



CANARI
Caribbean Natural
Resources Institute



Organisational strengthening

A toolkit for civil society organisations
in the Caribbean



This toolkit is funded
by the European Union

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The PISCES project applied an innovative mentoring approach to strengthening the organisational capacity of the participating civil society organisations (CSOs) to effectively carry out their missions. Materials from the draft toolkit were used in mentor training sessions and also applied by the mentors to their capacity building work with the CSOs. This served both to refine the tools and to enhance the capacity of the mentors themselves. CANARI gratefully acknowledges these CSOs and mentors, not only for their contributions to development of this toolkit, but for their continued commitment to effective natural resource governance and management in the Caribbean:

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Capisterre Fishermen's Marketing and Supplies Cooperative Society Limited (Dieppe Bay Co-operative)	Akarda Ventour
Caribbean Coastal Area Management Foundation (C-CAM)	Ann Sutton
Centre where Adolescents Learn to Love and Serve (CALLS)	Arica Hill
Environmental Awareness Group	Chantal Curtis
Fondation Corail	Craig Henry
Fondation pour la Protection de la Biodiversité Marine (FoProBiM)	Eric Carey
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Sustainable Grenadines Inc (SusGren)	Orisha Joseph
Union Island Environmental Attackers	Paul Judex Edouarzin
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This toolkit is dedicated to Sarah McIntosh, our dear friend, colleague and CANARI family member who so strongly believed in and supported Caribbean civil society for over three decades.

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List of Acronyms

BCP	Business Continuity Plan
CANARI	Caribbean Natural Resources Institute
CBO	Community-based organisation
C-CAM	Caribbean Coastal Area Management Foundation
CEPF	Critical Ecosystem Partnership Fund
CNFO	Caribbean Network of Fisherfolk Organisations
CSO	Civil society organisation
EAG	Environmental Awareness Group
FFO	Fisherfolk organisation
FoProBiM	Fondation pour la Protection de la Biodiversité Marine
HR	Human resource
MMA	Marine Managed Area
MPA	Marine Protected Area
NGO	Non-governmental organisation
OCA	Organisational capacity assessment
PISCES	Powering Innovations in Civil Society and Enterprises for Sustainability in the Caribbean
PMEL	Planning, monitoring, evaluation and learning
SLNT	Saint Lucia National Trust
SusGren	Sustainable Grenadines Inc.
USA	United States of America



Introduction

Overview of the PISCES project

This toolkit is an output of the *Powering Innovations in Civil Society and Enterprises for Sustainability in the Caribbean (PISCES)* project, which was implemented by the Caribbean Natural Resources Institute (CANARI) between January 2017 and March 2021, in partnership with the Caribbean Coastal Area Management Foundation (C-CAM), the Caribbean Network of Fisherfolk Organisations (CNFO), the Environmental Awareness Group (EAG), the Fondation pour la Protection de la Biodiversité Marine (FoProBiM), Sustainable Grenadines Inc (SusGren), and the Saint Lucia National Trust (SLNT). The project was supported by the European Union EuropeAid programme and was conducted under CANARI's Coastal and Marine Governance and Livelihoods programme.

The PISCES project sought to support innovative actions by Caribbean civil society organisations (CSOs) and coastal community small and micro-enterprises for conservation of marine and coastal biodiversity and development of sustainable and resilient livelihoods.

The project was implemented in 10 Caribbean countries: Antigua and Barbuda, The Bahamas, The Commonwealth of Dominica, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago. Within these countries, the project focused on five priority Marine Protected Areas (MPAs)/Marine Managed Areas (MMAs): Portland Ridge and Bight Protected Area, Jamaica; *Aire Protégée de Ressources Naturelles Gérées des Trois Baies*, Haiti; North East Marine Management Area, Antigua and Barbuda; Pointe Sables Environmental Protection Area, Saint Lucia; and Tobago Cays Marine Park, Saint Vincent and the Grenadines.

One component of the project aimed to strengthen the organisational capacity of CSOs working in and around the selected MPAs/MMAs, which comprised fisherfolk organisations (FFOs), community-based organisations (CBOs) and national non-governmental organisations (NGOs).

Rationale for the toolkit

CSOs play an important role in natural resource governance and management in Caribbean islands and have the potential to be even more effective and strategic in their contributions. Strong CSO organisational capacity is an essential foundation for effective technical work. This toolkit aims to provide CSOs working in Caribbean islands, as well as the mentors and others who support them, with practical guidance to assist them in strengthening their organisations so that they can more effectively deliver their missions.

How is this toolkit structured?

The toolkit is divided into the following sections:

- Section 1 Understanding civil society organisational strengthening** provides an overview of the key concepts used to discuss civil society organisational capacity, different stages of CSO development, and the particular challenges faced by and opportunities presented to CSOs in Caribbean islands.
- Section 2: Governance:** covers key definitions and concepts and focuses on how CSOs can strengthen their governance structures (Board of Directors, Executive etc.)
- Section 3: Planning** describes key elements of organisational planning commonly used by CSOs. It also briefly examines strategic planning (i.e. planning at the highest level of the CSO).
- Section 4: Business continuity planning** provides a framework for, and key elements of, business continuity planning including guidance, templates and tips on how CSOs can develop a simple business continuity plan. A full template for developing a cohesive business continuity plan is also provided.
- Section 5: Management** provides guidance to CSOs in determining appropriate management systems and structures based on the CSO's current stage of development.
- Section 6: Financial sustainability** outlines steps a CSO can take to analyse its current financing mix, set targets for financial sustainability and develop appropriate fundraising strategies that would also help the CSO to secure funds to cover administrative costs. Lastly, this section explains how a CSO can strengthen its financial planning and management framework.
- Section 7: Stakeholder engagement, communication and partnerships** covers stakeholder identification and analysis in the context of Caribbean natural resource management and sustainability; how to strategically communicate and engage with stakeholders; and how to develop, implement and monitor a partnership strategy. The section also includes templates for practical implementation of these areas.

Section 8: Monitoring, evaluation and learning covers key definitions and concepts and provides in-depth guidance for how CSOs can design a monitoring and evaluation process and implement different participatory monitoring and evaluation approaches and methods.

Who should use the toolkit?

This toolkit is designed to be used by:

- the management, staff and Board members of CSOs, including resource users (such as Fisherfolk Organisations, tour guides) and those dedicated to environmental conservation, research, resource management.
- mentors and other individuals and organisations involved in CSO organisational strengthening in Caribbean islands.

Although it is suitable for CSOs at all stages of development, CANARI strongly recommends the involvement of a mentor or independent facilitator for those that were recently founded or are in an early stage of development (see Section 1.3) or aiming for significant transformation in capacity in any area.

How should this toolkit be used?

CANARI recommends that a comprehensive organisational capacity assessment (OCA) be carried out before a CSO embarks on the actual process of organisational strengthening, so that the needs of the CSO are accurately identified and prioritised. This is an important step in ensuring that organisational capacity strengthening is tailored to address the specific needs of each CSO and takes into account the CSO's stage of development and the resources and opportunities available to it.

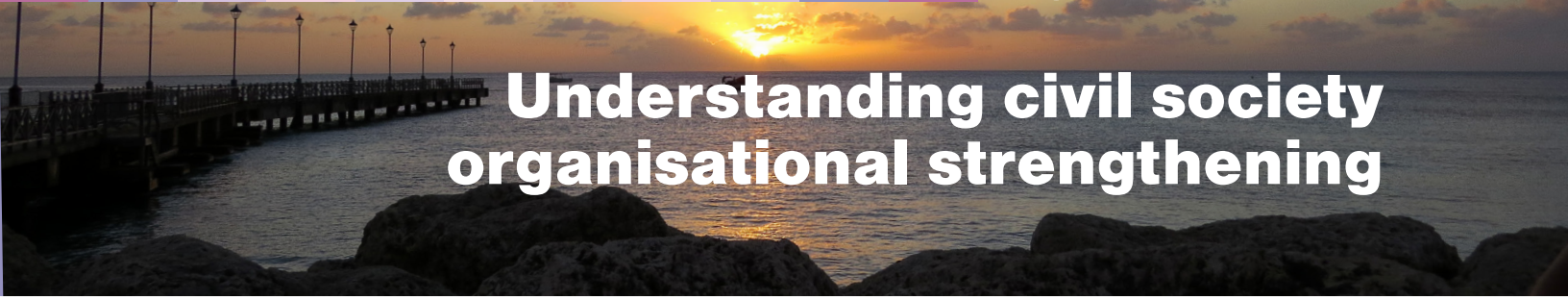
How should this toolkit NOT be used?

This toolkit should not be viewed as a prescriptive one-size-fits-all approach and is not necessarily meant to be read from start to finish. Most importantly, the tools and best practices identified in the toolkit should never be used to justify being judgmental about the current capacity of a CSO, no matter what its stage of development, length of time in existence or CSO status.

We welcome your feedback!

CANARI regards this toolkit as a living document that will be refined, adapted and expanded based on its own and others' experiences in applying it. We welcome comments, suggestions and feedback to ensure that the toolkit meets the needs of CSOs working in natural resource governance and management in the Caribbean. Please send these to info@canari.org.





Understanding civil society organisational strengthening

- 1.1. What is a civil society organisation?
- 1.2. The role of CSOs in sustainable development
- 1.3. Stages of CSO development
- 1.4. CSOs in the Caribbean
- 1.5. CANARI's approach to civil society organisational strengthening

1.1. What is a civil society organisation?

CANARI defines a civil society organisation (CSO) as a non-profit, non-governmental organisation (NGO) operating either formally or informally at an international, regional, national or local level. CANARI includes community-based organisations (CBOs) in its definition of civil society organisations with the media and academia identified separately. CSOs are vision- and mission-driven and do not generate a profit as their primary aim.

1.2. The role of CSOs in sustainable development

CSOs play a critical role in sustainable development, often filling gaps and addressing important needs that cannot all be met by governments or the private sector. CSOs function at all levels, from local to global. They can play a variety of roles and perform a wide range of functions, including building awareness on environmental issues; conducting research, monitoring and evaluation; managing or co-managing protected or environmentally sensitive areas; networking; advocating for and supporting policy development; and implementing a range of on-the-ground actions to support sustainable development.

CSOs - especially those based at the local level - frequently have first-hand knowledge of and unique insights about the needs of and challenges faced by local communities. Consequently, they are well-positioned not only to implement key actions locally but also to collaborate with other partners, such as government agencies, the private sector, academia, inter-governmental bodies and funders, to plan for and implement solutions on a wider scale.

The importance of CSO organisational strengthening is now widely acknowledged as a key strategy to enable CSOs to effectively fulfil their missions and maximise the impact of their work.



Figure 1: Members of CANARI with the group of civil society organisational strengthening mentors trained under the PISCES project. *Photo: CANARI*

1.3. Stages of CSO development

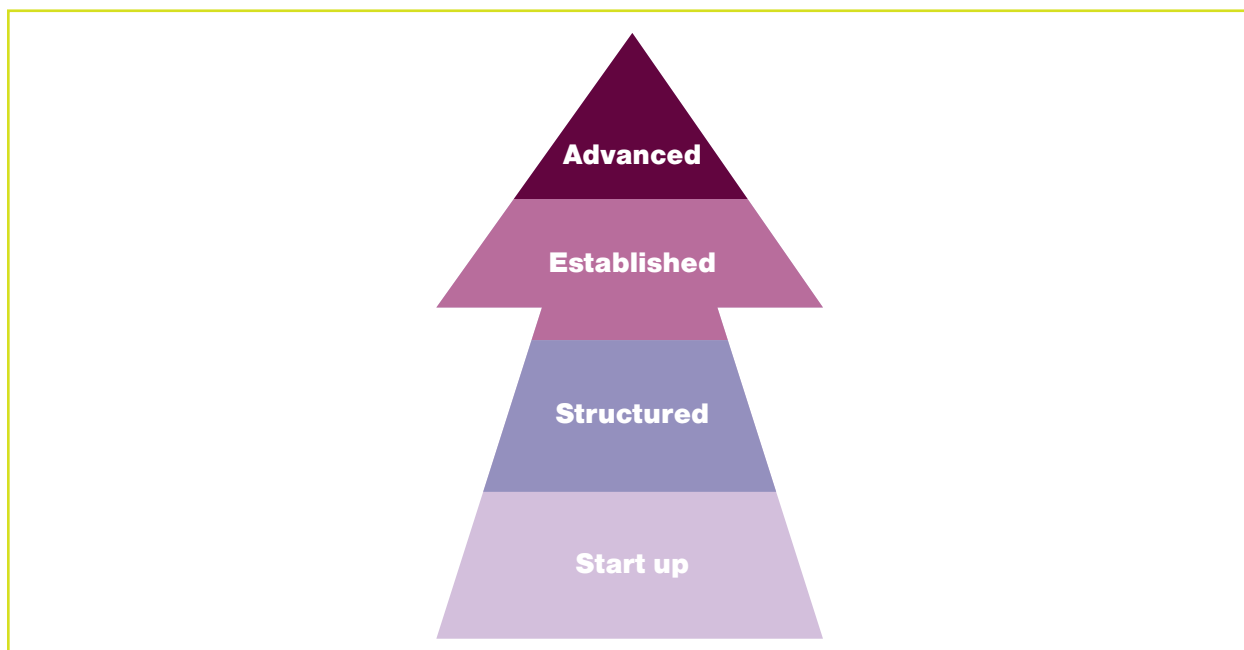


Figure 2: Stages of organisational development (adapted from: Booth, W.R. Ebrahim & R. Morin, 2001. *Participatory Monitoring, Evaluation and Reporting, PACT, South Africa*)

Start up	The CSO has recently been set up, with heavy reliance on volunteers and the founder(s) frequently acting as jack of all trades (e.g. the Executive, management team and fundraisers).
Structured	The CSO is compliant with all national legal and fiscal requirements; vision and mission established; policies and procedures in place for transparent (s)election to the Board; management structures and policies established and implemented; and, at a minimum, annual plans and budgets in place with adequate staffing to implement and monitor them effectively.
Established	The CSO has a track record of achievement that is acknowledged by donors; government and intergovernmental agencies; the private sector; and other CSOs and its networks, partners and beneficiaries. Programming, fundraising and staffing are grounded in a multi-year strategic plan.
Advanced	The CSO is fully functional and sustainable, with diversified sources of funding that adequately cover administrative costs; highly functioning executive and management teams; policies and procedures in all key areas; and an excellent reputation locally, regionally and globally for the CSO's effectiveness in achieving its vision, mission and strategic goals.

However, it is important to note that the classifications and examples given above are primarily intended to characterise key stages a CSO may go through but in reality, a CSO may fall into more than one organisational stage of development. For example, a CSO can be financially sustainable and have strong human resource management systems in place while at the same time need to develop its management structures and systems and

improve Board functioning. It is also important to recognise that a CSO's organisational stage of development has nothing to do with the age of the organisation. For example, a CSO founded 15 years ago might still be at an early stage of organisational development.

In practice, CSO development is often more like a cyclical than a linear process. To borrow a model often applied to teamwork/teambuilding, an organisation may go through the stages of **forming, storming, norming and performing**, either in a particular area (such as governance or financial sustainability) or in the organisation as a whole. For example, a change in leadership or shifts in sources of funding may temporarily push the CSO back to an earlier part of the cycle, in which case they will need to refocus and reassess their priorities for capacity building.

The key thing to recognise is that the purpose of identifying a CSO's stage of development is to help assess its most important capacity needs and identify its priorities for capacity building, so that the capacity building provided can be targeted and appropriate. For example, a human resource (HR) management policy is unlikely to be a top priority for a CSO that is currently operated only by volunteers, which might instead need to develop a strategy aimed at securing the funds to hire paid staff in the future. On the other hand, for a CSO that already has staff, documented HR procedures, policies and performance management systems could be critical. Similarly, a CSO that has only recently established a bank account might need support in developing a strong financial management system but is unlikely to be at the stage of establishing an endowment fund.

1.4. CSOs in the Caribbean

Caribbean CSOs are diverse and exemplify the varying levels of development and capacity described above. Within the broad sustainable development and environment field in the region, there are several regional NGOs and many national NGOs, local CBOs and active resource user associations (e.g. fisherfolk organisations, beekeepers, farmers, tour and dive operators). These CSOs work across a range of sectors and focal areas that impact natural resource use, management and governance, either directly or indirectly.

The *Caribbean Islands Biodiversity Hotspot Ecosystem Profile* finalised in 2019 by the Critical Ecosystem Partnership Fund (CEPF)¹ analysed the Caribbean civil society context and found that:

- Most CSOs are formally registered but there are a number of CSOs that are unregistered and operate informally.
- Some CSOs move between activity and inactivity, depending on the availability of funding and their organisational capacity at any given time.
- Caribbean CSOs' dependence on donor funding is high, whether from international, national, bi- or multi-lateral sources, though in CANARI's

¹ Critical Ecosystem Partnership Fund. 2019. Ecosystem Profile of the Caribbean Islands Biodiversity Hotspot. CEPF <https://www.cepf.net/sites/default/files/cepf-caribbean-islands-ecosystem-profile-december-2020-english.pdf>

experience rarely from individual donors, unlike their counterparts in the United States of America (USA).

- Most CSOs are dissatisfied with the capacity of their staff and Board to fundraise.
- Some CSOs are unable to maintain a full staff complement outside of project funding cycles.
- Some small CBOs go dormant in between grants for projects.
- Many CSOs face challenges in covering their core administrative costs in the face of funder policies that often cap how much they will contribute to such costs.
- Most Caribbean CSOs partner with other NGOs and CBOs/local communities but many also work with government agencies and research institutions. Collaboration between these four groups is greater than with private organisations (private sector companies, producer and sales associations, and professional organisations).

1.5. CANARI's approach to civil society organisational strengthening

Building organisational capacity can be time-consuming, complex and costly. Some capacities can be built in a relatively short period of time while other capacity areas require a medium- to long-term approach to be fully addressed. Indeed, capacity building is best seen as a continuous, ongoing process with the specific capacity building strategies and interventions tailored or adapted to reflect the many changes in and most current needs of an organisation. This requires both systematic, regular evaluation of current capacity building initiatives and periodic re-assessment of the CSO's capacity, preferably by someone who is independent of the organisation (see CANARI's *Civil Society Organisational Capacity Assessment Tool* for more detailed information).

In the spirit of tailoring the capacity building strategy to the short-, medium- and long-term capacity needs of the target CSO, several approaches can be considered including training, coaching, mentoring, peer exchanges, and partnering with other CSO(s), academic institutions, government and intergovernmental agencies, and the private sector.

Strengthening CSOs' organisational capacity will support them to play a catalytic role as facilitators, mobilisers and change agents in sustainable development and natural resource management in the Caribbean and beyond.



- 2.1. What is governance and why does good governance matter?
- 2.2. What will be covered in this section?
- 2.3. Key definitions and concepts in governance
- 2.4. Planning and assessment for good governance
- 2.5. Applying good governance best practices
- 2.6. Board structure, roles and responsibilities
- 2.7. How to develop and maintain a strong Board

2.1. What is governance and why does good governance matter?

Most CSOs will have heard the phrase ‘good governance’ but may be less clear on what ‘governance’ involves, what distinguishes good from bad governance, and why good governance matters.

There is no single, simple definition of governance but Box 1 provides two examples that explain it in a fairly straightforward way. It is important to note that both these definitions emphasise not only the **structures** involved in governance (e.g. the Board of Directors) but also the **processes**. Figure 3 expands on this by highlighting some key principles involved in the process of exercising good governance. Many of these principles are elaborated on later in this section.

Box 1: Definitions of governance

Governance can be described as the processes, structures and organizational traditions that determine how power is exercised, how stakeholders have their say, how decisions are taken and how decision-makers are held to account (Gill, M. (2002). Building effective approaches to governance. Non Profit Quarterly, cited in <https://static1.squarespace.com/static/56254843e4b08ca6262e338b/t/56def4abab48def3179e7fa7/1457452204213/Keys+to+Successful+Governance.pdf>

Governance is the process of providing overall vision, direction, purpose and oversight to an organization through a structure - such as a Board of Directors - separate from the day-to-day management of the organization.

NGO Connect <https://www.ngoconnect.net/sites/default/files/resources/NGOTips%20-%20Fostering%20Effective%20NGO%20Governance.pdf>

The major benefits that the CSO itself derives from practicing good governance are:

- donors have greater confidence in the organisation and are therefore more inclined to fund it;
- mutual trust is built between the CSO and its key stakeholders, including target beneficiaries;
- the ability to attract high-quality Board members with relevant skills and experience;
- greater clarity on its vision, mission and strategic focus;
- enhanced efficiency in the use of resources;
- enhanced effectiveness in the delivery of its mission and strategic objectives;
- clarity on the respective roles of the Board and management; and
- enhanced collaboration and teamwork between the Board of Directors and management.



