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New Funding, New Beginnings: To Collaborate or Not to Collaborate

ABSTRACT

This case exercise focuses on how nongovernmental organizations (NGOs) respond to changes in their environment – specifically, how they react to shifts in donor funding. Situated in a developing country, the case presents three environmental organizations that receive funding from the same donor and now need to respond to the emerging interest of that donor in funding social services rather than the environment. The case offers an opportunity for students to analyze how NGOs mitigate governance and management challenges amidst turbulence in the external environment. The case is relevant to and serves multiple educational purposes and topics. It pairs well with coursework on mapping organizational environment, decision-making and strategic planning, leadership, and collaboration. Students of nonprofit/NGO management and/or public management will be exposed to the experiences of these organizations and can both provide their own recommendations and learn about the real-life decisions that the organizations ultimately made.

This case was a third-place winner in E-PARCC's 2014 "Collaborative Public Management, Collaborative Governance, and Collaborative Problem Solving" teaching case and simulation competition. It was double-blind peer reviewed by a committee of academics and practitioners. It was written by Khaldoun AbouAssi (Bush School of Government and Public Service, Texas A&M University) and Catherine Herrold (Lilly Family School of Philanthropy, Indiana University). This case is intended for classroom discussion and is not intended to suggest either effective or ineffective handling of the situation depicted. It is brought to you by E-PARCC, part of the Maxwell School of Syracuse University's Collaborative Governance Initiative, a subset of the Program for the Advancement of Research on Conflict and Collaboration (PARCC). This material may be copied as many times as needed as long as the authors are given full credit for their work.

New Funding, New Beginnings: To Collaborate or Not to Collaborate

Introduction

It is a beautiful Wednesday morning; the temperatures are perfect and the sun is shining brightly in a cloudless sky. But Sonya Dee, the executive director of ENVIRO, Ram Bader, the executive director of 3 E's, and Maria Code, the executive director of EFA, have come to their offices early. They are expecting a major announcement from one of their major donors, *We-Srv*, about its funding strategy for the coming five years.

We-Srv has provided generous funding to all of these NGOs, each of which is primarily focused on an environmental project. With a 3-year, \$200,000 grant, **ENVIRO** has been conducting extensive research on the environmental impact of introducing certain modes of production into agriculture. **Environment, Earth, and Ecology (3 E's)** works on reforestation with funding from a 3-year, \$250,000 grant. The organization has been doing a remarkable job and the public is satisfied and demanding more, as the project evaluation report states. **Environment for All (EFA)** has a 3-year, \$125,000 grant to implement basic environmental awareness campaigns among university students.

The predictions of the three executive directors are correct. *We-Srv* is shifting from a focus on the environment to a focus on social services, an area that doesn't fit in well with the mission of any of three organizations. The executive directors know their organizations have to react to the new funding; it is their job to lead the decision making process. Should they abandon the relationship with *We-Srv*? Should they abandon their environmental missions and refocus on social services? Could they find a middle ground, for example by forming a collaborative that would allow the organizations to maintain their environmental focus while remaining financially sustainable?

ABOUT THE AUTHORS

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Catherine Herrold is an assistant professor at the Indiana University Lilly Family School of Philanthropy. She holds a PhD in Public Policy from the Sanford School of Public Policy at Duke University. Her primary research centers on philanthropy, civil society, and social movements in bringing about and sustaining democracy, specifically in the transitioning states of the Arab world.

We-Srv

We-Srv is an international foundation founded by five philanthropists who are committed to giving back to society and helping local communities. With offices in six countries, the Foundation defines its mission through its name: we serve. *We-Srv* aims to serve the society and to enhance the livelihood of fellow citizens. To do so, the Foundation makes grants to local nongovernmental organizations (NGOs) to implement projects that satisfy strategic objectives set by the board of the Foundation. *We-Srv* revises its funding strategy every five years. A team of external experts conducts both needs and impact assessments and holds consultations with different stakeholders in the six countries where it works. (Stakeholders include foundation staff, board members, government officials, NGOs, community leaders, etc.). The management team develops a strategic plan for the Foundation. The board of directors (mainly composed of representatives of the five philanthropists) then discusses the plan and decides on the new strategy the Foundation is to follow.

