greater co-ordination of NGOs' activities	Difficulty in controlling the NGOs

Benefits and Risks from the NGO's Perspective

Benefits	Risks
Improved access by the NGO to policy formulation	Government taking over the NGOs' ideas and leading to greater government controls
Access to specialist research facilities and expertise from government	The NGOs grow to assume a more bureaucratic character
An opportunity to improve and reform government services from within and help communities get access to government services	The loss of NGO autonomy and independence, just being agents of the government
Access to new technologies and information	Relegation to mere service provision, to the detriment of the NGOs wider programmes of awareness building and civic education
Access to government funding sources like CEP and TFET	NGOs just carry out government programs, and lose credibility among the NGO's own clients

Greater coordination and involvement in the National Development Plan	Tendency to maintain existing social and political conditions
	NGO work takes the place of government services and this may allow government inefficiency to continue, and allow government to give up their responsibility for providing services to the people.
	The government takes credit for the NGOs' achievements

What can NGOs do to foster constructive relations with Government?

1. Ensure good governance within their organisations. This covers such topics as making sure that there is a Board of respected local citizens which provides oversight to the organisation.
2. Ensure that the NGO's constituency, mandate, and objectives are made public so that their legitimacy cannot be challenged. This involves the NGO thinking about these topics seriously and clarifying them to itself, and - through some form of brochure or pamphlet - to the government and the public. It also means that the NGO should involve its constituency in its plans and activities.
3. Concentrate on developing the NGO's management and project implementation capacity so that its reputation will be beyond reproach. Apart from assessing its own capacity, and seeking to build capacity in places where it is weak, this also involves making sure that the government knows what the NGO has done (and is doing) well.
4. Be transparent about financial accountability. This involves having public statements of accounts, having outside audits, and being willing to show these publicly.
5. Identify with which Ministry your NGO should coordinate its work. Make a point of contacting them, and meeting key people in those Ministries, at both national and local levels
6. Provide the Government with regular summary financial and narrative reports about project activities and impact. Such documents are usually only provided to the donor (often a foreign donor), and not to the government. If the NGO does research on local problems then local government should be involved in the process, and certainly be given the copies of the results.
7. Consult regularly with the Government: from the beginning involve the government in the NGO's problem analysis, program planning, monitoring and evaluation, and preparation of the NGO's "exit strategy" (i.e. the NGO's plans for finishing their work). Both the government and the NGO will learn from such a process.
8. Agree on a NGO Code of Conduct. if the government officials know that the NGOs are serious about maintaining a high level of professionalism and honesty, it will increase their respect for the NGOs. It is better for the NGOs to regulate themselves, than wait for the government to regulate them.

9. Meet the Government when invited: if the government does invite your NGO to participate in some meeting or activity, then respond. If you do not feel comfortable with the activity, say so, and suggest alternatives.

Discussion Points for NGOs

1. What government departments are active in your district?
2. Do you know the government officials responsible for the different ministries? Which officials relate to your work?
3. Have you ever introduced your NGO and its work to them?
4. What do you think is the proper role of government and the proper role of NGOs, and how do you see them supplementing each other?
5. What do you think is the government's attitude to your NGO?
6. Do local communities ask the NGOs to bring their requests to government?
7. What do you think are the possible benefits, and possible risks of closer collaboration with government?
8. Is there a government-NGO forum in your district? What does it do?

Action Points for NGOs

1. Draw up a list of all the government departments operating in your district, and write the names of all the officials
2. Produce a pamphlet or brochure of your NGO and take it around to all government offices.

3. Decide with other NGOs in your district to develop a Code of Conduct for NGOs in your district.
4. Discuss the establishment of a monthly or quarterly Government – NGO coordination meeting in your district.
5. Plan to make some of your recent or upcoming plans public and share them with the local stakeholders (including government)

CRS Civil Society Booklets

Introduction to the Series

1. Being an NGO in East Timor – Identity and Values
2. Mission, Vision, Strategy, Programs
3. Structures and Systems
4. Skills and Abilities
5. Material and Financial Resources
6. Managing a Project or Grant
7. Managing People
8. Working in Partnerships
9. Preparing and Reporting on a Budget
10. Managing a Community Project
11. Working with the Government
12. Advocacy