The importance of good governance, and its benefits to a CSO, its stakeholders and the sector as a whole, cannot be over-emphasised. Indeed, it is largely the perceived prevalence in the past of poor CSO governance globally that has led to increasingly stringent regulation of the sector (see Box 2 for an example from Trinidad and Tobago).

Box 2: Example of more stringent regulation of the CSO sector

In April 2019 the Government of Trinidad and Tobago (GORTT) passed a Non-Profit Organisations (NPO) Bill, designed by GORTT primarily to ensure compliance with its international commitments to prevent money-laundering and terrorism financing under Financial Action Task Force (FATF) standards. From the perspective of most CSOs, however, the Bill goes well beyond FATF requirements, fails to respond to proposals CSOs had submitted to GORTT for a mutually-beneficial improved legal, fiscal and funding framework for the sector, and imposes such rigid requirements (e.g. for registration and reporting) that it risks putting many CSOs out of business, especially those that are still in their early stages of development.

2.2. What will be covered in this section?

The remainder of this section will cover key definitions and concepts related to governance; planning and assessment for good governance; good governance best practices; Board and Board Officer roles and responsibilities; creating and maintaining a strong Board through appropriate (s)election and effective policies and procedures; and Board self-evaluation.

There are links between Governance and almost every other topic in the toolkit, notably planning, monitoring, evaluation and learning; and management, with particular emphasis on financial management in which the Board plays a critical oversight role. Effective communication with internal and external stakeholders is also an important element of ensuring that the governance process is participatory, transparent and accountable.

2.3. Key definitions and concepts in governance

Articles of Incorporation

The legal document that is filed with the appropriate government agency to establish the CSO as a legally registered entity is called the Articles of Incorporation. Although the legal requirements for the Articles may vary from country to country, they usually have to include:

- The name of the CSO
- The purpose for which the CSO has been created, which should be described in broad enough terms to enable the CSO to evolve as needed.
- How the internal affairs of the organisation will be conducted.
- Names and address of the incorporators.
- Address of the CSO's registered office.
- Provision for distribution of the assets of the CSO if it is dissolved (though this may also be prescribed by law).
- The stated purpose of the organisation.

Bylaws

The bylaws are the more detailed set of rules adopted by the CSO for governing the organisation, so it is important that they be written clearly and in language that is easily understood by all stakeholders, and particularly the Board and management team. The bylaws typically include:

- The name and purpose of the CSO as stated in the Articles of Incorporation.
- The frequency, notice period, and quorum requirements for Board meetings.
- Procedures for approval of Board items, including voting qualifications and proxies.
- The number of members of the Board (which may be stated as a minimum and maximum); their term of office and any limitations on how many terms they can serve before stepping down; their scope of authority; method of nomination and (s)election to the board; and provisions for filling vacancies.
- A list of Board officers, how they should be nominated/(s)elected, terms of office and duties.
- Membership and authority of standing committees (if any).

- Record-keeping and financial reporting responsibilities.
- The procedure for amending the bylaws (though in order to limit frequent need for this, it is sensible to avoid having too much detail in the bylaws).

Board of Directors/Governing Body

CSOs at different levels of development may adopt different structures for their governing body but for ease of reference this toolkit refers to them generically as ‘the Board’. The detailed responsibilities of the Board are outlined in more detail below but in summary comprise establishing the mission, vision and strategic direction of the organisation; hiring the Executive Director (top person in management) and managing her/his performance, particularly in relation to efficient and effective achievement of the identified strategic objectives; ensuring that legal and fiscal obligations are met in a timely and accurate manner, which also necessitates oversight of day-to-day financial management and reporting.

Board terms of reference (TORs) clarify the role and duties of Board members, their term of office and the organisation’s expectations of them in terms of commitment. The TORs should be formally adopted at an Annual General Meeting (AGM). Table 2 and Box 4 supply some guidelines for developing a comprehensive and transparent Board TOR.

Fiduciary Duty

The Board collectively, and directors individually, have what are known as fiduciary duties to the CSO they serve. Exercising fiduciary duty means that Board members have a duty to act with care and in the best interest of the organisation and to remain loyal to its mission. The fiduciary duty of the Board also includes its legal responsibility for ensuring that the CSO complies with all applicable laws. Some of the most important aspects of exercising fiduciary duty are outlined in section 2.6 below. Individual Board Officers also have specific responsibilities, which are detailed in section 2.7 below.

Accountability

Accountability is a key requirement of good governance. As with ‘governance’, there are many different definitions, but the most critical element of accountability is being able to demonstrate sound management of resources towards achievement of the organisation’s vision, mission, values, strategic objectives and desired programme and project results. It therefore involves effective collection and analysis of relevant information and dissemination of the findings to stakeholders at multiple levels, typically:

- Upward accountability towards donor(s) and the regulatory authority/ies.
- Horizontal accountability towards internal stakeholders and others involved in implementing the CSO’s programmes and projects.
- Downward accountability towards the stakeholders being targeted/intended beneficiaries.

Transparency

Transparency is another key requirement of good governance and relates to the availability and dissemination of relevant, reliable and timely information about the performance, financial position and governance of the CSO. It should include documentation and sharing not only of the organisation's successes but also the challenges it has faced, how these have been addressed and what are the lessons learned.

Consensual decision-making

As noted in Figure 3, good governance includes being consensus oriented. This reflects a shift from the historic way in which Boards operated, with one person proposing an action or motion and others voting for or against. Instead, the focus is on a decision-making process that initially facilitates all voices being heard, followed by discussion, then adoption of decision on which all can agree to abide by, even if it does not fully reflect their personal preference.

Participation

In the past, CSO Boards tended to operate in a somewhat top down, self-contained manner. However, the CSO sector is increasingly adopting a participatory approach to governance since, if well managed, it can contribute to greater clarity on strategic direction, increased stakeholder trust in the organisation, and enhanced transparency and accountability. This is often an incremental process, starting with engagement of some of the key stakeholders and gradually expanding to others – see Figure 4 as an example.

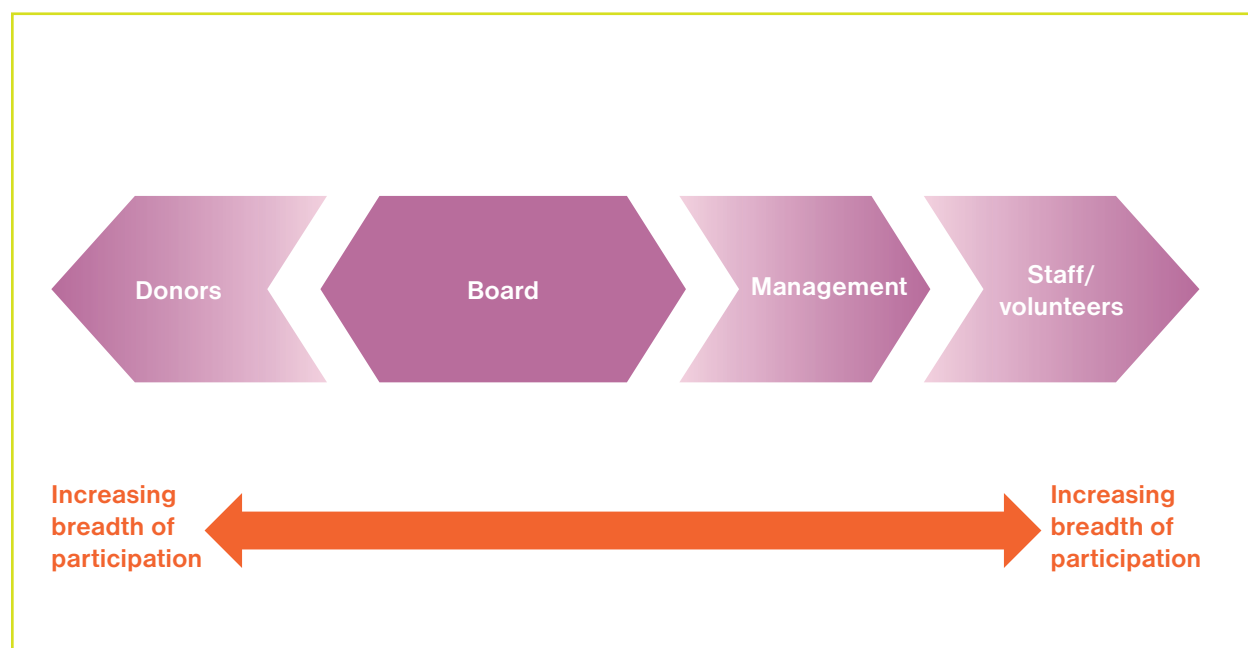


Figure 4: Increasing breadth of participation in governance. Adapted from Saxton G. 2012. *The Participatory Revolution in Nonprofit Management*. <https://nonprofitquarterly.org/the-participatory-revolution-in-nonprofit-management/>



Figure 5: CANARI's Board members (also known as Elected Partners), staff, Associates and Programme Advisors gathered in 2019 for a Board ('Partnership') meeting and to start developing CANARI's 2021 - 2030 Strategic Plan.
 Photo: CANARI

2.4. Planning and assessment for good governance

2.4.1. Planning

Prerequisites for effective good governance planning include:

- clearly defining what good governance means in the context of your CSO and your country's legal framework for regulating CSOs;
- ensuring that all those involved in planning for good governance (which should be a participatory process) have a common understanding of good governance best practices, as well as practices that should be avoided as they risk negatively affecting the organisation's reputation, and by extension the willingness of donors and partners to contribute financial or other resources can be used for guidance)
- ensuring that Board members and other participants in the planning team have a clear understanding of the legislative framework that governs the CSO, the bylaws, relevant internal policy documents; and key concepts that underpin good governance;
- ensuring that everyone on the planning team (and indeed anyone in the organisation with an oversight or management role) clearly understands the role of the Board as a whole, the roles of the individual Board Officers, and the distinctions between Board and management roles and responsibilities.

2.4.2. Assessment

In order to assess whether your current governance structures and policies are optimal, not only for the present but also for the next 3-5 years, there are a number of critical assessment steps:

- conducting a needs/capacity assessment that establishes your baseline in terms of the strengths and weaknesses of your current governance structures and processes (see CANARI's *Civil Society Organisational Capacity Assessment Tool* for guidance);
- establishing the targets for strengthening your governance over the period in question;
- developing a workplan that identifies what will be done, by whom and when.

In terms of process, this planning and assessment exercise is likely to be most effective when you:

- use an independent facilitator/mentor with the requisite competencies. An independent person can take a more detached view and ask the kind of probing questions that we often forget because we are so familiar with our CSO and its practices. Their competencies should include managing potential conflicts that may arise as a result of differing perceptions or opinions;
- run the exercise in tandem with, or shortly after, the development of your strategic plan.
- bear in mind that in establishing your goal and targets you may also need to refine your Articles and bylaws but that any additions are defined broadly enough that you are not constantly having to make changes (especially changes that involve submission of revised documents to the government regulatory bodies for CSOs).

2.4.3. Tracking your progress

It is important to regularly monitor and progress on your planning for good governance, periodically evaluating the effectiveness of your current Board/Board members and determining whether there are gaps in competencies and/or persons who are not playing an effective role and should be encouraged to step down.

Develop a strategy for identifying potential Board members on an ongoing basis and then approaching/(s)electing those who are most appropriate to address needs for new competencies or to fill the position of a Board member who has stepped down, in accordance with your CSO's bylaws and policies relating to Board member (s)election.

2.5. Applying good governance best practices

In order to effectively plan for and implement a high standard of governance and subsequently evaluate how you are doing, it is important to understand the best practices that result in a transparent and accountable organisation that is attractive to key stakeholders, such as actual and prospective Board members, donors and partners. It is also useful to be aware of some common CSO practices that should be avoided (see Table 1 below).

CANARI's *Civil Society Organisational Capacity Assessment Tool* clearly identifies best practice targets and many of these are explored in more detail in subsequent sections.

Table 1 outlines some of the most common poor governance practices that are found in the CSO sector and outlines the good governance alternatives that the CSO should strive to achieve.

Table 1: Good governance alternatives to common CSO poor governance practices	
Common CSO Poor Governance Practices	Good governance alternatives/targets
<p>Board composition does not reflect the competencies the CSO needs for optimal performance and the selection process is not transparent. The following are some of the most common examples of this:</p> <ul style="list-style-type: none"> • The founder(s) remains on the Board, often as Chair, for many years/indefinitely, resulting in a lack of fresh thinking. • The Board consists primarily of friends and family of the founder or Chair. • No Terms of Reference (TOR) or terms of office for Board members. • Ineffective management of the different people on the governance team and of conflicts. 	<ul style="list-style-type: none"> • Board (s)election is transparent and based on: <ul style="list-style-type: none"> ◦ Board member commitment and availability to play an effective role. ◦ Possession of the needed competencies, which should ideally include relevant technical, legal and financial management expertise and 'softer' skills like human resource and conflict management and team building. • Board members have a fixed term of office (2-3 years is usually considered optimal to ensure deep understanding of the organisation and a degree of continuity). • A limit is set on the number of consecutive terms a member can serve.
<p>The same person is playing the role of both Chair and Executive Director.</p>	<ul style="list-style-type: none"> • Although this may be necessary in the very early stages of a CSO's development when it is highly dependent on unpaid, voluntary labour, the goal should be to move towards full separation of duties as soon as possible.
<p>Frequent conflict in the relationship between the Board (and particularly the Chair) and the Executive Director.</p> <p>Board tries to micro-manage the Executive Director.</p>	<ul style="list-style-type: none"> • The respective roles of the Board/Board Chair and Executive Director are clearly defined. • The Executive Director is actively involved in all Board meetings, recusing her/himself when there is a potential conflict of interest. • Performance of the Board and Executive Director are evaluated at regular intervals.

Table 1 *(continued)*: **Good governance alternatives to common CSO poor governance practices**

Common CSO Poor Governance Practices	Good governance alternatives/targets
<p>A Board and/or staff member is the sole signatory on cheques.</p> <p>A Board and/or staff member can sign a cheque to him/herself or a member of his/her family.</p>	<ul style="list-style-type: none"> • Clear financial management policies and guidelines in place and applied. • Two persons required to sign every cheque, with both aware of the duty of care this involves. • Nobody is authorised to sign a cheque to themselves or a family member.
<p>The Board is not aware of and/or not complying with its legal and fiscal responsibilities.</p>	<ul style="list-style-type: none"> • Select a Board member with prior CSO Board experience. • Select a Board member with a relevant legal or financial background. • Ensure that an independent audit is carried out annually.
<p>One or more Board members is perceived to be pursuing personal benefit (e.g. status, visibility, opportunities to engage with people in power) rather than acting in the CSO's best interests and or in line with its values.</p>	<ul style="list-style-type: none"> • Clear Terms of Reference and Conflict of Interest policy for Board members and Officers. • Formal Board orientation process. • Issues addressed promptly and in a spirit of problem-solving rather than blame. • Individual removed from the Board if the issue persists.
<p>Funds given for a specific purpose, such as a grant, are used for something else, typically to plug a temporary shortage in funding for operational costs.</p>	<ul style="list-style-type: none"> • Funds are only used for their intended purpose unless prior permission is sought from the donor – and that would typically only be granted to switch between different budget lines under the same project or programme.

2.6. Board structure, roles and responsibilities

Outlined below are 11 key tasks² that the Board must take responsibility for in order to fulfil its fiduciary duties. Box 3 also identifies some areas that Boards should not get involved in but commonly do, exacerbating the potential for conflict between the Board and Executive Director.

a) Establishing the organisation's vision, mission, and values

It is important to ensure that anyone who engages with your CSO can clearly understand why it exists and what it values. This usually takes the form of a written mission statement,

² Adapted from National Center for Nonprofit Boards. n.d. Ten Basic Responsibilities of Nonprofit Boards <https://www.inphilanthropy.org/sites/default/files/resources/Ten%20Basic%20Responsibilities%20of%20Nonprofit%20Boards-Natl%20Center%20NP%20Boards.pdf>

which the Board develops and should review from time to time to ensure it is still accurate and relevant. This is typically done every time there is a strategic planning exercise.

The mission statement should clearly outline the organisation's goals, the key stakeholders it aims to serve, and the ways in which it does so. It should communicate what makes the CSO unique or special and what are its values, since this is part of what attracts donors to support it. The mission statement also serves as a guide for organisational planning, monitoring and evaluation; board and staff decision-making; and setting priorities among competing demands for resources. It establishes the foundation for strategic planning and development of fundraising strategies, as well as guiding the Board's many other responsibilities.

b) Developing and approving organisational policies

The Board is responsible for approving key governance policies (and may also assist in developing them), such as the:

- Financial management policy.
- Human resource (HR) policy.
- Conflict of interest policy (covering both Board members and staff).

c) Selecting and managing the Executive Director

Choosing an appropriate and effective Executive Director (ED) is critical to the implementation of the vision, mission and strategic objectives established by the Board. In the early stages of a CSO's development, everyone involved may be an unpaid volunteer and it is not uncommon for the founder to play the dual role of Board Chair and ED or to appoint a friend or family member to one of these positions. But to reach a desirable level of transparency and accountability, the goal should be to reach a point where there is clear separation between these two roles and the ED is identified and selected in a transparent way. This means the Board should develop a clear job description for the position, including the strategic objectives to which the ED is expected to contribute (in detail at least for the first year); the experience and competencies required; the terms and conditions of employment; and a clear statement that confirms the ED (not the Board) is the person responsible for selecting and supervising the remainder of the management team and staff.

d) Supporting the ED and reviewing his/her performance

A good relationship of mutual trust and respect between the Board and ED is vital to CSO effectiveness and credibility. In order to achieve this, the Board needs to:

- establish and implement a comprehensive ED orientation/onboarding process, which will vary in extent depending on whether the ED already has experience of working in the CSO;

- establish a culture that encourages open dialogue between the Board and ED;
- make it clear that it is available to support to the ED as needed, including provision of information on the skills and competencies of individual Board members;
- establish annual performance goals for the ED; monitor the ED's progress towards them, preferably through quarterly or six-monthly reviews at which the ED is encouraged first to self-assess; and jointly prepare a development/capacity building plan in areas of challenge or weakness.

e) Ensuring effective organisational planning

The Board should take the lead on initiating and implementing the organisational strategic planning process, though many other stakeholders are likely to be involved, particularly as the CSO moves towards more participatory governance. Although the responsibility for day-to-day implementation of the strategic plan is largely delegated to the ED, it is important that the Board also has a strong sense of ownership and recognises that it has the ultimate responsibility for monitoring and evaluating progress and adapting the plan as needed.

f) Monitoring the organisation's programmes, projects and services

The Board's key role in this area is monitoring whether current and proposed programmes, projects and services are consistent with the organisation's stated mission and strategic objectives and, where necessary, determining the priorities for use of limited resources. The Board should try to seek a balance between its responsibility for ensuring quality, cost-effective programming, and the management/staff responsibility for developing project proposals and implementing the programmes and projects for which they secure funding.

g) Ensuring the CSO has adequate resources

In the Caribbean CSO sector, fundraising is often viewed as a task that is carried out primarily by the ED and staff. However, it is important for the Board to recognise that it is ultimately responsible for protecting the CSO's assets and ensuring that the organisation has adequate resources (human, financial and material) to achieve its objectives. It should be noted that the role of the Board in fundraising varies significantly by country and culture, with Board members in some countries, such as the USA, expected to contribute personally as well as to solicit funding from others. This is seen both as leading by example and a critical indicator of a Board member's commitment to the organisation. However, if this approach is adopted, it should be recognised that Board members will have varied capacity to donate depending on their personal circumstances and that the sum they give is less important than their visible, proactive participation in giving and encouraging others to give.

h) Providing oversight and ensuring compliance with legal, fiscal and financial obligations

A CSO's legal, fiscal and financial obligations vary by country and, in some instances, also according to the option under which it has been registered. For example, in Trinidad and Tobago until the recent introduction of the NPO Act, CSOs could be registered in several different ways (non-profit company under the Companies Act 1995 with the potential then to become a charitable organisation after two years; incorporated legal entity by an Act of Parliament; or registration with a government Ministry), each with its own set of obligations and benefits. But in all instances, the Board is ultimately responsible for ensuring that all the CSO's obligations are met.

In order to perform this oversight effectively, the Board needs to:

- approve the annual budget (and potentially also help to develop it);
- monitor the implementation of the budget regularly (monthly or at least quarterly), which it can only do if it receives clear, understandable, accurate and timely financial reports from management;
- ensure that it is aware of all the CSO's legal and fiscal reporting requirements, review related reports before they are formally submitted, and ensure timely submission; and
- insist on an annual audit by an independent certified accountant or accounting company.