Over the past five years, *We-Srv* has been focusing on the environment. In one developing country, which this case covers, 89 NGOs have received grants from the Foundation to implement projects that address environmental issues. Grants are made on a rolling basis. Interested organizations submit project proposals and the Foundation country office, which employs around 20 full-time staff, makes the decision to approve or reject these proposals. Grants range between \$50,000 and \$100,000 for projects implemented between one and three years. *We-Srv* has spent more than \$6 million on the environment over these five years. For the coming five years, *We-Srv* board has decided to focus on social services with a total budget of \$10 million.

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EVIRO

EVIRO was established in 1991 after a long process of internal debate and discussion. A group of educated people from different backgrounds shared a common interest in sustainable development. The group deliberated extensively on the best way to approach the subject. Some members preferred to form a political party, but the group ultimately decided to establish an NGO and consensually agreed on its mission.

EVIRO's mission is to ensure environmental sustainability and the protection of natural resources through a scientific framework that is designed around engaging local communities and using all democratic means to express opinions and demands. EVIRO presents itself as a scientific organization that conducts lobbying and advocacy activities based on scientific evidence and arguments.

The members had to debate the best approach to apply the mission. Some members believed in empowerment and grassroots work, where the organization would only set a broad framework. Others were interested in policy change and enforcement, requiring more active involvement through designing projects with a specific duration, focus, and objectives. Sonya, one of the founders and the current executive director, recalls the early history of the organization saying, “We did not necessarily see eye to eye on the approach. The interest was then to find a balance between the two approaches. However, our grassroots work has not been very stable and has diminished over time since it requires certain readiness, mentality, structure, and mechanism.”

EVIRO’s projects address environmental hazards, the exploitation of natural resources, air pollution, and climate change, all of which directly threaten natural resources as well as the public environment and human health. In many of these projects, EVIRO conducts scientific research and provides technical assistance through its specialized members and volunteers. Many of these projects are implemented at the local level through engagement with local communities. In addition, EVIRO is actively engaged in lobbying and advocacy campaigns against government policies and decisions and private sector projects based on the conviction that a clean environment is a core human right.

EVIRO has a mixed vertical and horizontal structure. It is a membership organization¹ with 100 members forming its general assembly (GA). The GA elects a 7-member executive committee, including the executive director. Currently, Sonya heads the organization as its executive director. The turnover in leadership is noticeable. Five different directors headed the organization over 17 years. The other members of the executive committee are highly educated and experienced individuals who bring their expertise to the organization. Decisions are made after extensive deliberation and through voting, if necessary.

All of EVIRO’s activities are managed by a team, which is headed by a coordinator who is a paid staff member. Each team is composed of five members and enjoys a full authority over its activities. Sonya explains, “We want decisions to be bottom-up, coming from the people working on the ground. Those people participate in and shape the decision-making process and then implement the work. We do not want EVIRO to be run by one or two people.” As such, EVIRO considers its members to be its major stakeholders; their participation in the work of the organization is formalized through the horizontal structure of activity teams.

¹ A membership organization is an organization that has members but works to serve the general public. Any member of the public who believes in the mission of the organization can join; a membership fee is payable.

EVIRO adopts a guiding principle: it is a voluntary association. Volunteerism is recognized as a core value in the organization's mission and work. Volunteers contribute to a great extent in managing and implementing any medium- or small-sized projects. This allows the organization to take on such projects without any external funding or donor support. In large projects, funding covers costs of scientific studies and logistics, including materials, publications, and equipment. EVIRO does not overload the budget with paid staff. Currently, EVIRO runs a small team of three paid staff. Salem Hasen, a member of EVIRO comments, "We want to avoid becoming an institution of staff and projects, where the board is a power arena and people are benefitting from employment."

However, reliance on volunteers reduces EVIRO capabilities. There is sometimes a critical drop in the number of committed and serious volunteers helping EVIRO. In some cases, the administrative committee members had to step in and take over projects that were managed by volunteers who no longer could commit to the organization. This created an ongoing debate within EVIRO on the role and level of involvement of volunteers. Some members wanted to sustain the voluntaristic spirit and practice. Other members were more concerned with the credibility of the organization in implementing its activities. Sonya reflects on the situation,

They were convinced of moving into institutionalizing EVIRO which would transform our approach into designing projects, running after funding, and hiring staff. Volunteerism would become secondary. It is not easy to maintain the momentum of volunteerism when you are busy running several projects with paid staff.

However, this debate has not yet been settled.

According to EVIRO members, the organization aims to adopt best practices. First, the organization is adamant about the principles and values it follows in its work. These are the determinants of its legitimacy and the pillars for its accountability. To the extent that the organization adheres to these values, it proves its credibility. Second, EVIRO voluntarily follows certain self-regulation mechanisms, such as a code of conduct. Third, EVIRO recognizes the importance of transparency in its work; information is accessible to all members and reports are published publicly and online. Fourth, EVIRO's work is guided by an annual plan; activities are designed and conducted based on scientific studies and needs assessments. The organization revisits its policies, activities, and working guidelines and procedures through frequent strategic planning. Nina Guo, who works for EVIRO, explains, "This is very normal in the work of NGOs since it interacts with, and reacts to, its surrounding environment where change takes place all the time and in all fields, not only just pure environment, but also in the social, economic, and humanitarian arenas."

The fact that EVIRO relies on volunteers in its work relieves the organization from considerable financial burdens. EVIRO is not in a dire financial situation. The organization believes it has been able to achieve an impact with limited internal resources, and external resources are not essential to sustain its work. The annual budget is \$300,000. Internal sources come from membership fees (set at \$60/year) as well as considerable individual donations. Members are convinced of EVIRO's mission and the principles; they pay the membership fees and donate more than they are asked.

EVIRO first approached external donors when the members believed the organization built its credibility through work and achievements. The number of external donors varies from one year to another, but EVIRO does not constrain itself to a limited pool of donors. Two distinctive aspects in selecting donors are noted. First, there is a clear preference to work with philanthropic foundations and, to a lesser extent, international organizations. EVIRO secures funding from eight donors, including only three bilateral donors. Second, EVIRO has developed an unwritten policy on donor funding based on its principles and values. The policy stipulates that the source of funding should not be a contributor to pollution, have a political agenda, or violate human rights and social justice. The administrative committee screens donors based on these criteria, debates the subject, and then votes on which donors to approach with a project proposal.

This elaborate process of deciding upon and approaching donors necessarily yields a relationship based on mutual benefit, capacity building, and exchange of ideas. EVIRO's donors are perceived as partners. In Salem's opinion, "when our agendas are compatible, objectives of funding match our goals, and donor's plans accommodate our programs." However, although EVIRO aspires to strengthen the relationship with donors into partnerships, donors do not continuously involve EVIRO in their consultations and planning strategies, and EVIRO continuously evaluates its relations to ensure autonomy and credibility.

Besides the organization's critical policy on donor funding, EVIRO has been involved in a confrontational relationship with government, politicians, and the private sector. EVIRO targets the private sector for its abuse and violation of the environment. It condemns the government for its inability and complacency. It also condemns politicians for exploiting the environment and pursuing narrow political gains. Sonya portrays the general picture,

Unlike other NGOs, it is the essence of the role of EVIRO to raise its voice. If there is a problem, you do not just talk about the problem or who causes the problem or hinders the solution. If you have the ability to find a solution and to influence your surroundings towards making a change, then you should be proactive. We point out the problem and the responsibilities regardless of who and where.

As such, EVIRO does not see much value in building strong relations with other NGOs. These relations are sporadic, limited to short-term campaigns on emerging environment problems, and channeled through international (and a few national) networking bodies. The media, on the other hand, is sympathetic to EVIRO and is more likely to support its efforts, especially when there is a media hit.

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Environment, Earth, and Ecology (3 E's)

3 E's was formed in the early 1990s as a response to a terrible fire that erupted in a remote area of the country. A group of energetic youths decided to join efforts to work on the situation. The work was voluntary and not formally organized. It was based on trial and error, focusing on very specific issues, such as plantation and forest firefighting.

The group's efforts were successful and attracted attention. Different neighboring communities contacted the group asking for its support. The group started doing more projects in different areas addressing the same issue. The group members decided to become a formally recognized NGO with a specific vision aiming to protect natural resources through fighting forest fires and planting trees.