Some of these functions may be delegated to a sub-committee (e.g. a Finance Committee) or to a specific Board member (e.g. the Treasurer or an individual with a legal background), but Board members should never lose sight of the fact that oversight remains not only a collective responsibility but also one for which individual Board Directors can be held accountable.

i) Promoting the organisation externally

This is usually considered a shared responsibility between the Board, ED and staff, recognising that Board members may have contacts and areas of influence that staff do not and that position them well to act as a champion and intermediary for the CSO. But Board members must be clear as to where the responsibility lies for determining who acts as spokesperson and on what issues. In more developed CSOs, the ED would typically be given the responsibility for determining this but in smaller organisations it might fall to the Chair. In either circumstance, no Board member should represent himself/herself as speaking for the Board or CSO unless specifically authorised to do so.

Effective public relations require consistency and clarity on messaging, including the ability to clearly outline the organisation's achievements and to explain how grants and other sources of funding have been used. The spokesperson also needs to have both the

appropriate technical background to speak with confidence and the ability to communicate clearly and effectively to the target audience in question.

j) Evaluating its own performance

Transparency and accountability dictate that a Board should undertake periodic reviews of its own performance. It may also wish to seek inputs from other stakeholders such as the ED and staff. Section 2.7.3. and Templates 1 and 2 outline in more detail the types of consideration that should be assessed (though this should be adapted to suit the individual needs of your CSO).

k) Serving as the grievance body of last resort

If the CSO has sound HR policies, procedures and grievance protocols, there should rarely be a need for the Board to play this role, given that the ED has the responsibility for hiring, managing, developing and, if necessary, releasing staff. But on rare occasions, a staff member may question the ED's approach or judgement, in which case the ED's best option is often to consult with the Board and seek its support in resolving a dispute.

Box 3: What Board members SHOULDN'T do

- Engage in the day-to-day operations of the organisation, except on request by the Executive Director.
- Hire staff other than the Executive Director (though the Executive Director may ask them to be part of the interview and selection process if the staff position is one where the Board member has relevant expertise and experience.
- Take actions or make decisions in relation to the organisation's projects or programmes, except on request by the Executive Director.
- Make promises or commitments to external stakeholders on behalf of the organisation, except on request by the Executive Director.
- Directly approach staff members, other than the Executive Director, in order to influence organisational actions and decisions.

2.6.1. Roles and responsibilities of Board Officers

All CSOs should designate (or elect) a Chair (sometimes also called the President), a Treasurer and a Secretary – and this is often mandated by the legislation under which it is recognised. It is also useful to have a Vice-Chair to cover for the Chair in his/her absence. Some CSOs also appoint a Public Relations Officer, although as the organisation expands, it is likely that responsibility for communications will increasingly be delegated to management/staff. The roles of these Officers should be briefly described in the bylaws.

The Chair is responsible for providing overall leadership of the Board, chairing board meetings and ensuring that the Board's decisions are implemented and monitored. Useful qualities and competencies to look for when (s)electing a Chair include visionary and inspiring leadership; strategic thinking; experience in facilitating participatory and consensual processes; strong communication skills (particularly oral); and willingness to delegate responsibility to others in areas where they have stronger capacity or more relevant experience. The Chair often also chairs one of the Board Committees, for example the Executive or HR Committee. Like all Board members, the Chair must be able to interpret and analyse the financial reports presented to the Board.

The Board Secretary is responsible for providing members with timely notice of meetings, preparing Board meeting agendas and providing guidance on proper meeting procedures. The Secretary takes the minutes at Board meetings and distributes the approved minutes. The Secretary is also responsible for securely maintaining accurate Board records, such as minutes and committee reports. Depending on the national legislation and regulations under which the CSO operates, the Secretary may have a specific fiduciary duty to file certain reports (e.g. the annual Return of Directors) with the relevant government authority. Key qualities to look for in a Board Secretary are attention to detail; experience of producing accurate and succinct minutes of meetings; and a clear understanding of - and commitment to fulfilling - any specific fiduciary duties imposed by law. Depending on his/her background, the Secretary may also be asked to chair a Board Committee.

The Treasurer has the primary responsibility for oversight of the CSO's accounting records although all Board members also have a duty of care in this area. This responsibility includes ensuring that financial records are accurate, transparent and produced on a timely basis, as well as ensuring that an annual audit is carried out. The Treasurer also provides oversight of the overall status of the organisation's assets and financial condition and frequently chairs the Finance Committee if there is one. The Treasurer is usually a signatory on the CSO's bank accounts, though he or she should not be the only signatory (see section 2.5. Best Practices). The Treasurer need not be a qualified accountant although this is useful in instances where the staff person responsible for financial management and record-keeping has limited experience and qualifications. However, it is critical that the Treasurer has a sound understanding of what should be included in financial reports to the Board, donors and stakeholders; and the ability to interpret financial reports and spot discrepancies or gaps.

2.7. How to develop and maintain a strong Board

2.7.1. Process and criteria for the (s)election and appointment of Board members and officers

The legal structure of the CSO will largely determine how it formally (s)elects and appoints its Board and Board Officers. In membership organisations, members nominate candidates for Board membership and Board Officers and then vote for their choices at the Annual

General Meeting (AGM). In CSOs that are not membership organisations (typically more technically oriented CSOs), the Board members are identified and selected by existing Board members, with the Board collectively determining who should serve as Board Officers. But in either case, it is useful for the Board to establish criteria and processes for the (s)election of new Board members. The process should include reflection on:

- Any governance weaknesses that emerged from the capacity assessment process.
- What gaps will be created by the Board members who are about to demit office, either by choice or because their term is up, in order to identify possible candidates to replace them.
- Additional competencies that may be needed, either in order to reach the targets established under the planning process or because the organisation is entering into new programme areas that require additional competencies.
- Gender balance, incorporation of youth perspectives and representation from key stakeholder groups.

The process of Board member identification should ideally be a continuous exercise and not one that just takes place close to the time for (s)election. At CANARI, for example, Board members, the ED (and to some extent other staff) are constantly on the lookout for people with relevant skills, shared values and the ability to commit time to serving on the Board. Potential candidates are often sounded out (either by the Executive Director or a Board member) well in advance of a vacancy and provided with additional information about the organisation and the role of the Board/Board members (e.g. the strategic plan and Board TOR), so that both parties can determine if it would be a good fit. Then when a relevant vacancy occurs, the individual can be formally approached.

CSOs should also put in place a systematic Board orientation process at the start of each new Board term (and if somebody is appointed mid-term).

2.7.2. Board Terms of Reference (TOR)

A clear Board TOR is critical not only to the Board (s)election process but also to the Board's efficiency and effectiveness once constituted. It can also serve as a useful reference document when a Board member is under-performing and this needs to be addressed (either through increased focus on the individual's development or by asking them to step down, depending on the nature of the performance concerns).

As a CSO moves into an intermediate or advanced phase of development, it is useful to document in writing the key elements of its conflict of interest policy.

Table 2: Suggested elements of a good Board TOR

TOR Element	Suggested details for inclusion in the TOR
Legal requirements of Board members	<ul style="list-style-type: none"> • Areas of the CSO’s bylaws that are relevant to the role and responsibilities of a Board member; cite these at the start of the TOR
Summary of the role of the Board	<ul style="list-style-type: none"> • This can be derived from the headings for the 11 key tasks that the Board must take responsibility for.
Qualifications/prerequisites for becoming a Board member	<ul style="list-style-type: none"> • State in general terms what qualifications you require of your Board members, e.g. ‘expertise and experience in areas of importance to [CSO name]?’ • Buy in to the CSO’s vision, mission and principles, which might also include statements like ‘commitment to participatory processes’ or ‘commitment to consensual Board decision-making’. • Able and willing to provide time and expertise to assist [the CSO] to develop and achieve its strategic objectives, including fundraising and serving on Board committees.
Responsibilities	<ul style="list-style-type: none"> • See examples in Box 4 below.
Terms of office	<ul style="list-style-type: none"> • Board members should have a fixed term of office and a limit on the number of consecutive terms they can serve without stepping down for at least one term. This avoids the Board becoming stale and provides the opportunity for new competencies and viewpoints to be introduced.
Policy on remuneration of Board members	<p>This section should address</p> <ul style="list-style-type: none"> • whether you pay Board members for serving on the Board (most CSOs do not); and • whether, and under what circumstances, a Board member can be hired and paid for assignments outside their role as a Board member, e.g. as a consultant on a project or an HR development exercise.
Conflicts of interest	<p>In addition to stating in the Responsibilities that Board members should declare conflicts of interest, it can be useful to elaborate on what you mean by conflicts of interest and how they should be handled, either in the TOR or in a separate policy document. For example:</p> <ul style="list-style-type: none"> • If a Board member receives gifts, prizes or honours that relate to his/her role at the CSO or in relation to participating in one of its activities, how should this be handled? Who gets any financial reward – the organisation or the individual? • How should a Board member act in circumstances where they are offered remuneration for an external assignment that either conflicts with the organisation’s mission and values; or arises directly from an activity in which they were involved on behalf of the organisation?

Box 4: Examples of responsibilities in a Board TOR

- Prepare for and attend scheduled Board meetings (a minimum of [number] a year).
- Be available as needed to consult with other Board members on [CSO name] matters between meetings.
- Participate in establishing [CSO name's] strategic direction.
- Assist in carrying out fiduciary responsibilities, such as reviewing the organisation's annual financial statements and compliance with legal requirements.
- Remain informed about key issues, such as the status of the organisation's finances and the implementation of programmes, ask pertinent questions and make relevant recommendations.
- Participate in exercises to monitor and evaluate implementation of the organisation's strategic plan.
- Participate in the selection and performance review of the Executive Director.
- Assist in identifying potential Board and staff members.
- Participate in reviewing the compensation of members of staff.
- Act as an impartial arbiter in reviewing staff grievances [in accordance with the grievance policy where one exists].
- Maintain confidentiality of sensitive information and speak on behalf of the organisation only when authorised to do so by the Executive Director.
- Participate in developing and implementing strategies for fundraising/fund development.
- Share key information derived from other contexts that are relevant to the organisation's mission.
- On request, undertake special assignments and serve on committees without remuneration except for expenses incurred.
- Avoid conflicts of interest and disclose any potential conflicts of interest to the Board.

Source: Adapted from the responsibilities cited in CANARI's Board TOR

2.7.3. Board Self-Evaluation

As noted earlier, the Board should constantly be assessing its progress on the good governance work plan. It is also useful to conduct a systematic self-evaluation of its collective performance at least once during each term of office. The Board may also wish to engage non-members (e.g. staff who are not on the Board) to provide input for this exercise.

CSOs may also wish to expand this self-evaluation process to include an individual Board member self- evaluation. The more open and honest each Board member is, the better it contributes to learning and improvement in collective and individual performance.

Templates 1 and 2, which are based on CANARI's Board and Board Member Self-Evaluation process, provide templates for such an evaluation, although this should be adapted and tailored as needed to suit your CSO.

Template 1: Board self-evaluation

Template 1: Board self-evaluation						
	Areas for evaluation	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1	All Board members have a comprehensive, common understanding of the role and responsibilities of a Board.					
2	Board members understand the organisation's vision, mission, values and programmes.					
3	The respective roles and responsibilities of the Board, Board Officers, committees, Executive Director and staff are clear and respected.					
4	The composition of the Board reflects the desired range of competencies, stakeholder interests and diversity.					
5	The Board has established clear, relevant and realistic goals through strategic planning.					
6	Board meetings facilitate focus and progress on strategic issues, in order to effectively guide the operational activities of staff.					
7	The Board receives regular reports on finances, programme and project performance, and compliance with its legal and fiscal obligations.					
8	The Board helps to establish fundraising goals and is actively involved in fundraising.					
9	The Board represents the organisation effectively to external stakeholders.					
10	The Board regularly monitors and evaluates progress toward strategic goals.					
11	The Board regularly evaluates the Executive Director and produces a development plan based on its findings.					
12	The Board has helped to develop and approved comprehensive HR and financial policies.					
13	Every Board member is involved in, and demonstrates commitment to, the Board's work.					

Suggestions for improvement in any of the 13 areas above:

Please list the top three things that you believe the Board should focus its attention in the coming year. Be as specific as possible.

1. _____
2. _____
3. _____

Template 2: Individual Board member self-evaluation						
	Considerations	5 Strongly agree	4 Agree	3 No opinion	2 Disagree	1 Strongly disagree
1	My skills and experience respond to the organisation's needs and have been effectively applied during this term of office.					
2	I participate fully in discussions and decision-making at Board meetings.					
3	I am satisfied with my contribution to the organisation in areas other than attendance at Board meetings (e.g. on Board Sub-committees or in fundraising).					
4	I fully understand and comply with the organisation's bylaws and policies.					
5	I fully understand and contribute to compliance with the organisation's legal and fiscal obligations.					
6	I am able to interpret and analyse the financial information I receive and to contribute to financial oversight and decision-making on that basis.					
7	I actively participate in setting fundraising goals and in fund development/fundraising.					
8	I act as an effective organisational ambassador to the stakeholder groups in which I am involved.					
9	I feel fulfilled by my membership on the Board.					

Please provide your responses to the following questions:

1. In relation to your response to Consideration 9 above, please identify a) what are the key factors that contribute or detract from your fulfilment as a Board member and b) anything that would make this role more fulfilling.

2. What actions could you take and/or what capacity building is needed to improve your performance as a Board member?

Useful resources

Board Effect. 2018 How to Ensure Good Governance for Your Nonprofit. <https://www.boardeffect.com/blog/how-ensure-good-governance-nonprofit/>

Commonwealth Foundation. 2011. Civil Society Accountability: Principles and Practice – A toolkit for civil society organisations in Trinidad and Tobago. 87 pp. https://commonwealthfoundation.com/wp-content/uploads/2012/12/Civil_society_accountability_toolkit_Trinidad_and_Tobago.pdf

NGO Connect. 2011. NGO Tips: Fostering Effective NGO Governance. <https://www.ngoconnect.net/sites/default/files/resources/NGOTips%20-%20Fostering%20Effective%20NGO%20Governance.pdf>





Section 3

Planning

- 3.1. Introduction
- 3.2. Best practice targets for planning
- 3.3. Types of organisational plans
- 3.4. Strategic planning



Food for thought

- Does your CSO have a strategic plan or clear strategic objectives for the longer term?
- What operational plans does it have in place?
- Has it engaged in participatory planning?

3.1. Introduction

3.1.1. Why is this topic important?

Planning is critical for effective management and governance of a CSO at multiple levels – strategic, operational (e.g. annual planning), programme, project and activity. Without proper planning, the CSO will not have a clear collective idea on where it is going and how it will get there and members may work in different directions, wasting resources and ultimately not achieving the results the CSO needs.

But planning alone is not enough – CSOs need to track how they are doing against their plan and also assess whether they have achieved the desired results. This involves monitoring, evaluation and learning, which are covered in greater depth in Section 8. However, it is important to understand from the outset of planning that planning, monitoring, evaluation and learning (PMEL) are part of a process integral to the effective operation of a CSO. This is shown as a simple cycle in Figure 6 below but in reality, should be an iterative process where learning and re-planning take place at any point where significant findings and ideas are generated from monitoring and evaluation.

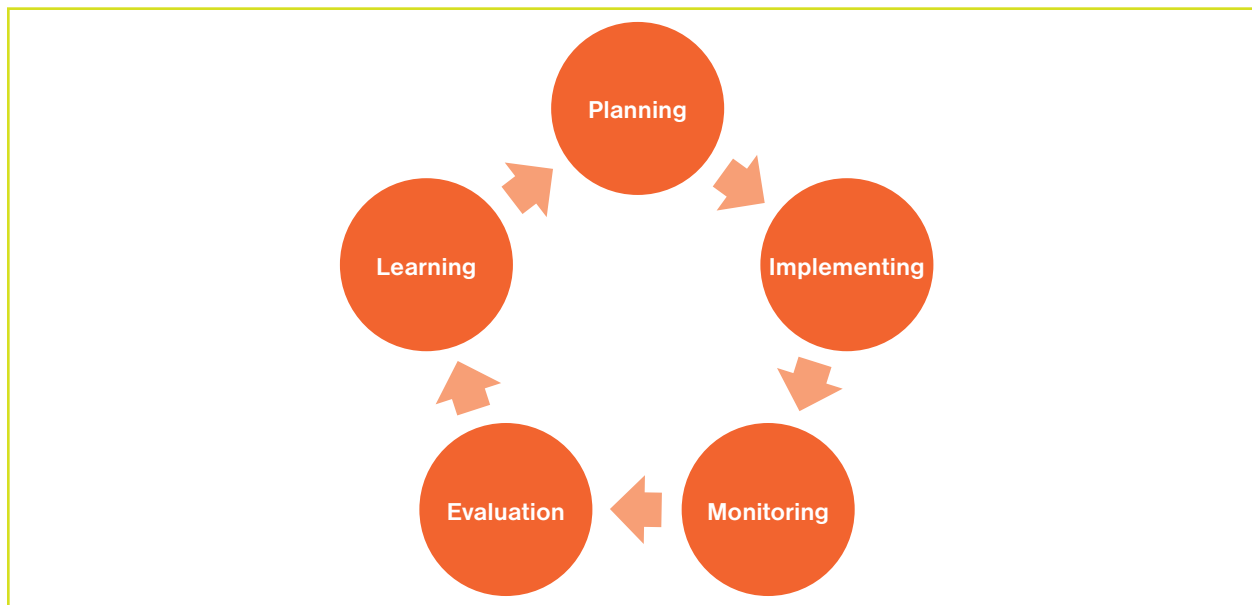


Figure 6: The planning, monitoring, evaluation and learning cycle.

The overall purpose of planning is to:

- clarify the organisation’s goals/purpose/objectives for the planning time frame;
- maximise the potential for achieving these goals;
- identify the resources needed to achieve these goals; and
- serve as a yardstick when determining priorities and assessing project opportunities.

3.1.2. What will be covered in this section

This section outlines the key elements of organisational planning commonly used by CSOs. It also briefly examines strategic planning (i.e. planning at the highest level of the CSO). In future versions of the toolkit, it is intended to cover both strategic and operational planning in more depth.

3.2. Best practice targets for planning

Assessing the capacity of a CSO to plan effectively requires an examination of policies and practices at all levels, from strategic to operational. See CANARI’s *Civil Society Organisational Capacity Assessment Tool* for a detailed, in-depth tool for planning, which identifies four key areas and 7 best practice targets for planning that are summarised below in Table 3.

Table 3: Best practice targets for planning	
Capacity area	Best practice target
Clearly defined beneficiaries and priority beneficiary needs	<ol style="list-style-type: none"> 1. Beneficiaries consulted on their needs 2. CSO niche clearly identified and defined
Operational plans	<ol style="list-style-type: none"> 3. Annual plans and budgets used to guide work. 4. Programme plans to guide coherent implementation of activities towards achievement of strategic objectives 5. Project plans used to guide work
High-level plans for achieving purpose	<ol style="list-style-type: none"> 6. Clear strategic plan/objectives linked to vision and mission
Business continuity planning	<ol style="list-style-type: none"> 7. Documented business continuity plan to prepare for and minimise disruption from major events over which they have no control (hurricane, volcanic eruption, pandemic etc.)

Of the above areas of planning, Caribbean CSOs are probably least familiar with business continuity planning, although its value has become very clear with the advent of COVID-19 and the increasing threats from climate change. This aspect of planning is therefore covered in depth in Section 4.

3.3. Types of organisational plans

The types and number of different plans that a CSO has in place should be reflective of their specific needs and stage of development. In addition to deciding on the type(s) of plans that a CSO should aspire to have in place, it's important to note that there is no one-size-fits-all template for organisational plans as they must be tailored to the needs of the CSO. For example, even though the key elements may be the same, a strategic plan for a start-up CSO is likely to look very different to a strategic plan for an advanced CSO (see Section 1.3 on stages of CSO development). Figure 7 and Table 4 below outline some key elements of common organisational plans used by CSOs and shows how they are all related.