A few years later, the group started to carry out projects and activities beyond the immediate scope of the original interest. Ram Bader, the executive director of 3 E's, elaborates on the history,

The work evolved over time; it was smooth, natural and demand-driven. People were following our progress and satisfied with it. There was a vertical change, if you want to call it that, as well as a horizontal change. We started doing more advanced projects other than basic planting and we expanded into other geographical areas.

At the same time, the organization benefited from the personal connections of its members within the public sector and with international donors, and the process of expansion was exacerbated. Ram adds,

We are growing at a rapid pace as if we are drowning. There are things that consume you so much. We cannot just drop everything and focus on internal issues when all stakeholders (people, ministers, donors) are interested in cooperating and working with us. In such a situation, you would put your internal management on hold and work on the broader issues. It is the time for change and not management.

In brief, the portfolio of 3 E's outgrew its immediate mission and internal managerial capabilities. The organization had to reorganize itself internally, rethinking what it was doing in order to focus on the broader picture of its mission rather than on the narrow specifics of the projects and practical issues in which it was caught. This internal process of reorganization was incremental and happened in different stages. At the beginning, minor changes were introduced to the work approaches, and then to the name of the organization. Finally the objectives were changed to reflect the actual work. Deborah Mae, who has been with the organization since its inception, reflects on the process saying,

The mission did not change but was updated and clarified. We started as an environmental NGO and I think we still are one. However, our perspective changed as we grew and our experience broadened. We now understand the interrelatedness between the environment and everything else. The mission of 3 E's is the conservation of natural resources in partnership with local communities, taking into account the quality of life of these communities.

The process was characterized by its collaborative nature, whereby the entire organization, including its staff and volunteers, was involved in providing their perspectives and reaching a consensus by internally driven incentives. Members of the organization stress that the process was a voluntary, internal initiative and did not come as a response to any external pressure or demand. One member believed that from the outside people did not see any difference in their work, but 3 E's was conscious about what was happening and wanted to pause and organize itself. Deborah adds, "The people working on the ground were the most interested in moving this process forward because they were experiencing what they were doing compared to what they want 3 E's to be doing."

The organization considers its stakeholders to be the local communities with which it partners in most of its projects. These local communities include a diverse group of direct or indirect beneficiaries, depending on the project, but they are part of the general public 3 E's aims to serve. The stakeholders are actively involved in projects in two different ways. First, 3 E's involves the local communities in a Participatory Rural Appraisal (PRA) to gather information about needs, challenges, and possible solutions. Ram comments, "This is how we start to envision possible projects to implement in this village based on what was proposed by most of the villagers. It is different from a prefabricated project people do not understand. Such a project will definitely fail." Second, this local participation in the early stages of projects is institutionalized into voluntary units established to follow up on implementation of the work.

The organization's perception of accountability tends to reflect this reality, and 3 E's representatives consider their organization to be accountable to its stakeholders. The sensitivity to local needs and the bottom-up initiatives allow the local communities to follow up on the work of the organization and to hold its staff responsible for project implementation and results. Organizational legitimacy is associated with effectiveness through a commitment to achieve and deliver. Deborah explains, "When we decide to do a project, we are really on the ground; we deliver something tangible and do not just sell ideas. The deliverables of all our projects, as well as those external, are up to our own standards." In turn, credibility is perceived as the NGO's public image, measuring the ability of the organization to present itself as successful and a reference in the field. According to Ram, "Everyone knows us. Other NGOs want to work with us; government agencies and international organizations approach us for funding and consultations. It is hard to find a project we are not a part of."

The structure of 3 E's is based on a general assembly of 75 members that elects an administrative committee for a three-year term. The administrative committee appoints an executive who heads the administrative staff. The turnover of leadership is relatively high with the current executive director, Ram, who is a longstanding member of the organization and holds a doctoral degree in environmental policy, serving for only two terms.