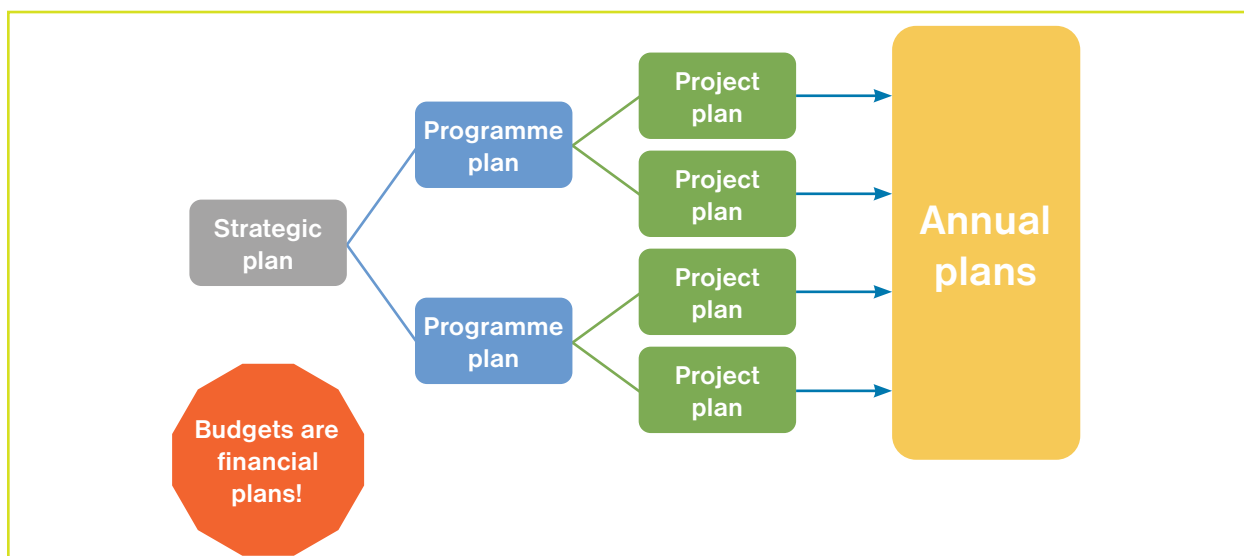


Figure 7: Common organisational plans used by civil society organisations

Table 4: Key elements of different organisational plans

Strategic plan	Programme plan
<ul style="list-style-type: none"> • Longest time horizon, typically 3-5 years • Highest level goals and results • Strategies • No budget but might include goals for acquiring new resources 	<ul style="list-style-type: none"> • Details on implementation of a specific area of the strategic plan • Multi-year • Can identify specific projects
Project(s) plan	Annual plan
<ul style="list-style-type: none"> • To implement strategic plan and programme plans • Detailed objectives, results, workplan and budget 	<ul style="list-style-type: none"> • 12-month horizon, coinciding with financial year • Workplan – multiple projects • Balanced budget of income and expenditure • Planning process should include reflection on how annual plans contribute to strategic goals

3.4. Strategic planning

3.4.1. What is strategic planning?

A strategic plan provides a CSO with a framework to guide its focus over the longer term and the development of operational plans. An effective strategic plan is based on an understanding of the broader context in which the CSO functions, its own strengths and weaknesses and the priority problems it is attempting to address. It clarifies what goals and results the CSO is trying to achieve, and the approach it intends to use in implementing it. It does not spell out specific activities, which are then developed at the operational level.

3.4.2. What is participatory strategic planning?

Participatory strategic planning differs from conventional strategic planning processes in that it is based on consensus building and stakeholders are involved in most of the steps, using participatory methods. It helps a CSO/group/community to come together in identifying how they would like their organisation or community to develop over the next few years. To be effective, it requires an independent facilitator of the process who can ensure active, informed and equitable participation of all (key) stakeholders.

3.4.3. Key steps involved in participatory strategic planning

Some key questions a CSO should consider before starting a strategic planning process are:

- What is the time frame for the planning process?
- Who should be involved in the strategic planning process? Have you identified the key stakeholders?
- What input/resources will be required? Do you need to hire an independent facilitator? Will you need funding to support planning workshops or other gatherings with stakeholders?
- What preparatory work is required? Are there any key organisational documents that need to be reviewed? What other information is needed to inform the process?
- What will the agenda/process look like?

Box 5: Tailoring the strategic planning process

The strategic planning process should:

- not be too rigid;
- be tailored to the CSO's stage of development, needs and available resources; and
- be packaged and communicated in different ways to reach the CSO's target audience(s). For example, strategic plans can be communicated in video format rather than in writing.

Some key questions a CSO should consider during a strategic planning process are:

- Who are we?
- What difference do we want to make?
- What problems are we addressing?
- What capacity do we have/what can we do?
- Which critical issues must we respond to?
- Where should we allocate our resources? What should our priorities be?

The key steps involved in participatory strategic planning are shown in Figure 8 below.

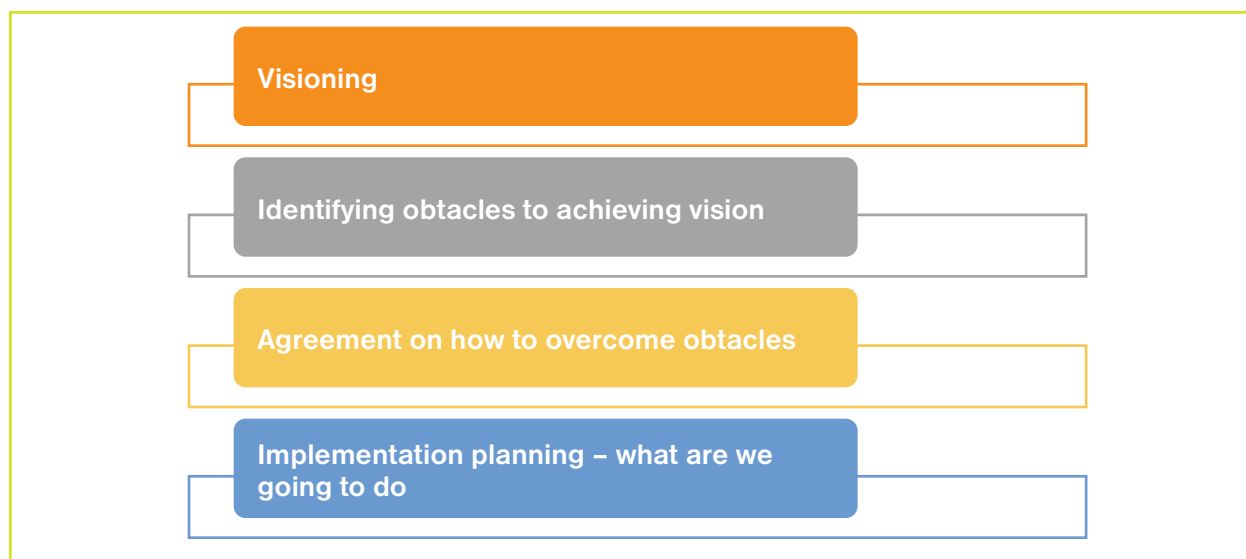


Figure 8: Keys steps involved in participatory strategic planning

3.4.4. Main components of a strategic plan

As noted above, strategic plans can differ depending on the stage of development of the CSO, the time frame of the plan (e.g. a 3-year versus a 10-year plan) but all strategic plans have common components, for example:

- information about the CSO (brief description and organisational history)
- vision statement
- mission statement
- values
- situational analysis
- organisational SWOT analysis (analysis of the CSO's strengths, weaknesses, opportunities and threats)

- goals and strategic objectives
- actions to achieve the objectives
- monitoring, evaluation and learning plan (this may also be written as a separate plan)

3.4.5. The benefits of participatory strategic planning

The main benefits of participatory strategic planning are that:

- It builds a spirit of ownership and commitment in the CSO as well as enhanced buy-in from its external stakeholders.
- It is flexible and applicable to multiple settings.
- It enables a diverse group to be meaningfully involved and reach consensus.
- Participants often find the process and outcome inspiring.

3.4.6. Challenges to participatory strategic planning

The process can be a lengthy and costly one as it requires:

- Trained facilitator(s)
- Buy-in and commitment beforehand from the organisation's leaders
- Hard work and commitment
- Involvement of a wide range of stakeholders

References

CANARI. 2011. Facilitating participatory natural resource management: A toolkit for Caribbean managers. Laventille: CANARI. <https://canari.org/publications/facilitating-participatory-natural-resource-management-a-toolkit-for-caribbean-managers/>





Business continuity planning

- 4.1. Introduction
- 4.2. What is business continuity?
- 4.3. Why develop a business continuity plan?
- 4.4. Defining the scope and assumptions for your business continuity plan
- 4.5. Framework and key elements of business continuity planning
- 4.6. Action planning for business continuity



Food for thought

- Does your CSO have a plan that identifies to minimise and address the risks associated with external events that would lead to disruption of operations?
- Has it assessed the potential impacts on its operations of such a disruption?
- What does it have in place to minimise these impacts?

4.1. Introduction

Business continuing planning is a key tool for supporting risk assessment and mitigation planning for civil society organisations (CSOs) in the Caribbean. A business continuity plan is a proactive plan to minimise and address the risks associated with a disruption of operations. It details steps to be taken before, during and after an event to maintain the CSO's viability. In contrast, a disaster recovery plan is a reactive plan for responding after an event. Developing a business continuity plan helps a CSO to anticipate and think through what may happen under a particular scenario, and how it needs to respond to minimise negative impacts. This section presents a business continuity process to help guide your CSO in developing a plan that can work for you.

4.1.1. What will be covered in this section?

This section will cover:

- what business continuity is and why having a business continuity plan is important;
- key definitions and concepts in business continuity planning;
- a framework for, and key elements of, business continuity planning;
- guidance on how your CSO can develop a business continuity plan (including templates and tips relevant to various steps).

4.1.2. Why this topic is important

Business continuity planning is a key aspect of organisational strengthening for Caribbean CSO, ensuring that they are taking proactive measures to be resilient in the face of disruptions. Business continuity planning helps CSOs to be better prepared and respond faster when disruption strikes, so that the negative impacts on business are minimised.

The Caribbean is one of the most disaster-prone regions in the world. There are a number of current and newly emerging threats that can and have affected the Caribbean and the operations of Caribbean CSOs. Some common threats include hurricanes and other climate

³ In this context 'business' does not refer to a for-profit organisation but to the work that the organisation routinely carries out, so is equally applicable to for- and non-profit organisations.

extremes, such as drought. More recent threats include global health pandemics such as COVID-19. Developing a business continuity plan helps you to make decisions rapidly, communicate with confidence, minimise downtime, and adapt or resume operations as quickly as possible to protect what's important for lives and livelihoods.

Box 6: Conducting a rapid risk assessment and mitigation planning for a project

Due to the impacts of the COVID-19 pandemic in 2020, the Newcastle Bay Foundation Inc. (NBF), an NGO in St. Kitts and Nevis, had to shift activities planned under a PISCES-funded small grant that aimed to use information and communication technology (ICT) to abate single use plastic pollution in St. Kitts and Nevis. With support from CANARI and their mentor, the NBF conducted a rapid risk assessment to assess and mitigate the potential impact of COVID-19 on project activities and to subsequently determine if any variations to the workplan or budget would be required.

The NBF had initially planned to facilitate a face-to-face event to introduce the use of an ICT tool (the Clean Swell app) to bring awareness to stakeholders on the project, the group's new platforms (website and Facebook page) and to commence registration of participants for clean-up activities where the Clean Swell app would be used. However, due to the COVID-19 pandemic, the event had to be cancelled as social gathering restrictions were implemented in St. Kitts and Nevis. As part of their risk assessment, the NBF revised its activities and organised a Facebook challenge and virtual event instead. The virtual Facebook challenge and event was publicised via television, radio and social media to help publicise the project and encourage people to participate. The Facebook challenge involved encouraging users to download the Clean Swell app, post pictures/videos on the NBF Facebook page showing themselves replacing or cleaning up single use plastics and included prizes for those who received the most 'likes'.

The COVID-19 rapid risk assessment provided a simple but effective framework for NBF to utilise in the future when dealing with circumstances beyond their control that may affect their operations and project implementation, whether it may be a pandemic, natural disaster or other unplanned event.



Figure 9: A flyer promoting a virtual challenge organised by the Newcastle Bay Foundation in Nevis.

Credit: Newcastle Bay Foundation

4.2. What is business continuity?

Business continuity is defined as the capability of the organisation to continue delivery of services at acceptable (pre-defined) levels following a disruptive incident. (Source: ISO 22301:2012 downloadable at https://kupdf.net/download/iso-223012012engpdf_5976e226dc0d600125043370_pdf). It involves development of strategies, plans, and actions that provide protection or alternative modes of operation for those activities or business processes which, if they were to be interrupted, might otherwise bring about a seriously damaging or potentially fatal loss to the enterprise.

Some other important definitions and concepts related to business continuity are outlined in Table 5 below:

Business continuity plan (BCP)	A business continuity plan details the processes and procedures that will help the CSO to keep its operations up and running – or restore them as quickly as possible – in the event of a major disaster
Business impact analysis	A business impact analysis is an initial step conducted to help determine and evaluate the potential effects of interruptions on the CSO's operations due to a disaster or other emergency.
Business as usual (BAU)	The maintenance of 'business as usual' is the primary goal of business continuity planning. It refers to the CSO's ability to conduct its normal operations, despite difficulties or disturbances that could have a negative impact.
Critical business function	Critical business functions are the essential aspects of the CSO's operations that are needed for it to continue to operate towards effective achievement of its vision, mission, programmes and projects. These critical functions will vary between CSOs depending, for example, on the operational roles played by different key departments in areas such as financial management/accounts, project management, human resource management, communications etc.
Recovery time objective (RTO)	The Recovery Time Objective (RTO) refers to the target the CSO sets in terms of the timeframe and level of operations ('service level') required to restore its operations after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity.

4.3. Why develop a business continuity plan?

Business continuity plans are developed to help the CSO prepare for major disruptions triggered by factors beyond its control (e.g. natural disasters, manmade events), and to restore operations to the greatest extent and in as short a time frame as possible. A business continuity plan typically identifies critical the CSO's critical business functions and their vulnerabilities and recommends the measures necessary to prevent and or minimise the impact on its operations.

The overall goal of a business continuity plan is to ensure responsiveness by staff, minimise downtime and uncertainty by documenting key procedures and considerations, in order to ensure that logical decisions are made during a crisis or disruptive event.

Some typical objectives when developing a business continuity plan are to:

- understand the potential risks of unplanned disruptions, especially those related to the provision of the CSO's key services;
- identify the CSO's time-critical business processes/activities/functions and the required recovery timeframes for each, so that priorities can be established for the restoration process;
- identify strategies towards 'business as usual' (BAU) within agreed and acceptable timeframes;
- identify action-oriented procedures to respond to disruptions in an efficient, effective and timely manner; and
- periodically review, modify, update or revise the business continuity procedures to take account of any new organisational risks.



Top tip

Business Continuity Plans are intended to be iterative. They should be periodically reviewed and updated to reflect changes in your operating environment.

4.4. Defining the scope and assumptions for your business continuity plan

A business continuity plan is only meant to be implemented in the event of a disruption beyond the CSO's control; it is not intended to resolve routine operational problems faced by the CSO. The scope is therefore typically limited to the restoration of activities and services that affect the normal day-to-day operations of the CSO.

It is generally recommended that the plan have a broad scope so that it can effectively address the range of disruptive scenarios that could affect your CSO. It should identify worst case scenarios, while recognising that less critical situations can be addressed by applying just the most relevant aspects of the plan with any minor adaptations that are needed.

It is important to define some workable assumptions when developing the plan. Some common examples include:

- key people will be available following a disaster or other disruptive event;

- certain disasters may be beyond the scope of the plan e.g. nuclear war;
- the CSO's critical records are backed up, stored in a secure location and accessible immediately after a disruptive event;
- some basic recovery procedures and key information are already maintained for critical business functions of the organisation

4.5. Framework and key elements of business continuity planning

A framework for and key steps in the business continuity planning process are outlined in Box 7 below.

Box 7: Key steps in developing a business continuity plan

1. Identifying the main threats

It is critical to assess and understand your areas of vulnerability (also known as your risk profile). This involves identifying a) the key hazards and b) the likely scenarios that might cause significant disruption to the CSO's operations.

This will be relatively easy if the CSO has already developed an organisational disaster or emergency plan. If not, useful sources of information can be found in disaster or emergency plans developed for country, municipality or community levels. Local knowledge of key vulnerabilities and specific scenarios, based on past experience of living or working in a particular area, can also provide very useful information.

In summary, the key questions you must ask from the outset of the planning process are:

- what are the main hazards or threats that could affect your CSO and its work, e.g. pandemic, major hurricane, earthquake etc.?
- how will these events affect you and what are the worst-case scenarios?
- what sources of relevant information you can access and apply in building a picture of your vulnerability/risk?

4.5.1. Conducting a business impact analysis

Another important step in developing the CSO's business continuity plan is to conduct a business impact analysis to assess the impact of a disaster or emergency on the CSO's critical functions. Not only does this help to determine and evaluate the potential effects of such an event, it also provides the basis for identifying the CSO's key priorities, recommendations and strategies for business continuity.

A business impact analysis is typically a broad assessment across all key functions in the CSO to determine its critical business functions (see definition in Table 5). The purpose is to get a sense of what exists, the resilience of the various key spheres of operations and whether this includes any spare capacity. This includes identifying known constraints, such as issues with infrastructure, staffing or knowledge management and collecting information on any measures or activities that could impact on time-critical operational

functions or services. Information is typically gathered through interviews with key staff and identification and review of relevant records and documentation.

It is important to assess EACH critical business function. Some key questions are outlined below:

- What are the key aspects of [the specific area of operations] that could be affected if there is a major hazard or other disruption?
- What are the key activities or processes that the CSO would want to get running as soon as possible (and have you backed up the information necessary to do so)?
- What are the key assets, such as hardware, infrastructure, software, equipment, data/datasets that you would want to have access in order return to business as normal as quickly as possible?
- Who are the key people that are essential to returning to business as normal?
- What current problems, known limitations and/or risks might impact on returning to operations?
- What potential solutions or recommendations can you identify to reduce/eliminate disruptions and/or minimise the impact of disruptions on operations?

In summary, by identifying the areas that would create the greatest financial or operational loss in the event of a disaster or disruption, the business impact analysis helps the CSO to assign a level of criticality to its areas of operation so that it can determine the optimal order of restoration and refine its planning and recovery priorities.

Template 3 provides a template for a Key threats and scenarios analysis with examples that you can substitute with information relevant to your CSO. The template can be adapted to make it as simple or complex as is applicable and relevant to the specific CSO.

Template 4 provides a template for a business impact analysis. It includes examples and guiding questions but is flexible in that rows can be added as needed to support effective continuity planning and decision making.

4.5.2. The business continuity team

The business continuity team is responsible for coordination and decision making across key operational functions. The team usually comprises the lead persons with decision making power for each critical function, who then play an important role in the development and maintenance of the business continuity plan. Each critical function should have a specific designated individual or individuals but who this is will vary by organisation. See Table 6 provides an example of the different types of staff positions/roles within the CSO that might be involved in the team.

Template 3: Key threats and scenario analysis

Hazards/threats	Scenario
Major hurricane	<ul style="list-style-type: none"> • Potential damage to facility (coastal location) • Loss of power or other utilities affects CSO's ability to operate • Access to facilities affected • Employees impacted so unable to work • Inability to operate normally for weeks or months
Pandemic	<ul style="list-style-type: none"> • Work-from-home measures implemented • Limited ability to conduct fieldwork • Travel restrictions – locally and externally - affect <ul style="list-style-type: none"> ◦ the availability of inputs for normal business operations ◦ ability to hold or attend in-person workshops etc. • If working, additional costs for protective equipment • Inability to operate normally for months • Reduction in income

Table 6: Sample composition of a business continuity team

Critical function	Business continuity team member
Examples	
Project Management	Director
Communications	Communications Officer
Information Technology services	IT Officer
Human Resources	Human Resources Manager
Financial management	Finance Manager
Administrative and Logistics	Administrative Officer

4.6. Action planning for business continuity

Once the business impact analysis is complete, the information can be used for planning, specifically to identify priority areas and develop appropriate procedures and strategies for business continuity and recovery.

4.6.1. Identifying business continuity priorities

This step involves assessing how long disruptions to critical operations and services can be tolerated before causing harmful longer-term consequences or significant impacts on

Template 4: Business impact analysis

Critical Business Functions	Key Processes & Procedures	Key Assets	Key People	Key problems or risks	Solutions
<i>What are the key aspects of the CSO's operations that could be affected if there is a major disruption?</i>	<i>What are the important aspects of these systems that can be affected by a disruption</i>	<i>What key assets does the CSO have and rely on for normal operations e.g. equipment, hardware, software, data etc.</i>	<i>Who are the key staff or other people needed to support effective CSO operations?</i>	<i>What problems is the CSO aware of or can foresee if a major disruption were to occur?</i>	<i>What solutions could be applied to current or potential problems to ensure continuity/resumption and minimise down-time?</i>
Project Management	<p><i>Examples:</i></p> <ul style="list-style-type: none"> Execution of project activities Proposal writing Managing project budgets Project reporting, communication 	<p><i>Examples:</i></p> <ul style="list-style-type: none"> Hardware (phones, laptops etc) Software, databases, email accounts etc. Utilities e.g. electricity, water, internet. 	<p><i>Examples:</i></p> <ul style="list-style-type: none"> Project managers Finance staff 	<p><i>Examples:</i></p> <ul style="list-style-type: none"> Cancellations delays, postponement or adjustment in scope/ design of planned activities Inability to deliver projects as planned due to impacts on implementing staff, project stakeholders or target locations. Possible loss of project records 	<p><i>Examples:</i></p> <ul style="list-style-type: none"> Maintain hardcopies of key project related documentation and other vital records Early communication to donors and project stakeholders
Communications & Information technology (IT)					
Human Resources					
Finance/ Accounting					
Administrative and Logistics					

the organisation. It also identifies some desired or target timelines for restoring operations to normalcy or near-normalcy. This provides the basis for prioritising the efforts needed to return operations to business as usual. Template 5 can be used to list the time-critical business functions or services and the desired timeline for recovery.

Template 5: List of key time-critical services and processes and desired recovery times

Time-critical business function	Maximum Tolerable Period of Disruption	Recovery Time Objective (RTO)
<i>From your business impact analysis, what are the top most time-critical items to address?</i>	<i>How long can the disruption be tolerated for before there are significant impacts to business?</i>	<i>What is your organisation's desired timeline for recovering the service?</i>
Examples		
Recovery of IT/communication function	24 hours	Within 4 hours of disruption
Access to safe, functional office workspace		

Once the priority areas have been identified, the next step is to outline the strategies or actions needed to support business continuity. Template 6 below can be used to list the key tasks against each of the critical business functions. The completed template can also be used as a checklist to prepare for, or track of progress on, implementation the necessary tasks after a disruption. Make sure to reference any existing procedures plans or protocols already in place by your organisation.

Template 6: Business Continuity Actions List

Critical Business Function	Overall objective for business continuity or recovery	Key tasks to support business continuity	Supporting plans, procedures, protocols	Assigned staff (name or role)	Due date	Status (completed, in progress, not started)
Examples						
Project Management	To ensure measures are in place for continued implementation of the CSO's projects in the event of a disruption, including reasonable back-up arrangements and communication to stakeholders to reduce impacts on project implementation and financial management	Create backups of all project documentation				
		Conduct risk assessment of all projects and key activities				
		Communicate with project stakeholders and other key partners for status updates, reaching joint decisions etc.				
		Office relocation; identification of alternative site				

Template 6 *(continued)*: Business Continuity Actions List

Critical Business Function	Overall objective for business continuity or recovery	Key tasks to support business continuity	Supporting plans, procedures, protocols	Assigned staff (name or role)	Due date	Status (completed, in progress, not started)
Restoration of IT functions	To restore IT functions and services as a key cross-cutting support supporting all other key operations.	1.				
		2.				
		3.				
Securing staff		1.				
		2.				
		3.				

4.6.2. Identifying the critical Information needed to support business continuity.

It is important to maintain – and keep up-to-date – a checklist of the critical information needed to support effective business continuity planning. Box 8 below provides a suggested baseline checklist.

The items in the checklist should all be kept ready including as appendices to the business continuity plan. You can add or adjust accordingly and ensure the requisite lists are maintained and can be easily accessed easily to support planning and decision making in line with your business continuity plan.

Box 8: Checklist of information for supporting business continuity planning

- Employee contact list including an emergency contact/next of kin
- Impact and risk assessments e.g. national disaster plans, CSO-specific emergency plans
- Business impact analysis
- Business continuity priorities and actions/task lists
- Office Recovery Plan
- Vital CSO records, e.g. legal registration documents, lease agreements etc.
- IT system reports and resources
- Service provider/vendor contact lists

4.6.3. Testing and reviewing your business continuity plan

Your business continuity plan will be most thoroughly tested during a real-life scenario. However, it is also useful to conduct tabletop/simulation exercises to ensure staff are aware of the plan and effectively trained to act as needed.

The business continuity plan should be reviewed at least annually. This will help to ensure that new threats and changes in workflows or business processes are accurately reflected and factored in in the plan.

The tips outlined in Box 9 below summarise some of the key suggestions and recommendations related to business continuity.

Box 9: Tips for business continuity planning

1. Having an organisational emergency or disaster plan that identifies key hazards and scenarios relevant to your CSO can help to support the process of business continuity planning as it should identify the most likely things to happen for which you need to plan.
2. Use the likely scenarios identified in your business continuity plan to conduct tabletop or simulation exercises. For example, this could involve group role play where members of the planning team and other key staff are provided with imaginary disaster-related information based on which they develop relevant responses in line with their responsibilities and assigned role in business continuity. Real life experiences can be used to validate or update relevant scenarios to support and make improvements to the plan.
3. Confer with key staff or enlist the help of your key service providers to:
 - provide informed judgments as to how long a disruption to critical business functions can be tolerated before causing longer-term harmful consequences or significant impacts on the CSO;
 - identify some desired timelines for restoring operations to normalcy or near-normalcy.
4. It is critical to orient key stakeholders to the business continuity plan and subsequently to communicate about any updates or changes that are made, especially during a real life disruption. This includes communication to internal or external teams, vendors, service providers, donors, development partners and community project partners/beneficiaries, especially those in the most affected areas.

Useful resources

CANARI. 2020. Caribbean Natural Resources Institute Business Continuity Plan. Port of Spain: CANARI.

NFPA. 2010. NFPA 1600® Standard on Disaster/Emergency Management and Business Continuity Programs. Available at <https://www.nfpa.org/assets/files/AboutTheCodes/1600/1600-10-PDF.pdf> [Accessed 25 June 2020]

<http://www.odpm.gov.tt/node/36>

<https://www.continuitycentral.com/index.php>

<https://www.smartsheet.com/business-continuity-templates>

<https://www.eci.com/knowledge-center/webcast-7-steps-to-create-a-business-continuity-plan/>

<https://www.ready.gov/business-continuity-plan>

<https://nonprofitrisk.org/resources/tutorials/business-continuity-planning/>

Section 5

Management



- 5.1. Introduction
- 5.2. Scope, roles and responsibilities of management
- 5.3. What is needed to support effective management



Food for thought

- What springs to mind when you hear the word “management”?
- Who do you consider to be part of the management team in your CSO? Is the Board involved in management? If so, why and how?
- What systems/policies does your CSO have to support effective and efficient management?

5.1. Introduction

5.1.1. What is management in the CSO context?

There is no universally agreed definition of management, but the following quotes encompass key aspects of management that CSOs can usefully reflect on:

- *Management is the art of getting things done through people*⁴.
- *Management is the coordination and administration of tasks to achieve a goal.* INDEED⁵.

The term ‘*management*’ is also used to define the team that functions at the operational level to do the management tasks. In this section, CANARI uses the term ‘*operational management*’ to contrast with what the Board does - see Box 10 for further elaboration what operational management encompasses.

Although CSO operational management differs in some respects from public sector or for-profit management, particularly in relation to financial management systems, it is increasingly recognised that, for optimal efficiency and effectiveness, CSOs need to become more entrepreneurial and ‘business-like’ in their approach. Consequently, many of the management strategies applied in the private sector – and particularly in small- and medium-sized enterprises (SMEs) - are also relevant to CSOs.

5.1.2. Why is CSO management important?

Effective and efficient operational management is critical to enabling CSOs to use resources wisely to fulfil their vision, mission and programme and project objectives. It also contributes significantly to their potential to secure external donor funding. This is particularly important in the current Caribbean funding climate, which CSOs perceive to be increasingly competitive in terms of both delivery of services and access to funding (and particularly the type of unrestricted funding that so often supported administrative management in the past).

⁴ This definition is drawn from a biography of Mary Parker Follett (1868-1933) written by P. Graham, *Mary Parker Follett: Prophet of Management* (Boston: Harvard Business School Press, 1995).

⁵ <https://www.indeed.com/career-advice/career-development/what-is-management>

Box 10: Defining operational management

Operational management focuses on the level of management that is about developing and using systems and structures to guide how things should be done and how resources can be used wisely to achieve the goals of the CSO.

Operational management encompasses the following:

- *Administrative management*: managing the key support functions for day-to-day operations (e.g. managing the office or other facilities, ensuring equipment and supplies are available).
- *Human resource (HR) management*: managing people in the organisation (staff, interns, volunteers) and consultants.
- *Information management*: managing the collection, storage, dissemination, archiving and destruction of documents, images and other sources of information.
- *Knowledge management*: management of the process of creating, sharing and applying the knowledge and information accumulated by the CSO.
- *Financial management*: management of the financial and physical assets of the organisation (e.g. equipment and facilities). Physical assets should be recorded as 'fixed assets' in the accounts. Use of physical assets in a project may be eligible to be considered as an in-kind contribution from the CSO so financial management may also include assigning a monetary value to this usage in grant proposals, etc.

Effective and efficient operational management also contributes to fulfilling the increasingly complex reporting requirements of many donors, as well as the CSO's responsibility to account transparently to its beneficiaries and wider stakeholder base.

5.1.3. What will (and won't) be covered in this section?

The main focus of this section is on providing guidance to CSOs in determining what management systems and structures are most appropriate for the organisation at its current stage of development and to provide insights into what may be needed in future.

It is beyond the scope of this section (and the toolkit as a whole) to go into depth on what is involved in all elements of operational management, although some are addressed in other sections in this toolkit (see 6.1.4 below).

5.2. Scope, roles and responsibilities of management

It is important that CSOs are clear from the outset on the distinction between the Board's roles and responsibilities and those that fall under operational management even if, in their very early stages of development, they are unable to fully achieve the desired separation of duties due to the limited number of people involved in the organisation. In summary, the major distinction is that the Board is responsible for setting the strategic direction of the CSO whereas operational management focuses on effectively and efficiently implementing that strategic direction, including planning, organising, staffing, leading and controlling (encompassing monitoring and evaluation). See Table 7 for a more detailed breakdown

and comparison of the respective responsibilities and Box 11 for the conflicts that can arise when these distinctions are not sufficiently understood or practiced.

Table 7: Comparison of the roles of Board and Management		
Area	Board responsibility	Management responsibility
1. Vision, mission and values	Establishing the organisation's vision, mission and values.	Implementing the organisation's vision, mission and values.
2. Organisational policies	Approving organisational policies and, on request from the Executive Director (ED), helping to develop them.	Developing and implementing organisational policies (see Section 5.3.3 below).
3. Selecting and hiring staff	Selecting and contracting the ED.	ED has overall responsibility for selecting and contracting all other staff, though some aspects of this may be delegated to other members of staff (e.g. an HR Manager).
4. Performance management	Managing the performance of the ED. Periodically evaluating its own performance. Acting as the grievance body of last resort.	ED has overall responsibility for managing the performance of all other staff, including continuous enhancement and professionalisation of their competencies, though some aspects of this may be delegated to other members of staff (e.g. an HR Manager or a supervisor).
5. Strategic direction of organisation	Setting the organisation's strategic direction/plans/objectives. NB Good practice is for management and other stakeholders to be invited to participate in this process.	Implementing the agreed strategic direction.
6. Planning, monitoring, evaluation and learning	Overall responsibility for strategic planning, monitoring that the organisation's programmes, projects and services are in line with the organisation's vision, mission and values and strategic objectives, and evaluating results delivered against those set out in the strategic plan.	Implement the strategic plan by developing operational work plans. Monitoring delivery of programmes, projects and services at the operational level and documenting the results being achieved. Regular, systematic evaluation of the efficiency and effectiveness of project and programme implementation and service delivery, with implementation of adaptive measures as needed. Documentation and application of lessons learnt.

Table 7 *(continued)*: **Comparison of the roles of Board and Management**

Area	Board responsibility	Management responsibility
<p>7. Ensuring the organisation has adequate resources</p>	<p>Development of a financial sustainability strategy, including fundraising/fund development strategies and plans.</p> <p>Play an active role in fundraising and fund development.</p> <p>Provide oversight to ensure that the CSO's resources are used effectively and efficiently, including transparent and accountable reporting to funders and other stakeholders.</p>	<p>Assist in development and implementation of the fundraising/fund development strategies, as agreed between the Board and ED.</p> <p>Implement systems and structures to optimise efficient and effective use of the CSO's resources.</p>
<p>8. Legal, fiscal and financial obligations</p>	<p>Provide oversight to ensure compliance with legal, fiscal and financial obligations, in line with the responsibilities of Directors outlined in the relevant law/ regulation/ framework under which the CSO is registered.</p>	<p>Implement systems and structures and provide accurate and timely information to facilitate compliance.</p> <p>By agreement between the Board and ED, file the necessary returns once they have been approved by the Board.</p>
<p>9. Promoting the CSO externally</p>	<p>At the request of the ED, promote the organisation externally.</p>	<p>Develop and implement communication strategies to support knowledge management and awareness-raising in relation to the organisation's:</p> <ul style="list-style-type: none"> • mission, vision and values; • strategic plan/achievement of strategic objectives; • programmes, projects and services; and • advocacy focus. <p>In well-established CSOs, the ED is usually designated as the chief spokesperson and 'face' of the organisation and assigns roles to other staff or Board members as s/he sees fit (though in the early stages of CSO development, the role of primary spokesperson may be assigned to the Chair).</p>

Box 11: Common sources of conflict between Board and management

Failure by the Board or Executive Director (ED) to understand, acknowledge and adhere to the distinctions in their roles and responsibilities is at the root of much internal CSO conflict, particularly in CSOs where the founders are Board members and/or act as the ED, so it is critical to stress that **Board members do not:**

- engage in the day-to-day operations of the organisation once there is an ED or manager or other staff;
- hire staff other than the ED; or
- make detailed project or programme decisions unless requested to do so by the ED/staff.

Similarly, failure (or perceived failure) by the ED/staff to report to the Board in a timely manner, with sufficient clarity and accuracy to enable it to play its role in oversight and setting the strategic direction can also result in internal conflict.

5.3. What is needed to support effective management

5.3.1. Best practice targets

As can be seen from Table 7 above, management's role is wide-ranging and multi-faceted, so requires **effective structures and systems** to pull everything together and deliver on its responsibilities.

The nature of these structures and systems will vary according to the stage of development the CSO has reached but Table 8 below highlights some best practice targets that even start-up CSOs should aspire to achieve over time.

Capacity area	Best practice target
Structure	<ol style="list-style-type: none">1. Organisational structure facilitates effectiveness and efficiency, with particular focus on enabling and enhancing leadership, teamwork and professionalisation of the CSO.2. Organisational chart documents roles and responsibilities, with identification of the formal management roles (e.g. Executive Director, Finance Manager, HR Manager).3. All staff and volunteers recognise that they are part of the management team, even if their title does not include the word 'Manager'.
Systems	<ol style="list-style-type: none">4. Administrative management systems, such as documented policies and procedures, facilitate effectiveness and efficiency.5. Internal communication and coordination of work supports effective and efficient teamwork and overall CSO effectiveness and efficiency.6. Information is effectively managed and disseminated appropriately to support transparency and accountability, e.g. through the CSO's recordkeeping, reporting, monitoring and evaluation, and documentation of lessons learnt.

5.3.2. Key steps in developing structures and systems

As a CSO develops, it needs to reflect on how well its structures and systems are working and where and when they need to be strengthened to support the organisation's growth. This process of evolution requires both a commitment to being a learning organisation and an openness to regularly asking 'How is this working and how can we do better?'. This facilitates continued strengthening of systems and structures in response to emerging needs and opportunities. For example, a CSO only needs to create staff development and performance policies once it is in a position to hire staff. Similarly, its financial management systems will need incremental strengthening as it secures larger amounts of funding.

Sometimes strengthening of systems, structures and partnerships is catalysed by a funder's requirements, e.g. when a contract requires that procurement policies are documented or that the CSO has a written policy to address stakeholder grievances. The CANARI case study of *Consortio Ambiental Dominicano*⁶ provides a good example of how donors positively influenced the creation, structure and functioning of the premier environmental network in the Dominican Republic. Strengthening of systems and structures can also be



Figure 10: The Caribbean Coastal Area Management Foundation (C-CAM), a CSO established in 1997 in Jamaica, works towards promoting sustainable development whilst improving stakeholder livelihoods in the target areas of Portland Bight Protected Area (PBPA) and Pedro, Jamaica. In this photo, C-CAM is supporting coral gardening and restoration as a tool for conservation and education. Photo: C-CAM

⁶ <https://canari.org/publications/consorcio-ambiental-dominicano-cad-a-decade-of-networking-and-developing-strategic-partnerships-to-promote-the-conservation-and-participatory-management-of-natural-resources-in-the-dominican-republi/>

catalysed by other organisational needs, e.g. the hiring of volunteers or interns should stimulate development of policies and procedures to effectively manage these valuable human resources.

Strengthening of the CSO is not always uniform, e.g. the CSO might have very strong financial management policies in place but need to strengthen its systems to develop and strengthen partnerships. However, in general, strengthening in one area will identify gaps in, and stimulate corresponding strengthening of, other areas. For example, a CSO that wants to expand the scope of its fundraising may also need to enhance its visibility and image. In summary, the evolution of a CSO's structures and systems does not usually follow a neat linear path and identifying what is appropriate for a CSO at any given moment must be driven by its unique needs and context.

Using the best practice targets above as a guideline, it is suggested that the organisation take a proactive approach to strengthening its systems and structures using an appreciative inquiry approach (see Figure 11 below) to determining its next steps, reflecting on:

- What are the CSO's current strengths in the area of management systems and structures?
- What are the areas the CSO would like to improve?

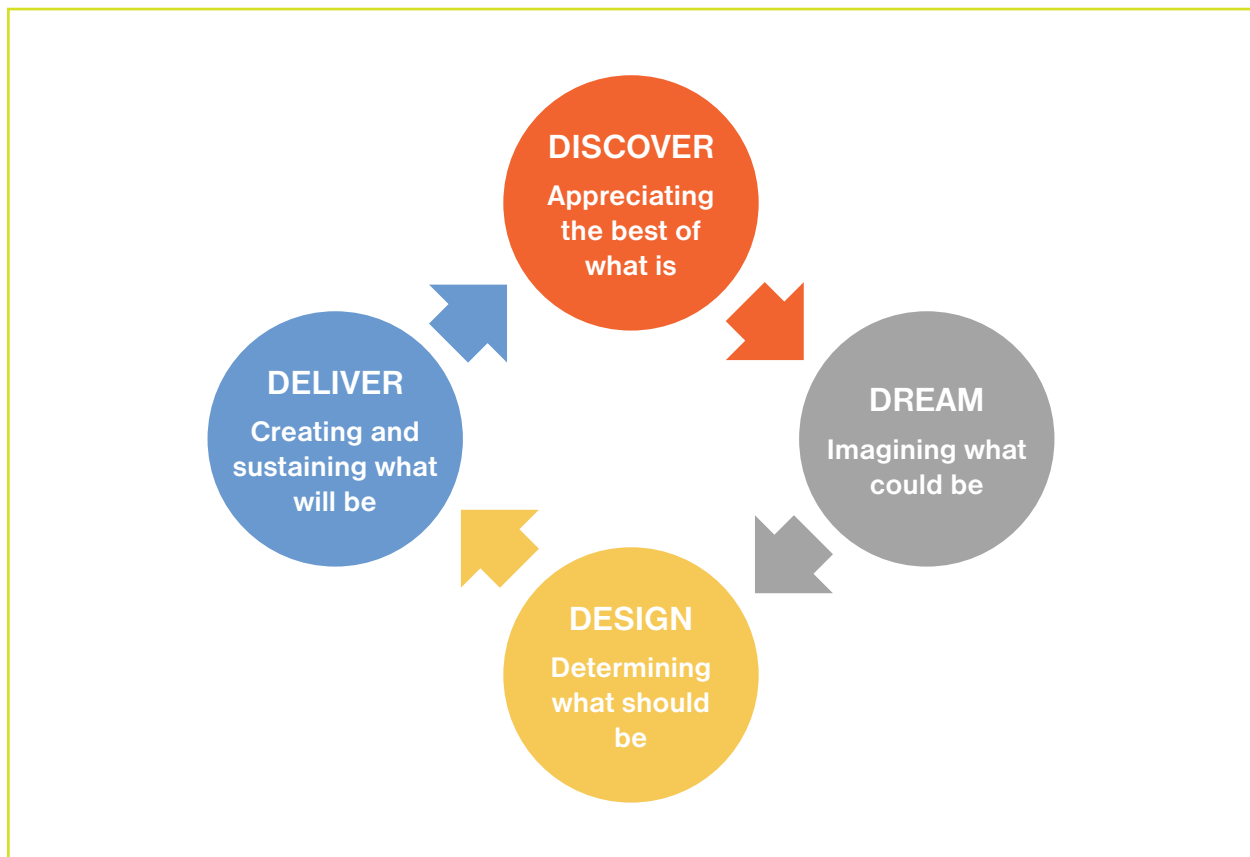


Figure 11: The cycle of appreciative inquiry

- What are the CSO’s options for moving towards the best practice targets?
- Given its current stage of development, what are the CSO’s priorities amongst these options?
- How will the CSO put these options into practice and what are the implications in terms of resources, e.g.:
 - who will be involved in implementation? Is there a need for additional human resources?
 - will the organisation need additional financial or material resources?
- What will be put in place to systematically and regularly review and revise the structures and systems to ensure they remain optimal as the CSO grows and develops?