Responsibilities are clearly divided with administrative committee members assigned to specific tasks or projects. They are assisted by 10 full-time staff and short-term, project-based external consultants. However, the work is carried out in a collective manner where everyone is involved and feels part of a big team, according to members of the organization. Voluntary self-regulation mechanisms guide the work; these mechanisms include public reporting, a code of ethics, and performance standards and appraisal. As mentioned earlier, the members of the general assembly take part in making strategic decisions, in the presence of an influential leadership, but are less involved in decisions related to project design and implementation. Here, 3 E's adopts a quasi-decentralized system where decisions are made by the administrative committees and then implemented by units of around 500 volunteers around the country. These units have certain autonomy in their work within the broader framework defined by the administrative committee. For example, these units conduct the PRA and then, under the supervision of a staff person, work on projects the administrative committee considers a priority for funding.

Currently, 3 E's is running seven projects focused on protection of natural resources: forestation, conservation, advocacy, awareness, and some income-generating and ecotourism projects. As mentioned earlier, these projects are the result of both demand and analysis expressed through the PRA process. The projects fit within a broader annual plan and are part

of a long-term strategy the organization developed and periodically revised. John Acey, a senior program manager at 3 E's, elaborates,

We do not copy-paste our projects; what works in one area does not in another. However, we work by long-term strategies. We need indicators to guide the work and help avoid any problems in the future whether coming from changes in policies or lack of funding. When you know what you want, you will be able to avoid most problems.

Most of the projects 3 E's executes are donor-funded, with a total annual budget of \$400,000. Nevertheless, 3 E's is not necessarily donor-dependent or driven. It does enjoy a certain degree of autonomy, with promising potentials for financial self-sustainability. First, 3 E's has nine donors, and is not reliant on one more than others. (There is almost equal percentile distribution.) John explains, "Diversity of funding is key to our success. Any disagreement with one third of the donors means at least one third of our budget is suspended. With multiple donors, the total budget might still be the same but we are not as much at risk." Second, 3 E's is among the few local NGOs that has launched income-generating projects. The organization runs three projects that are currently self-financing, anticipating they will contribute to the administrative costs of the organization in the short to long run. "We think like a business," says Ram,

Businesses make capital investment; we do the same. We are very conscientious about our ability to survive without the external funding which is like begging to a great extent. We launched several income-generating projects that will make us self-sustainable and less dependent on a donor and at the mercy of fluctuating donor interests in granting us some funding.

Third, 3 E's has a well-developed and active fund development strategy in place. The organization invested in its human capital and took a risk hiring and retaining staff whose sole responsibility is to look for financial resources, match funding requirements with organizational objectives, and develop competitive grant proposals. The organization tapped corporate social responsibility and approached the private sector with ideas for partnership and support. Several companies and businesses were responsive and currently contribute to 3 E's.

Such a strategy places 3 E's in a unique position vis-à-vis its donors. In the beginning, the organization struggled to secure funding. Lately, the situation has balanced out. 3 E's still pursues funding sources and submits grant proposals. Donors also approach the organization for consultations, to offer available funding, or to brainstorm project ideas. This balanced situation empowers 3 E's to deal with the donor in a more open way. Donors are perceived as partners. Ram comments,

Our relationship with donors has evolved; they are not the money makers who give you money when you knock on their doors. Donors have objectives. We do too. As the objectives meet, we become partners. Although donors might want to support smaller NGOs, we are involved together and they look to us as a reference. We worked hard to build this trust and we continue to value this ongoing relationship although sometimes donors' prerequisites and requirements are cumbersome. However, we are able to adapt and be transparent and professional with them.

As mentioned earlier, personal relations opened doors for 3 E's in the public sector and facilitated linkages with government agencies. The organization enjoys a very healthy relationship with the government. Various public agencies are keen to collaborate and support 3 E's. John strongly believes that this relates to the organization's credibility, which bestows confidence in achieving impact and deliverables. Coupled with support from donors and partnership with the media, 3 E's has been able to play a very active role in the national policy arena. The organization is engaged in continuous dialogue with the government and has been working on formulating public policies and plans in partnership with several public agencies.

3 E's tries to engage other organizations in its dialogue with the government as well as in its projects. The organization highlights the value and importance of inter-organizational cooperation and support. While local networking is not particularly favored, members of 3 E's strongly believe that the strength and success of their organization is not going to be sustained unless a broader change takes place through collective action and not separate initiatives. Other NGOs do not cause any competition. Relationships are based on respect, support, and partnerships. It is in their interest to strengthen the capacity of other NGOs. 3 E's was the first to establish a consortium of NGOs to work on a large grant environmental project. As the executive director explained, 3 E's does not establish a working unit in areas where other local organizations are working but rather partners with these groups. Finally, 3 E's uses an open donor policy with these NGOs, providing assistance through their connections with donors and even helping them to obtain funding.