5.3.3. What types of policy and procedures support effective and efficient management?

As highlighted above, a CSO’s policy and procedural needs, structures, systems and options will vary according to its stage of development. Table 9 below highlights some of the key management areas to consider, with suggestions as to what is essential for all CSOs and what will be desirable as the organisation grows. In all instances, the policies and procedures should be shared with the CSO’s leadership and other staff or stakeholders that will be affected by them.

Table 9: Essential and desirable management policies and procedures		
Management area	Essential policies and procedures for all CSOs	Longer-term targets as CSOs develop
Administrative	<ul style="list-style-type: none"> • Identification of the key current administrative tasks (e.g. opening and circulating mail, reception, answering the phone) and who is responsible for each (e.g. Board Secretary, Administrative Officer, Executive Assistant, Finance Officer) 	<ul style="list-style-type: none"> • Expansion of the policies as needed, e.g. in areas such as: <ul style="list-style-type: none"> ◦ Facility management ◦ Safety and first aid ◦ Event management ◦ Equipment management
Human resources	<ul style="list-style-type: none"> • Signed agreement outlining expectations of staff, interns, and volunteers as well as what they can expect from the CSO • Conflict of interest policy for Board members and staff • Contract templates to hire consultants, if needed 	<ul style="list-style-type: none"> • Detailed terms of reference/job descriptions for all staff and volunteer positions • Policies and procedures for staff performance development and capacity building • Policies and procedures for managing interns and volunteers • Code of conduct • Grievance policy

Table 9 *(continued)*: **Essential and desirable management policies and procedures**

Management area	Essential policies and procedures for all CSOs	Longer-term targets as CSOs develop
		<ul style="list-style-type: none"> • Safeguarding (from sexual or other forms of abuse and discrimination) policy • Procedures for maintenance of a consultant database
Stakeholder engagement and partnerships	<ul style="list-style-type: none"> • Mission or other statement identifying CSO's key beneficiaries and approaches to engaging them. For example, the vision of the Caribbean Network of Fisherfolk Organisations is <i>"Primary, national and regional Fisherfolk organizations with knowledgeable members collaborating to sustain fishing industries that are mainly owned and governed by Fisherfolk who enjoy a good quality of life achieved through the ecosystem based management of fisheries resources"</i>⁷, which clearly identifies that primary, national and regional fisherfolk organisations are key partners and fisherfolk are the direct beneficiaries • Procedures for maintaining contact information for key stakeholders 	<ul style="list-style-type: none"> • Procedures for systematic (and regularly reviewed) identification of the organisation's stakeholders/ key stakeholders • Guidelines for effective stakeholder engagement • Structures and systems to ensure accountability to and feedback from key stakeholders • Partnership policy, including any criteria that would lead to prioritising or excluding organisations as partners • Procedures for maintenance of a database on the CSO's stakeholders
Information management	<ul style="list-style-type: none"> • Coherent and accessible hard copy and electronic filing system • Responsibility for different aspects of information management clearly identified • Clear understanding of relevant national and international laws and guidelines related to the management and sharing of personal data. 	<ul style="list-style-type: none"> • Information and communication technology (ICT) policy • Procedures for the use of electronic databases to manage information

⁷ <https://cnfo.fish/visionandmission/>

Table 9 *(continued)*: **Essential and desirable management policies and procedures**

Management area	Essential policies and procedures for all CSOs	Longer-term targets as CSOs develop
Knowledge management	<ul style="list-style-type: none"> • Systems and procedures established for sharing key results, findings and lessons learned with key stakeholders • Responsibility for different aspects of knowledge management clearly identified 	<ul style="list-style-type: none"> • Communication strategy linked to the strategic plan • Communication plans linked to individual programmes and projects
Financial management	<ul style="list-style-type: none"> • Procedures for financial recordkeeping and reporting clearly defined • Responsibility for different aspects of financial management clearly identified • Procedure established for annual audit (<i>NB not all CSOs are required to conduct independent audits. This depends on the non-profit legislation and legal requirements in the country in which the CSO is legally registered; the size of its annual budget; source of funds and funder requirements, etc. However, a CSO may still choose to have an independent audit done for financial transparency.</i>) 	<ul style="list-style-type: none"> • Financial management (accounting) policies and procedures • Procurement policy • Financial sustainability policy/strategy • Business continuity policy

Useful resources

- Bond. Selection of resources related to NGO management and leadership <https://www.bond.org.uk/resources>
- fundsforngos offers a range of free resources related not only to fundraising but also to aspects of NGO management and leadership <https://freeresources.fundsforngos.org>
- nonprofitready.org offers many free online resources related to different aspects of NGO management <https://www.nonprofitready.org>
- SOAS Centre for Development, Environment and Policy. NGO Management module <https://www.soas.ac.uk/cedep/ipa/file47710.pdf>

Many universities are also now offering short courses or degree programmes in NGO management.





Financial sustainability

- 6.1. Introduction
- 6.2. Challenges faced by CSOs in financial management/
becoming financially sustainable
- 6.3. Planning for financial sustainability
- 6.4. Developing a financial sustainability strategy
- 6.5. Fundraising and fund development strategies
- 6.6. The importance of effective financial management



Food for thought

- What springs to mind when you hear the words “financial sustainability”?
- What would financial sustainability mean for your CSO? Visualise the organisation as financially sustainable and reflect on what this would mean in terms of:
 - what sources of funding the CSO has been able to secure;
 - who has been involved in raising funds;
 - who is responsible for oversight of the organisation’s finances;
 - who is responsible for financial management (e.g. recordkeeping, reporting, getting the accounts audited);
 - the challenges you have had to overcome to reach financial sustainability; and
 - what the organisation could do that it is not doing now

6.1. Introduction

6.1.1. What is financial sustainability and why does it matter?

There is no universally agreed definition of CSO financial sustainability but a simple way to look at it is that “financial sustainability is the organisation’s ongoing ability to secure and manage sufficient resources to carry out its mission and work towards its vision”. This definition has a number of important implications, some of which we will delve into in more depth later in the section. It means that:

- the organisation must have a clearly defined mission and vision;
- a CSO should not chase money or other resources just because they are available, unless the resources can clearly be applied to fulfilling its mission and moving towards achievement of its vision; chasing funding without this clarity has been the downfall of a number of CSOs;
- the focus should be on sourcing a mix of long-term financing for ongoing work and

securing ‘unrestricted’ funding to cover the administrative costs that are essential for a stable and strong organisation.

Humentum/Mango also suggests that “An organisation is financially sustainable if its core work will not collapse, even if external donor funding is withdrawn” but this may

⁸ <https://www.humentum.org/free-resources/guide/financial-sustainability>

be unrealistic for many CSOs in the Caribbean context, especially those in early stages of development. Indeed, it could even be detrimental if it results in the CSO focusing so much of its effort on securing resources based on fundraising events or offering goods and services that it is diverted from its mission and vision. Similarly, over-reliance on volunteerism, rather than paid staff, can be risky unless it brings in the mix of competencies required to deliver the mission and vision, mutual expectations are clearly documented and agreed on, and the management of volunteers is cost effective. In summary, reliance on volunteers may be a necessary tactic in a CSO's early stages of development but is unlikely to prove an effective financial sustainability strategy in the long-term, so greater focus should be placed on securing funding to cover the costs of the staff needed to run the organisation efficiently and effectively.

Box 12: Explanation of key financial sustainability/financial management terminology

Administrative costs: costs related to running the CSO that are not project or programme-specific but are critical to support the work done under projects or programmes. These are also often referred to as 'overhead costs'. The CSO management team has discretion as to how best to use funds secured to cover administrative costs, depending on the CSO's needs and priorities at the time. These costs include covering routine administrative functions (e.g. work planning, staff meetings, accounting, human resource management) as well as strategic functions that are important for development of the organisation (e.g. strategic planning, fundraising/fund development, networking, staff training).

Administrative cost recovery: the percentage of the funds secured to cover administrative costs that is set aside to invest in development and provide a financial cushion.

Funding sources: the sources of the monetary contributions that you receive. This can be further broken down into: the number of sources; the percentage of total income that each source is providing; the mix between short- and long-term income; and the percentage of the total financial contributions that can be used to cover administrative costs.

In-kind contributions: the contribution of non-monetary resources (e.g. donations of goods or volunteer services, use of facilities or equipment) that you do not pay for but that can be attributed a monetary value and recorded accordingly in the CSO's accounts. Some funders will also accept in-kind contributions as part or all of the CSO's contribution to a project or programme where such a contribution is stipulated as a requirement. See Section on Financial Systems and Controls in relation to recordkeeping and valuation of in-kind contributions.

Reserve: Financial reserves are the organisation's savings. They not only help to strengthen the CSO's overall financial sustainability but can also provide a temporary cushion when, for example, funding takes longer than anticipated to reach the organisation.

Restricted funding: Funds that have to be applied to a specific project or programme task. Normally, any changes that are proposed to the budgeted use of restricted funding will require the funder's approval in advance.

Unrestricted funding: Funds available to the organisation that do not have to be applied to a specific project or programme task. Unrestricted funding is typically used to cover administrative costs and to help build an adequate reserve.

6.1.2. What will be covered in this section?

The remainder of this section encompasses:

- analysis of your CSO's current financing mix;
- setting targets for your future financing mix;
- developing strategies to secure funding to cover administrative costs;
- selecting fundraising/fund development strategies appropriate for your CSO; and
- strengthening your CSO's financial planning and management framework, e.g. roles and responsibilities, policies, procedures and systems.

6.2. Challenges faced by CSOs in financial management/becoming financially sustainable

Even well-established CSOs with a strong record of securing diversified funding are confronted by challenges on the path to becoming financially sustainable, transparent and accountable. Non-profit financial management is different from - and more complex than - for-profit frameworks, largely because funders have differing requirements, necessitating tailored recordkeeping and reporting. Also, as noted under the section on Financial Systems and Controls, restricted funding under most grants cannot be considered as income until it is expensed – until that time it remains as a liability to the funder.

In CANARI's experience, the major challenges are:

- a) Budgeting: differing funder requirements necessitate budgets in multiple formats, creating challenges in linking the various budgets together. Developing accurate income and cash projections is also difficult given uncertainties (e.g. when will initial grant funding come through and subsequent tranches be paid) and risks (e.g. COVID-19 or a hurricane in a project country can significantly disrupt/delay project implementation).
- b) Record keeping: allocating and tracking key information under multiple projects.
- c) Reporting: providing reports in multiple formats to ensure accountability at all levels (to the Board, funders and other stakeholders).
- d) Effective cash management: again, the challenge relates primarily to the unpredictability of when funding will be received.
- e) Insufficient CSO capacity, e.g. in accounting and financial literacy for decision-making (including at the Board level) and in developing and implementing different fundraising strategies.
- f) Developing procedures and policies that ensure transparency and accountability yet are appropriate to the level of CSO development.
- g) Meeting all statutory responsibilities to national tax and legal authorities.

The challenges arise in part because the requirements are often inadequately explained at the time of registration and/or are poorly suited to non-profit models. This is compounded by the fact that auditors need specialised non-profit competencies, which many do not possess.

- h) Covering administrative costs and permanent staff, especially as this requires stable funding and that many funders have unrealistic expectations of what is needed and appropriate.

Whilst this section seeks to provide guidance in many of these areas, the challenges are real and should not be under-estimated. Some also present scope for CSO collective advocacy and awareness building, e.g. making the case for:

- Funders to make a bigger contribution to administrative costs, especially towards support for developmental work, such as strategic planning, fundraising/fund development, networking, staff training.
- Tax regimes that encourage individual and corporate giving.
- CSOs needing to make a surplus and have a financial cushion.
- Non-profit staff deserving to be well paid for their competencies and commitments, and to have secure contracts with benefits.
- CSOs needing to have an entrepreneurial mindset, supported by sound financial/business management skills.

6.3. Planning for financial sustainability

As shown in the Figure 12 below, there are five key elements of CSO financial sustainability with strategic and financial planning and good stakeholder relationships and partnerships providing the solid foundation on which the other elements are constructed.

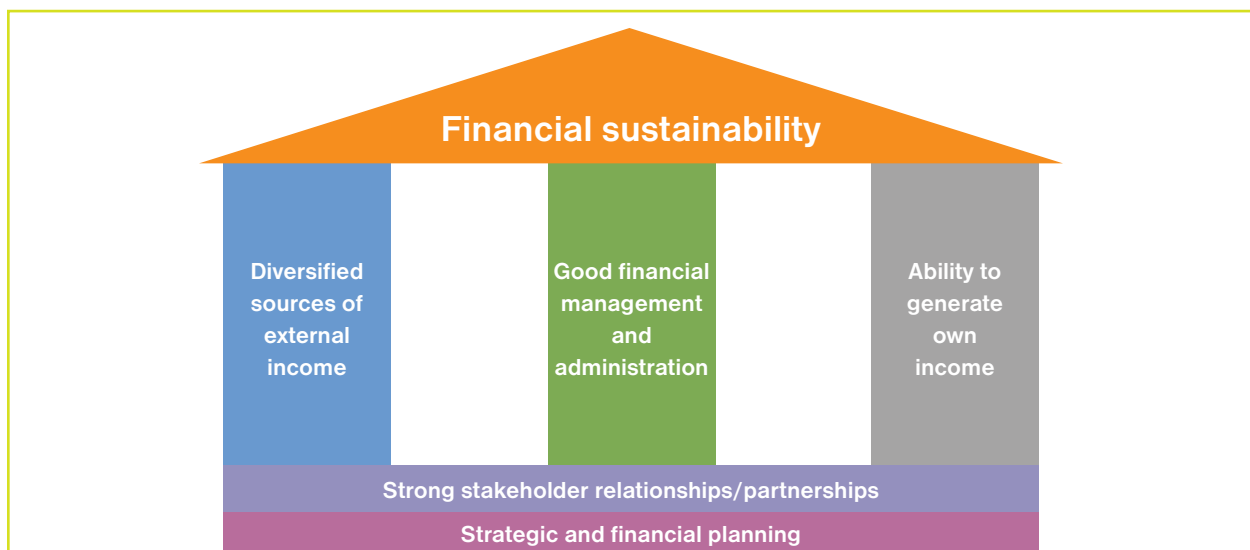


Figure 12: Five key elements of CSO financial sustainability

6.3.1. Where are you now in terms of financial sustainability?

A good starting point in building this foundation is to review where you are now in terms of financial sustainability before determining where you would like to be in future. There are five pre-requisites for financial sustainability that will need to be built, and CSOs should reflect on the following questions to identify where they are and whether there are areas that need to be strengthened to build a foundation for financial sustainability.

1. Does the CSO have a clearly **defined mission, vision and results** it wants to achieve that can be communicated to potential funders?
2. Does the CSO use **budgets** to identify what funding it needs to operate and to deliver its work?
3. Does the CSO have **strong financial systems** with policies, procedures and systems that guide financial management for accountability to funders and stakeholders?
4. Does the CSO have a **positive image, visibility and track record** since a strong reputation for effectiveness, efficiency and achievement of programme and project goals is a significant asset when approaching donors?
5. Does the CSO **have clear** values that will help to direct which funding opportunities and partnerships should be developed and which are not aligned with its values?

It is also important for a CSO to assess its current financial situation and fundraising status. This should include looking at:

- a) What are the CSO's **current sources of funding**? Has the CSO secured medium- and long-term funding? Does the CSO depend on only one or a few sources or does it get its funding from a diversity of sources?
- b) What are the CSO's **core administrative costs** that it needs to cover in order to operate (e.g. rent, utilities, staff salaries)? What funding does the CSO need for its development? How are these costs being covered now? Is there a gap?
- c) How is the CSO doing with its **cash flow**?
- d) Does the CSO have any **reserves**?
- e) What are some **strengths and opportunities** that the CSO has in securing funding for its financial sustainability? What are some of the **risks and barriers**?

Using concrete indicators can help a CSO to assess its financial sustainability and set targets for where it wants to be. CSOs can use Template 7 below to initially assess where they are.

Template 7: Worksheet for assessing current financial sustainability status

Indicators of financial sustainability	Current status
Diversity of funding sources: number	
Diversity of funding sources: percentages	
Financing mix: long term funding	
Financing mix: administrative costs coverage	
Administrative costs: expenditure	
Administrative costs: recovery	
Cash flow: number of weeks/months of cash 'cushion' available	
Reserve: \$	

6.3.2. Where do you want to be in terms of financial sustainability?

The next step is to determine where you would like to be in the future in terms of your CSO's financial sustainability. Firstly, the CSO should set some broad funding objectives, e.g. to:

- make effective use of funds raised;
- diversify its sources of income;
- develop and expand an existing source of income (e.g. the diaspora);
- secure more funding to cover administrative costs;
- secure more long-term funding; and
- secure funding for innovation and learning.

The CSO should identify some specific targets that will help it to assess over time how it is doing in key areas. Use Template 8 below to identify targets that are appropriate for your CSO, noting that you want to be both realistic and ambitious. Targets will vary between different CSOs depending on their unique context and stage of development (see Figure 13 for an example from CANARI).

If a CSO has difficulties in identifying its current status in any area, this could be highlighting gaps in financial management. Both the analysis of the CSO's current status and the setting of targets may be enhanced by working with an experienced external facilitator or mentor since they may identify areas to probe and potential sources of funding that you have not thought about or were not aware of.

Template 8: Worksheet for setting and monitoring targets for financial sustainability

Indicators of financial sustainability	Targets for the next [xx] years	Progress/current status
Diversity of funding sources: number		
Diversity of funding sources: percentages		
Financing mix: long term funding		
Financing mix: administrative costs coverage		
Administrative costs: expenditure		
Administrative costs: recovery		
Cash flow		
Reserve		

Indicators of financial sustainability	Targets
Diversity of funding sources – number	More than 10 funding sources
Diversity of funding sources – percentages	No single funding source is contributing more than 30% of total income.
Financing Mix - long term funding	At least 60% of total income is from long term projects (i.e. more than three years in duration).
Financing Mix - administrative costs coverage	At least 22% of funds secured can be used for administrative costs.
Administrative costs – expenditure	Administrative expenditure is 18-22% of total expenditure.
Administrative costs – recovery	Administrative cost recovery surplus is at least 1% of total income to invest in development and to provide a financial cushion.
Cash flow	Cash cushion of 3 months of the organisation's minimum running costs
Reserve	Target TBD

Figure 13: Example of CANARI's annual targets ⁹

⁹ Most of these targets are derived from those suggested in *Planning for Financial Sustainability* online training by Mango (now Humentum), adapted to suit CANARI's context and regularly reviewed and revised by CANARI's Board as needed.

6.4. Developing a financial sustainability strategy

Once you have established your targets, the next step is to develop a financial sustainability strategy that includes:

- an overview of the CSO's diversification strategy;
- the CSO's prioritised sources of funding and the criteria used in ranking them;
- the types of funding that best enable the CSO to cover administrative costs;
- the strategies the CSO proposes to use to cost-effectively generate its own income; and
- if possible, how the CSO plans to build up an adequate reserve (see Box 13).

Box 13: Can a CSO make a profit?

A common area of confusion in CSOs is whether or not they can legally make a profit. Firstly, in the CSO world, what is called '*profit*' in the for-profit sector is designated as a '*surplus*'. Secondly, whilst for-profit companies can distribute their profits to shareholders as they see fit, a CSO has no shareholders and must retain the surplus within the organisation to support its vision and mission.

So, not only can CSOs legally generate a surplus but they should proactively strive to do so in order to fund areas of activity that are unlikely to be covered by project funding, e.g. staff development, reporting to the Board, strategic planning, fundraising/fund development.

The target level of surplus will vary from CSO to CSO, depending on its current and anticipated future needs plus what it deems feasible under its (actual and potential) sources of funding. Surplus target-setting therefore needs to be linked to the various budgets the CSO produces, further emphasising the importance of developing budgets at multiple levels (strategic, programme, project, annual etc.).

6.4.1. Identifying potential sources of funding to support diversification

The major sources of funding for most Caribbean CSOs are **grant funding** and **earned income** (through the provision of goods and/or services). Other potential sources are **membership fees, individual or corporate donations, fundraising events** and the **interest earned on the CSO's savings**, although in most Caribbean CSOs these contribute significantly less than grants and earned income.

Before you can develop a strategy for securing diversified sources of funding, you need to identify what funding sources are available that could support your mission and vision, and then select and prioritise those in which you will invest the most effort.

The CSO should therefore reflect on whether and ensure that:

- the funding is **appropriate to its mission and vision**;
- the source of the funding is **in line with the CSO's values**. For example, some environmental CSOs have decided not to solicit funding from energy companies

whose activities they deem to be contributing to environmental pollution and climate change. Once this has been assessed, the CSO may wish to convert its decision(s) into a formal ethical fundraising policy;

- the **extent to which the funding can contribute to covering administrative costs** (most grants for projects are very restrictive, but other sources can be used flexibly); and
- the CSO's current capacity makes it **feasible** to access the funding, i.e. the CSO has the skills, knowledge and resources required for the specific type of fundraising.

6.4.2. Diversifying the sources of funding

Grant funding

Approaches to researching potential grant funding include:

- connecting with the CSO's past grant makers that have been satisfied with its work, both to check whether they are still funding the areas you work in, but also to tap into their knowledge of other funders working in similar areas;
- dialogue with your stakeholders about and online analysis of relevant grants currently available in your country/region, for example from:
 - international agencies and foundations;
 - national foundations;
 - national government agencies; and
 - corporate social responsibility (CSR) programmes.

For grant funding, the CSO should particularly reflect on:

- the **extent to which the grant can contribute to covering administrative costs** (most funders set a limit of between 7 and 20% and are very restrictive on what types of costs are allowable);
- the CSO's current capacity makes it **feasible to meet all the grant maker's requirements** in terms of the grant application process, identification of complementary project funding (often a funder requirement); and project implementation, including the required narrative and financial reporting. Some grant makers have much more complex procedures and requirements than others so it makes sense for a CSO in its early stages of development to prioritise the sources where it is confident it can provide what is needed. Some grant makers have a two-stage application process where you initially submit a short project concept note and can then secure funds to develop the full proposal. This can be extremely useful in helping the CSO to clarify feasible, measurable objectives and results and to refine its implementation methodology, especially if the funding source provides useful guidance and coaching during the process.

Generally, CSOs will want to gradually increase the size and complexity of the grants they pursue as they build their capacity and experience in developing proposals and implementing and reporting on grant-funded projects.

There are a number of excellent resources and free training available online to assist CSOs in building or enhancing their capacity for grant proposal writing, some of which are listed in the Resources section below. CSOs may also be able to draw on expertise among their stakeholders and partners.

Earned income

Identifying potential strategies for the organisation to generate its own income is valuable but often overlooked by CSOs, particularly:

- in their early stages of development; and/or
- where the organisational model reflects a volunteer/charity mindset; and/or
- the CSO interprets ‘non-profit’ status to mean it cannot generate its own income and surplus (non-profit terminology for what is called ‘profit’ in the for-profit environment).

Earned income can contribute significantly to covering administrative costs since the income is unrestricted. However, it is important to bear in mind that income generation strategies should always contribute to – not detract from – the organisation’s vision and mission. For example, from 2015-2019 CANARI derived about 14% of its total funding from income earned through providing technical assistance to other organisations in areas where it possesses strong competencies and extensive experience. However, for CANARI, the focus of such assistance is less on income generation and more because it contributes to CANARI’s mission and vision and the Institute’s own learning and development.

CSO earned income most commonly comes from the following sources:

- fees for services such as tour guiding (e.g. the Caribbean Coastal Area Management Foundation offers tours of wetlands in the Portland Bight Protected Area in Jamaica by expert naturalists and community residents with a deep knowledge of the area);
- user fees and/or management fees where a CSO is managing or co-managing a protected area (e.g. the Bahamas National Trust manages protected areas across the Bahamas and operates facilities and programmes for visitors);
- fees for use of facilities where some CSOs may operate a guesthouse, conference/meeting facility, office facility/internet café which raise funds for the organisation (e.g. the Toco Foundation in Trinidad and Tobago runs an income-generating guesthouse and conference centre within its Agro-Tourism Centre; the Saint Lucia National Trust offers wedding services on the Pigeon Island National Landmark which it manages);

- provision of technical services to a government or international agency (e.g. the Environmental Awareness Group in Antigua and Barbuda was contracted by the Government to develop parts of the country's 6th Biodiversity National Report under the Convention on Biological Diversity; The Cropper Foundation prepared the 2004 national State of the Environment Report for the Government of Trinidad and Tobago; and CANARI was contracted by the CARICOM Secretariat to develop the Caribbean Biodiversity Strategy);
- provision of technical or capacity building services directly to other CSOs or individuals (e.g. dive certification and coral reef survey and monitoring training by the Environmental Research Institute Charlotteville in Trinidad and Tobago; strategic planning for Sustainable Grenadines provided by CANARI).
- Sale of goods, such as:
 - T-shirts and other merchandise with the CSO's logo (e.g. T-shirts by Rose Place fisherfolk in St. Vincent and the Grenadines; annual calendars produced by the Field Naturalists Club in Trinidad and Tobago);
 - natural jewellery or crafts (e.g. Turtle Warrior jewellery made from discarded glass by Nature Seekers Inc. in Trinidad and Tobago);
 - produce grown by the CSO (e.g. aquaponics system by Petit Martinique Women in Action in Grenada; greenhouse garden operated by the Centre where Adolescents Learn to Love and Serve in Dominica), seedlings or plants grown in the CSO's nursery (e.g. Fondes Amandes Community Reforestation Project in Trinidad and Tobago);
 - products from community livelihood activities, such as chocolate, honey and seamoss (e.g. seamoss products by Mayreau Explorers Cooperative Society in St. Vincent and the Grenadines).



Figure 14 (left): A member of the Mayreau Explorers Multipurpose Co-operative Society Ltd. inspecting one of the co-op's vertical seamoss plots. Photo: SusGren

Figure 15 (right): A member of the Mayreau Explorers Multipurpose Co-operative Society Ltd. on the island of Mayreau in the Grenadines, displays a bottle of seamoss punch produced by the co-op. Photo: Mayreau Explorers Multipurpose Co-operative Society Ltd.

Other sources

Other common sources of CSO funding are **membership fees** and **fundraising events** (e.g. dinners, sponsored walks, etc.), which again provide unrestricted income/funding to cover administrative costs. However, with a few exceptions, these rarely generate a significant percentage of overall income and many Caribbean CSOs have found that the cost effectiveness of fundraising events is questionable. This may result from overestimating likely income but more often it is analysis of the true cost of the event, once the value/opportunity cost of human resource (HR) time is taken into account, which reveals that costs outweigh the income generated. However, such events may still have wider value if combined with branding the CSO and raising awareness of the key issues the CSO seeks to address. Some CSOs operate premium annual flagship fundraising events that attract large individual and corporate donations and build relationships for other support, for example, the highly successful annual Wine & Art Festival by the Bahamas National Trust.

Worldwide, **donations from individuals** account for a significant proportion of CSO income with the majority being unrestricted funding that can contribute to administrative costs though some individual donors may wish to see their donation applied to a particular project or programme. Figure 16 below is an example extracted from the World Wildlife Fund (WWF) 2019 Annual Report [<https://www.worldwildlife.org/about/financials>], which not only shows the high percentage of total funds that individual donations represent

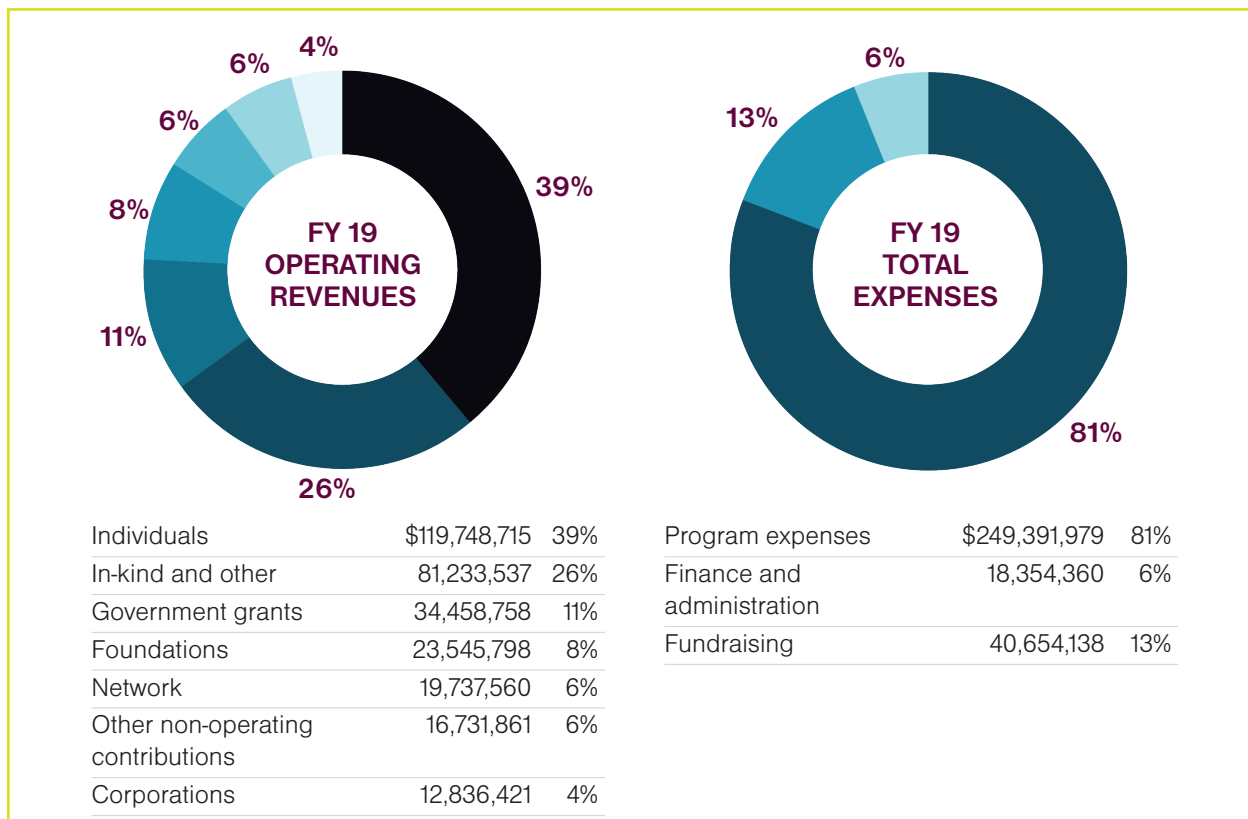


Figure 16: WWF 2019 breakdown of sources of income and expenses

(39% of income in 2019), but also the relatively high investment in fundraising (13% of total annual expenses in 2019). Some CSOs, such as the Fondation pour la Protection de la Biodiversité Marine in Haiti, have a prominent “Donate” button on their homepage inviting donations and are also attracting support via Amazon Smile. Bequests of property or land, for example, are another potential source of funding that Caribbean CSOs such as BirdsCaribbean have taken advantage of.

However, significant individual donations are rarer in the Caribbean, possibly because tax incentives are less attractive and the philanthropic culture has historically been different (i.e. individuals making many small ad hoc donations rather than developing deeper relationships with fewer organisations).

If feasible, the CSO should also include a target for **building a reserve** (savings) since this can both generate unrestricted income in the form of interest and act as a cushion or backstop when funding does not come through as expected and there is a cashflow crunch. A CSO might also use all or some of the funds gained from receipt of awards to build up reserves, as CANARI did when it won the MacArthur Award for Creative and Effective Institutions in 2009.

6.4.3. Determining your optimal mix of funding sources

In establishing a financial sustainability strategy, it is important that CSOs develop criteria and a process to prioritise which types of fundraising strategies are most effective for them based, for example, on their capacity, the type of work they are doing, etc. The CSO should aim to develop an optimal mix of funding to:

- cover core costs for **organisational stability**;
- include both long- and short-term funding for **organisational sustainability**;
and
- have a varied mix of sources for **resilience**.

See Box 14 for an example of key elements of a financial sustainability strategy, drawn from CANARI’s experience.

6.5. Fundraising and fund development strategies

6.5.1. What is a fundraising or fund development strategy (and what is the difference)?

Once you have determined your financial sustainability strategy (i.e. established your funding targets and prioritised the sources of funds you will pursue over the next few years based on need, capacity and alignment of focus), the next step is to develop a fundraising/fund development strategy/plan that outlines **how** you will set about raising the funds, including **who** will take the lead or be involved in the various initiatives.

Box 14: Example of key elements of a financial sustainability strategy

CANARI's draft financial sustainability strategy (2020) identified 18 possible funding streams, then analysed them against three key criteria:

- appropriateness: ability to generate unrestricted income;
- feasibility: based on CANARI's capacity and the cost-benefit value; and
- fit: with CANARI's value and brand.

This resulted in the following seven sources being those most highly ranked:

1. Providing training (and certification)
2. Holding fundraising events
3. Leading tours or learning exchanges
4. Pursuing support from the diaspora
5. Providing technical assistance services
6. Providing intermediary services (for fund management)
7. Hosting paid internships or fellowships

A critical but often overlooked aspect of all fundraising, even in the case of grant funding, is the importance of **developing strong, long-term relationships with funders** (or in the case of earned income, the **potential buyers of your goods and services**). Indeed, this focus on relationships is cited as the rationale behind the introduction of the term 'fund development'. In his paper *Fundraising vs. Development, They're Not the Same Thing*¹⁰, Hank Lewis describes the difference as follows:

“Development” is, by definition, the process of creating and enhancing relationships with (potential) donors to ensure current and future funding; “Fundraising” is only about income generation.

In Trinidad and Tobago, feedback from corporate funders has been that they receive numerous requests from CSOs for small donations of money (e.g. purchase of a few raffle or BBQ tickets) or goods (e.g. chickens for a BBQ) but rarely receive a proper thank you or any follow-up feedback on how the donations were used, so they feel less inclined to donate if asked again subsequently. Yet, in many cases, these companies are willing to become more involved as partners and make much larger donations to CSOs with a clear vision, mission and strategic objectives that are in line with their own values or Corporate Social Responsibility (CSR) programming areas.

It is also important to consider whether a **partnership** with another organisation working towards similar goals (e.g. another CSO, university department, government or inter-governmental agency) could strengthen the programme or project for which you are seeking to raise funds (see also Section 7 **Stakeholder engagement, communication and**

¹⁰ <https://managementhelp.org/blogs/fundraising-for-nonprofits/2016/06/22/fundraising-vs-development-theyre-not-the-same-thing/>

partnerships). Over the years, CANARI has received feedback from several international funders, and particularly international foundations, that Caribbean CSOs seem wary of partnering with one another based on the perception that CSOs working in the same area are ‘competitors’ rather than potential ‘collaborators’, an attitude that sadly often results in both CSOs securing less funding than they would in partnership. CANARI has adopted an explicit strategy of developing consortia of Caribbean CSOs to pursue large grant funding for projects in multiple countries. For example, the PISCES project funded by the European Union (ENV/2016/380-530) is being implemented by CANARI in partnership with the Caribbean Coastal Area Management Foundation, the Caribbean Network of Fisherfolk Organisations, the Environmental Awareness Group (Antigua and Barbuda), the Fondation pour la Protection de la Biodiversité Marine (Haiti), the Saint Lucia National Trust and Sustainable Grenadines Inc. as co-applicants.

The strategy should also consider the extent to which the CSO can **build synergies between the various sources of funding** to optimise a coherent approach to its programming and facilitate delivery of longer-term projects. Sustainable Grenadines Inc., for example, has secured several grant-funded projects that collectively are contributing to a programme of work on biodiversity conservation and sustainable livelihoods, especially for its flagship work in Ashton Lagoon in Union island and across the Grenadines.

6.5.2. Who plays a role in fundraising/fund development?

Worldwide, it is usually **the Board** that takes the lead in fund development. Indeed, identification of potential Board members may be based primarily on the individual’s sphere of influence and therefore ease of access to key potential funders, as well as their willingness and availability to play an active role in fund development, including making donations themselves. Some CSOs have even expanded this to a harsh ‘*Give, get or get out*’ philosophy for their Board members. However, Board (s)election can also relate to members’ competencies in areas like grant proposal development, financial management or project management, particularly for CSOs in the early stages of development that do not yet have staff with this capacity. The trend towards active engagement of Board members in fund development is increasingly being adopted in the Caribbean, but to have substance it is critical that Board members’ Terms of Reference clearly document the expectations of them in this area.

Management also plays a key role in fundraising and fund development, particularly in the areas of partnership development and grant proposal writing.

In membership organisations, the CSO may also seek to involve its **members** in fundraising/fund development activities, encouraging members themselves to assist with fundraising events, to donate as evidence of their commitment to the organisation (even if it is a small sum) and also to approach people within their sphere of influence to donate.

Many people initially feel uncomfortable approaching colleagues or friends to solicit funding, so CSOs should aim to provide training in fund development to everyone who will be involved. Emphasis should be placed on:

- the importance of ensuring that the relationship is on a sound footing before asking for a donation. In a training facilitated by an ex-WWF professional fundraiser, the facilitator noted that she might have as many as seven meetings with a prospective individual donor before asking for a donation;
- securing a commitment to donate over several years rather than a one-off donation; and
- constantly nurturing the relationship by providing updates on how the funds are being used; inviting funders to key events; and never missing an opportunity to say ‘thank you’.

Similarly, there may be a need for management and staff to be trained in effective grant proposal writing, though as noted above there are many excellent online resources in this area.

6.5.3. Strategies for covering administrative costs

As discussed previously, covering the CSO’s core or administrative costs (for routine operational activities as well as strategic development of the organisation) is a particular challenge for the non-profit sector. In selecting fundraising strategies, assessing whether and how they can contribute to covering administrative costs is a critical factor.

A first step is for the CSO to **prepare an accurate budget for core administrative/overhead costs**, both to facilitate review of areas where such costs could be cut and to establish how much it will need to fulfil its financial sustainability strategy.

Some fundraising sources (e.g. membership fees, unrestricted donations) can be used in the way the CSO decides is optimal, so can be allocated to administrative costs as needed. However, for grant funding, funders have very specific restrictions on how much can be used for administrative costs, and very different systems for how this can be done.

Strategies for effectively covering administrative costs under grant-funded projects include:

- **Examining which of these costs could be allocated under the specific project:** e.g. purchase of capital equipment or staff capacity development.
- Assessing whether and to what extent a grant offers scope to **charge a % mark up on staff time**. For example, if a person’s salary translates into a base rate of \$100 a day, they might be charged to a project at a 50% mark up, resulting in income of \$100 per day for specific project activities and \$50 per day of unrestricted funding that can be used to cover administrative costs. In CANARI’s experience, this can be applied in a number of different funder contexts and CSO mark ups can vary enormously from around 20% to as high as 100%.

- **Identifying and claiming the maximum amount the funder explicitly provides for core/overhead costs**, e.g. to cover a proportion of the rent and utilities.

Tight financial monitoring and adaptive management to control administrative costs is essential to ensure that the various funding sources are able to cover the CSO's overall core costs. Unfortunately, in CANARI's experience, many CSOs struggle to secure enough funding to be able to invest in developmental activities (e.g. staff training, strategic planning, networking), which hampers their ability to grow. Emphasis on securing funding for the CSO's development should therefore be a key part of its financial sustainability strategy.

Box 15 below provides an example of the type of consequences that can arise from inadequate monitoring and adapting.

Box 15: Securing high levels of unrestricted funding from a funder is not a panacea and needs to be carefully monitored

“When I first joined my CSO as Executive Director, I was excited to learn that it had secured a five-year grant with a very high allocation of unrestricted funding, based on the funder’s enlightened recognition that much can change over a five-year period, necessitating a high level of adaptive management that cannot be foreseen or planned in advance. However, once in position, I discovered that the CSO was in the final year of project implementation and had used up almost 100% of the unrestricted funding in the first four years of the project, but with many activities and desired results still outstanding. This led to a very stressful period where we sought to complete the project with inadequate funding for the necessary human resources, travel, events etc., necessitating a lot of in-kind contribution of staff time and development of innovative strategies for raising complementary unrestricted funding to cover the core costs of the CSO while executing the project.”

6.6. The importance of effective financial management

Effective financial planning and management is a pre-requisite for financial sustainability.

6.6.1. Roles and responsibilities in financial management

In CANARI's experience, many CSOs have a fairly narrow view of who is responsible for financial management. Typically, in the early stages of CSO development, the responsibility is considered primarily that of the Treasurer, who is therefore expected to perform both a governance and a management role, which runs counter to the concept of separation of duties (see sections on **Governance** and **Management**). A small CSO may also need to get help from an accountant to pull together its monthly and annual reports, either on a volunteer basis or under a paid contract. As the organisation expands and acquires staff, the role of Accountant or Finance Officer is created with many of the Treasurer's previous responsibilities being devolved to him or her.