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Environment for All (EFA)

EFA is the result of a natural progression of the founders' involvement at the local level. In the early 1990s, several ad-hoc committees were formed between local governments and civil society to manage public service provision in the areas. Several civil society activists contemplated the idea of transforming their involvement with local governments into an organized form; however, they were hesitant. The situation was very sensitive at the local level

as people were politically divided. The life span of NGOs functioning at that time was short and several organizations became either inactive due to internal disputes or affiliated with a family or a political party, ultimately excluding all others.

When the NGO did decide to establish itself formally, interest grew rapidly. More than 100 people wanted to join the NGO. However, Maria Code, the executive director, says, “There was high enthusiasm but no clear awareness or knowledge on what the NGO was to focus on.” Patrick Buck, one of the founders, elaborates, “We were trying to find our niche by working on almost everything like exhibitions and trips, awareness activities on using water and garbage disposal, and a small irrigation project. I believe these activities had primitive and generic environmental aspects.”

For several years, EFA remained small, focusing on the local level and doing secondary basic activities that were not necessarily related to the environment. At the same time, the organization started to witness internal disputes, as originally feared. Some of the members wanted to use the NGO as a platform for personal interests and reputation enhancement. Patrick explains, “Some members were not serious or credible in their intention to be involved and serve and work for the NGO. Some of the founders never attended any meetings and the quality and mentality of people was not up to my aspiration.”

Less than 10 years after its genesis, EFA passed through a critical phase threatening its existence. Several members, including some of the six main founders, started to drop out. The leadership seriously considered dissolving the organization; however, things took a different course when a group of young people joined EFA. They brought expertise, specialization, and a clear perspective on what the NGO should do and how it should be run. “By then, people who wanted to leave had left. We held elections and started the real work. That was the rebirth of EFA,” Patrick recalls.

EFA was then able to redefine a focused mission towards developing environmental awareness. The organization started implementing projects serving this mission directly and in a more scientific manner. EFA now focuses on awareness campaigns and implements environmental projects funded by international donors and organizations. The advocacy efforts are more localized, targeting local governments, unless channeled into national coalitions of several NGOs working on particular issues. EFA’s impact on national public policy depends on its contributions to the efforts and sources of such coalitions.

The second turning point in the organization’s history was its success in stopping a construction project from being implemented. The conceived project had negative implications on the environment. EFA launched a lobbying campaign that brought together citizens, local groups,

and national NGOs to oppose the project. The efforts were fruitful and the project was cancelled. Patrick states, “That gave us a big boost and push in our work; everyone started to take us seriously and we proved we knew what we were doing.”

EFA’s stakeholders are identified as the direct beneficiaries of the projects. Iman Kim, the program manager, elaborates, “They are the people we interact and deal with. They benefit from the goals of the projects as well as from the employment and business opportunities projects provide.” Accordingly, the stakeholders are the sources of legitimacy for EFA. As Maria explains, “EFA focuses on the needs of the people and works for their best interest. They are interested in our projects and feel we represent them.”

Nevertheless, this perception of legitimacy does not necessarily reflect on perceptions of accountability or credibility. Both accountability and credibility are external. EFA representatives believe that although their organization represents and works for the beneficiaries, people do not care or know how to hold any organization accountable due to the lack of a culture of accountability in the society. Accountability is usually towards the donors and, to a lesser extent, the government. A positive reputation among donors and international organizations is the main indicator of EFA’s credibility. EFA adopts a code of conduct as a voluntary standard of self-regulation to enhance its accountability and credibility.

The organizational structure of EFA is not substantially different from the other two organizations. Currently, a general assembly of 60 members elects an administrative committee of seven members for a two-year term. The elected chair of the administrative committee also serves as the executive director. Maria, an energetic woman with a graduate degree, has been in her position for more than five terms. The other members of the executive committee have clear jurisdictions and perform their tasks under her direction. They are involved in the decision making process, although there is a common perception that Maria and Patrick are the core in this process. “They usually make the decisions and convince the executive committee to adopt them,” according to Iman.

EFA does not recruit paid staff. Maria elaborates, “Besides the lack of enough resources, local regulations and economy do not encourage us to hire. The regulations require the NGO to pay social security for any person listed as staff if we do not really pay them and they do not benefit from the social security service. So, we only recruit for the period of a project.” EFA compensates for the lack of full-time staff with the time and efforts of members who are professional experts and highly specialized in specific environmental fields and domains. This relieves the organization from contracting or relying on external experts when projects require such resources. In addition, EFA relies on volunteers and interns to implement basic activities.

EFA also relies on the knowledge and expertise of its members to determine the local needs and the types of projects it will implement. The organization does not carry out any scientific needs assessments or strategic planning exercises. Projects are implemented on an ad-hoc basis when an idea is identified and funding is secured, and not according to any annual plan. The organization does not publish annual reports, besides those reported to members of the general assembly. The use of technological resources is also very basic.

EFA's financial situation depends on projects. In general, EFA is financially independent. Membership fees are used to cover the basic costs of office rent and utilities (electricity and phone) and the organization's website. Iman notes, "We do not have administrative costs to seek funding to cover. If we have projects we work on them and if there are no projects, we do not have expenses." EFA's annual budget ranges between \$150,000 and \$300,000. All projects are implemented through donor grants. However, EFA has a limited pool of donors, mostly bilateral donors. Iman reiterates, "If we write a good proposal and get funding, we can say we have money; otherwise we do not. We keep looking and apply for funding since we would like to have more funding to do more projects." Here, Maria admits that,

The organization does not have any fund development strategy. Donations depend on the initiatives and contributions of the members. Finding a donor is a challenge. We need someone trained and specialized in looking for funding and writing good proposals. The information of available donor funding might not always be accessible. There are only few in a closed circle that know about the funding, how to apply for and get a grant to fund projects.

EFA's relations with donors are best described as formal. The NGO develops proposals and then implements approved grants according to donors' requirements and procedures. The donor is strictly perceived as a donor. Such perception is reinforced by three factors. First, EFA has never been approached by any donor for consultations on local priorities. Second, EFA criticizes donors on their focus on administrative requirements rather than on the idea and impact. As Maria states,

Funding standards and criteria are so different between donors and sometimes between grant programs of the same donor. If I am applying for funding, I will be more focused on these criteria than on my own project. There is a need for us to work not just according to the criteria but also with the criteria. You cannot change or amend or discuss. It is like you are dealing with a bank and taking a private loan.

Third, personal relations are downplayed, as they are often associated with political affiliations and connections. EFA prefers to be portrayed as apolitical or politically independent.

EFA's relations with other external actors are conditioned by its human capacity, available resources and projects, and strong interest in remaining independent. EFA does not necessarily perceive the government as an adversary. Patrick discusses the opinion towards the government saying, "The work of NGOs is important but should not take over the responsibility of the government. We create parallel or substitute agencies. This should be over. NGOs should be supporting the government and monitoring its activities."

EFA's relationships with the private sector and media are underdeveloped, based on sponsorship and reporting on activities. The relationship with other NGOs is limited to exchanging support and coordinating on specific environmental issues. EFA has yet to establish any partnerships. The organization is more active in identifying national and international networks, although the experience is not very rewarding. Iman comments, "A network is supposed to bring together functional and successful organizations. Most networks do not have such organizations and are captured by political and personal agendas. Eventually, what remains of a network is the net to strangle with and you lose the work."

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Now that *We-Srv* is shifting its funding focus from the environment to social services, the three NGOs must decide how to respond. They have a number of options, which include:

- The organizations could continue to work individually and "follow the money" by shifting their work to social services, or they could remain true to their environmental missions.
- The organizations could formally merge, consolidating their strengths in the environmental arena as well as their various revenue streams.
- The organizations could form a collaboration aimed at, for example, (1) securing funding, (2) lobbying *We-Srv* to continue its environment funding, (3) launching joint income-generating projects, or (4) supporting each other through exchange of services and resources (e.g., staff, office space, materials, etc.).

Imagining that you are the director of one of the organizations, what would you recommend to your board of directors?