However, effective financial management is a collective responsibility with all of the following playing key roles:

- The **entire Board** is responsible for financial/fiduciary oversight even if the **Treasurer** takes the lead in some areas (e.g. detailed vetting of financial accounts and reports before they are presented at Board meetings and submission of reports to the tax authorities). This means that all Board members need to have the competency not only to set strategic financial objectives but also to interpret and monitor the financial reports presented to the Board. Building the financial literacy of Directors on the Board is critical so they can understand budget projections and financial reports. CANARI uses tools such as graphs and dashboards to present trends and summaries of key financial indicators that the Board needs to know for decision-making.
- The **Executive Director (or Manager)** takes the lead at the operational level on:
 - ensuring establishment of policies, systems, procedures and controls that support the implementation of the strategic financial objectives;
 - overseeing and coordinating operational planning and decision-making, accounting, monitoring and reporting to ensure that the organisation is operating on a sound financial basis; and
 - reporting to the Board.

This again has implications in terms of the competencies the Executive Director needs to have (or acquire), even if the organisation has a fully qualified Finance Officer.

- **Project managers** (or whoever is allocated the responsibility for managing projects or initiatives of the CSO) are responsible for following the financial policies, procedures and systems put in place to manage the project's funds to ensure that expenditure does not exceed the budget.
- The **Accountant/Finance Officer** takes the lead on ensuring:
 - adherence to established financial policies and use of appropriate and transparent financial systems, procedures and controls;
 - maintenance of accurate financial records;
 - development of budgeting templates and guidelines for their use by relevant staff (e.g. Executive Director/Manager, programme and project managers).
 - generating financial reports that meet the requirements of the target recipient(s), e.g. Board, funders and project managers. Reporting should also include regular analysis of actual expenditures against budget and the amount spent on administrative costs; and
 - that his or her specialist expertise is effectively leveraged towards building the capacity of staff and Board members to make sound financial decisions.

- All CSOs will need to use an independent **auditor** to conduct annual audits as required by law. A CSO needs to get an auditor who understands non-profit accounting or spend time to support the auditor to understand the differences between for-profit and non-profit financial management.

6.6.2. Financial systems and controls

Every CSO should have the following as part of its financial systems and controls:

a) A record-keeping/accounting system appropriate to its needs and stage of development:

A new CSO may start by simply recording income and expenditure in a copy book. But once the CSO starts to work consistently with multiple funders, it will need at a minimum an Excel-type system and preferably dedicated financial management software such as QuickBooks or Peachtree.

CSOs often need to set up accounts that can separately track and report on individual projects funded by different funders who will require the CSO to be accountable for how its funds are used. CSOs must also pay extremely close attention to the requirements in contracts with funders, especially on which types of costs are eligible for support and which are not, procurement rules, and reporting needs (including on documents justifying costs and proving how funds were spent).

The accounting system must also be able to record and report on in-kind contributions, e.g. volunteer time, donated equipment, use of the CSO's facilities or equipment on a project. The CSO will also need to establish a consistent approach to valuation of in-kind contributions so that it can justify the sums if required to. This is usually based on what it would cost the CSO if it had to pay for the services or goods in question. For example, a volunteer's time might be valued either at the level they are paid elsewhere or at the same level as a staff member doing comparable work. If you use your facilities and equipment to host a project event, then the value of that could be all or a percentage of what you would have to pay for hotel conference facilities and use of their projector.

In the absence of a qualified in-house finance officer or accountant, it is desirable for CSOs to have their accounts reviewed periodically by a trained accountant, to avoid subsequent glitches when reporting to funders or getting audited. However, it is important to note that even highly qualified accountants (and auditors) often lack experience in non-profit accounting, which has significant differences from the for-profit context. The most common area of misunderstanding is the treatment in the accounts of grant funding, where unspent balances should be recorded as liabilities rather than income because the funds technically remain the property of the grant maker until expensed.

b) A variety of budgets to support financial planning:

A variety of budgets are critical for financial planning, e.g. annual, programme, and project. In working towards financial sustainability over the longer terms (3-5 years), it will also help CSOs to develop:

- a **survival budget**: the bare minimum needed in order to continue functioning and to justify the existence of the CSO;
- a **guaranteed budget**: the amount of income already guaranteed for the period (e.g. grant funding for a 5-year project);
- a probable or **working budget** reflecting the income that the CSO confidently expects to raise or generate;
- an ideal or **optimal budget** that includes income (and expenditure) for more ambitious programmes and projects that the CSO has identified as desirable contributions to fulfilling its mission and vision.

c) Clarity on the financial reports it is required to provide and their content:

Financial reports required by a CSO may include:

- annual audited reports to the Board and regulatory authorities;
- monthly or quarterly reports to the Board;
- reports to funders at intervals specified in the contract with them; and
- reports to other stakeholders (e.g. via annual reports).

Each funder will have slightly different reporting requirements, so it is critical before embarking on a project to ensure that your record-keeping and reporting systems can respond to their specific needs.

d) Financial management policies and controls:

These are critical to ensure transparency and accountability and avoid conflicts of interest (e.g. a person being sole signatory on a cheque to themselves or a family member). Having clear procurement procedures is particularly important.

As a CSO grows, its systems and structures will need to be reviewed and strengthened to meet the needs of a more complex organisation. The CSO should get help from experts in financial management to help to develop these systems and structures.

In summary, **financial security, sustainability and resilience are all critical contributions to a CSO's growth and ability to effectively deliver its mission**, but they must be linked to other key aspects of developing a strong and effective organisation, such as clarity of mission and vision, establishing strong governance systems for financial oversight, building human resource capacity and developing partnerships.

Useful resources

GrantProposals.com <http://grantproposals.com>: a range of resources related to securing grant funding.

Mango Guide to Financial Sustainability <https://www.humentum.org/free-resources/guide/financial-sustainability>

NonprofitReady free online grant writing training <https://www.nonprofitready.org/grant-writing-classes>

University of Notre Dame Effective Grant Proposal Writing <https://www.notredameonline.com/programs/course/effective-grant-proposal-writing/>

NGO Connect. 2011. NGO Tips: Fostering Effective NGO Governance. <https://www.ngoconnect.net/sites/default/files/resources/NGOTips%20-%20Fostering%20Effective%20NGO%20Governance.pdf>



Stakeholder engagement, communication and partnerships

- 7.1. Introduction
- 7.2. Stakeholder identification and analysis in the context of Caribbean natural resource management and sustainability
- 7.3. Communicating with stakeholders
- 7.4. Stakeholder engagement
- 7.5. Putting it all together: developing stakeholder communication and engagement strategies or plans
- 7.6. Developing a partnership strategy
- 7.7. Implementing, evaluating and learning from stakeholder communication, engagement and partnerships



Food for thought

1. Who do you consider to be your CSO's stakeholders?
 - a. Is this documented anywhere?
 - b. Do you review this periodically to see if there have been changes/need for additions?
 - c. Do you have a database with contact information – and any other relevant data (such as communication preferences) - for your stakeholders?
2. How are you currently mobilising, engaging and communicating with them?
 - a. What is working well?
 - b. What would you like to see improved?
- Have you established partnerships to assist your CSO to implement its vision, mission and strategic objectives?
 - If so, what sector are your partners from (e.g. public sector, private sector, civil society sector, international or regional agencies)?
 - Are there other organisations with which you would like to develop a partnership?

7.1. Introduction

7.1.1. Why are stakeholder engagement, communication and partnerships important?

Effective stakeholder engagement is critical to the achievement of a CSO's mission and vision, whether it relates to engaging them in an event, a specific project or a longer-term strategic relationship.

Yet it is not uncommon for both CSOs and their stakeholders/potential partners in government and the private sector to confuse the term 'stakeholder' with the narrower concept of 'beneficiaries'. This perception can lead to an emphasis on communicating to a stakeholder without making adequate provision for their inputs and feedback or focusing on developing the relationship.

Developing effective partnerships can also be a great help to a CSO in implementing the projects and programmes that it designs to deliver its mission and strategic objectives. This section therefore focuses on practical steps towards effective stakeholder engagement, communication and partnerships as well as providing some suggestions as to how to evaluate the effectiveness of your strategies.

In summary, enhanced effectiveness in the delivery of a CSO's mission and strategic objectives is the major anticipated benefit that the CSO derives from effective stakeholder engagement, communication and partnerships. Subsidiary benefits include:

- built mutual trust between the CSO and its key stakeholders and partners, which not only supports delivery of the CSO's work and fosters open and constructive dialogue if opinions differ or unexpected challenges to the relationship arise;
- provision by key stakeholders and partners of skills, ideas and knowledge, networks, experience and resources that the CSO lacks or needs more of; and
- the potential for increased funding from donors who feel that they are getting more 'bang for their buck' funding projects based on partnerships between CSOs and other organisations working in similar or complementary areas.

7.1.2. What will be covered in this section?

The remainder of this section covers targets and key steps in stakeholder engagement, communication and the development of partnerships; stakeholder identification and analysis in the context of Caribbean natural resource management and sustainability; communicating with stakeholders; stakeholder engagement; developing detailed communication and engagement strategies or plans; developing a partnership strategy; and implementing, evaluating and learning from stakeholder communication, engagement and partnerships strategies. The section also includes templates for practical implementation of the areas covered, as well links to relevant case studies.

7.1.3. Targets and key steps in stakeholder engagement, communication and the development of partnerships

Template 9 provides a template for comparing the current status of your stakeholder engagement, communication and partnerships with key best practice targets.

7.2. Stakeholder identification and analysis in the context of Caribbean natural resource management and sustainability

This section provides a definition of 'stakeholder'; outlines the benefits of conducting a systematic stakeholder identification and analysis exercise; examines who would typically be considered a stakeholder in the context of natural resource management, based on identifying their rights to, responsibilities for, and interests in a resource; and provides guidance as to who are considered the key or priority stakeholders. It draws on and is adapted from a number of other CANARI publications (see Resources section for more details). Even for a single event or small project, a CSO needs to understand which stakeholders/stakeholder groups should be engaged. A CSO needs to do a comprehensive analysis of stakeholders for larger projects, longer-term programmes and delivery of its strategic plan. In all cases, the level of effort put into the stakeholder identification and analysis process described below should be proportional to the level of the activity.

Template 9: Identifying your current status in relation to best practice targets for stakeholder engagement, communication and partnerships

Capacity area	Best practice target	Assessment of current status
Stakeholder engagement and communication	<ul style="list-style-type: none"> ✓ CSO has systematically identified its key stakeholders and analysed their interests, responsibilities, rights, capacity, power relationships, etc. ✓ CSO communicates effectively to its key stakeholders. ✓ CSO communication and engagement strategies encourage and respect stakeholder input/feedback. ✓ CSO engages its key stakeholders in planning, implementing, monitoring and evaluating its work. 	
Partnerships	<ul style="list-style-type: none"> ✓ CSO has identified potential partners to strengthen delivery of its mission, vision and strategic objectives. ✓ CSO has developed strategic partnerships to achieve its mission, vision and strategic objectives. ✓ CSO has formal agreements with its partners. 	
External communications	<ul style="list-style-type: none"> ✓ The CSO and its work are effectively promoted, not only by itself but also by its stakeholders and partners 	

7.2.1. Understanding who is a stakeholder

In the context of natural resource management, stakeholders can be defined as the individuals and organisations that have rights to, responsibilities for, and interests in a resource. Typical organisational stakeholders include government agencies; the private sector, including small and medium enterprises (SMEs); CSOs; resource users/community members who are dependent on a resource for their livelihoods or who would be positively or negatively affected by a change in the management of the resource; academic institutions; the media; intergovernmental bodies; technical assistance agencies; and funders.

Stakeholders can be identified at many different levels:

- local (e.g. communities adjacent to a coastal or marine resource);
- national (e.g. government agencies with responsibility for coastal zone management; private sector companies with conservation-oriented corporate social responsibility [CSR] programmes);
- regional (e.g. regional CSOs, regional intergovernmental bodies, regional funders and technical assistance agencies);

- international (e.g. tourists, the diaspora, foreign-based companies, international CSOs, international funders and technical assistance agencies);
- formally registered CSOs (including associations and networks) as well as informal groups, and non-affiliated individuals;
- both people with legal rights, responsibilities and interests in the resource and those undertaking illegal activities (e.g. illegal hunting, illegal occupation of land); and
- people directly using or managing a resource, as well as those who have an indirect impact on a resource, such as those benefiting from ecological services (e.g. watershed functions) or whose activities have an impact on the ecosystem (e.g. residents in an upper watershed who have an impact on coastal and marine ecosystems downstream).

7.2.2. How can a CSO identify its stakeholders?

Systematic stakeholder identification and analysis provide essential information about:

- the individuals, groups and institutions that will be affected by resource management activities and interventions;
- the capacities that these individuals, groups and institutions possess;
- the people, organisations and institutions that could influence and contribute to planning and management processes;
- the past, current and potential relationships between people and natural resources; and
- current and potential resource use and management conflicts.

The first step is to identify who are the stakeholders in the context of your CSO's work. Table 10 provides guidance on identifying those who have rights, responsibilities and/or interests in a resource. Box 16 provides an example of stakeholders identified as targets to engage in a fictional beach clean-up activity.

7.2.3. Identifying your key stakeholders

Given resource and time constraints it is not always possible for CSOs to fully engage every identified stakeholder in its programmes or projects. It is therefore important to identify the key stakeholders, i.e. those most likely to positively or negatively affect - or be affected by - the outcomes.

In determining who are the key stakeholders, it is useful to ask the following questions about each of the stakeholders identified:

- To what extent are their purpose, interests or mission particularly relevant to the focus of your event, project, programme or resource management initiative?

Table 10: Analysis of the rights, responsibilities and interests of stakeholders in a resource

Stakeholders have <u>rights</u> to a resource if they:	Stakeholders have <u>responsibility</u> for a resource if they:	Stakeholders have <u>interests</u> in a resource if they:
<ul style="list-style-type: none"> • have a traditional link to it (e.g. people who traditionally harvest medicinal plants from the forest) • depend on it for their livelihood (e.g. fisherfolk) • own the land or have been granted access to it (e.g. authorised vendors at a beach) • have been conferred rights via some legal mandate (e.g. departments of marine resources, private landowners, CSO co-managers) 	<ul style="list-style-type: none"> • undertake (positive or negative) actions that change the nature of it (e.g. people helping with beach clean-ups, campers who set fires under trees on the beach) • derive economic benefits or well-being from it (e.g. beach vendors, recreational users of the beaches) • are formally or informally managing it (e.g. Departments of Marine Resources are formal managers but fishers also informally manage their extraction) • have a statutory responsibility (e.g. state land and planning agencies) 	<ul style="list-style-type: none"> • have a cultural attachment to it (e.g. religious groups that use the sea for baptisms) • derive some enjoyment from it (e.g. local visitors and foreign tourists) • are actively involved in its conservation (e.g. CSOs engaged in turtle conservation or reforestation activities) • have an intellectual association with it (e.g. academic researchers)

- Do they have a high level of power, authority and influence?
- Do they have a low level of power, authority and influence, so are at risk of being marginalised?
- Do they have a large interest or stake in the outcomes (e.g. are they the management agency or do their livelihoods depend on the resource)?
- Is the scope of their potential involvement high (i.e. this is or should be a key area of work for them)?
- Do they have the capacity to contribute effectively (e.g. can they participate in meetings with other stakeholders and clearly express their ideas and opinions)? Can they provide special or unique skills or knowledge (e.g. a university may have high technical capacity to contribute to resource management but a resource user, such as a fisher, may possess important traditional knowledge)?
- Do they have the potential to become a longer-term partner?

Rather than referring to ‘key stakeholders’ some people distinguish between ‘primary stakeholders’, who have greater direct interests, rights and responsibilities, and ‘secondary stakeholders’, who are less directly involved but still may need to be communicated with and engaged.

Box 16: Stakeholders identified to be engaged in a fictional beach clean-up activity

Stakeholders who have <u>rights</u> to the resource	Stakeholders who have <u>responsibility</u> for the resource	Stakeholders who have <u>interests</u> in the resource:
<ul style="list-style-type: none"> • Fisherfolk • Sea moss harvesters • Ministry of the Environment, Department of Marine Resources • Ministry of Tourism • Turtle Savers Board, staff and volunteers 	<ul style="list-style-type: none"> • Ministry of the Environment, Department of Marine Resources • Turtle Savers Board, staff and volunteers • Local visitors and international tourists • Community craft enterprises based on use of materials from the beach • Fisherfolk • Wild meat vendors and consumers who continue to hunt turtles 	<ul style="list-style-type: none"> • Members of the Spiritual Baptist and Orisha faiths • Tour operators • CSR programmes with a conservation/environmental focus • Local and international researchers • Local visitors and foreign tourists • Turtle Savers and other CSOs engaged in turtle conservation • International, regional and national technical and donor agencies that have funded/are funding/have the potential to fund Turtle Savers' activities • The national NGO Environmental Network • Local host homes, guesthouses and hotels

7.2.4. Stakeholder analysis for a deeper understanding of your stakeholders

Once a CSO has identified its key stakeholders, the next step is to get a deeper understanding of each of the stakeholders. This will be required when a CSO is developing a strategy to engage stakeholders in a larger project or programme and may not be necessary for a single event or small project. Again, the level of effort put into this should be driven by the need and a stakeholder identification alone is usually sufficient to start initial engagement, which contributes to building understanding about the stakeholders that would be reflected in the analysis. Indeed, it may not be possible to do a full stakeholder analysis if the CSO does not have enough information about the stakeholder, and this can be built over time as the relationship develops.

A full stakeholder analysis exercise can look at a number of factors, depending on what the CSO determines is most useful and needed. Table 11 outlines some of the ways that stakeholders can be analysed, using examples from the fisheries sector.

Table 11: Types of stakeholder analysis that can be conducted

Area of analysis	Probing questions	Examples from the fisheries sector (Note: this is only a sample and not all are listed here)
Interests	<p>Does the stakeholder have a cultural attachment to the resource?</p> <p>Does the stakeholder derive some enjoyment from the resource?</p> <p>Is the stakeholder actively involved in conservation of the resource?</p> <p>Does the stakeholder have an intellectual association with the resource?</p>	<p>Vendors, processors and exporters of fish have a strong interest in protecting and expanding their livelihoods and business opportunities along the fisheries value chain</p> <p>Recreational sportfishing individuals, companies and associations who have an interest in being able to access fish</p> <p>Local and national CSOs working directly with the fisheries sector as part of their interest in biodiversity and environmental conservation, community development, poverty reduction</p> <p>Universities and institutes that are interested in research on fisheries governance and management, marine and coastal ecosystems and related socio-economic issues</p>
Rights	<p>Does the stakeholder have a traditional link to the resource?</p> <p>Does the stakeholder's livelihood depend on use of the resource?</p> <p>Does the stakeholder own the resource/land? Do they own or have been granted the land that provides access to it?</p> <p>Has the stakeholder been conferred rights via some legal mandate?</p>	<p>Local fisherfolk depend on the resource for their livelihood and have traditional rights (and in some cases legally conferred rights) to conduct fishing</p> <p>Local community residents have a right to a healthy environment and access to economic opportunities</p> <p>Consumers have rights to access healthy food</p>
Responsibilities	<p>Does the stakeholder undertake (positive or negative) actions that change the nature of the resource?</p> <p>Does the stakeholder derive economic benefits or well-being from the resource?</p> <p>Is the stakeholder formally or informally managing the resource?</p> <p>Does the stakeholder have a statutory responsibility?</p>	<p>National fisheries agencies that have legal responsibility for management of the fisheries sector (including conducting research, monitoring and enforcement activities) as mandated in relevant policies, laws and regulations</p> <p>Government ministries with legal responsibility for finance and economic development, trade, tourism, infrastructure, rural or community development, poverty reduction</p>

Table 11 *(continued)*: **Types of stakeholder analysis that can be conducted**

Area of analysis	Probing questions	Examples from the fisheries sector (Note: this is only a sample and not all are listed here)
		<p>Regional and international inter-governmental agencies with broader sustainable development mandates</p> <p>CSOs managing protected areas and fisheries resources in these, either informally or through legal agreements with governments</p>
<p>How stakeholders can contribute to or threaten the CSO's mission/ programme/ project objectives</p>	<p>Does the stakeholder have a similar or complementary mission or mandate?</p> <p>Does the stakeholder have resources (human, financial, material) that they can contribute?</p> <p>Is the stakeholder doing work that could be relevant to achieving the CSO's objectives?</p> <p>Does the stakeholder have a purpose or worldview that is in conflict with the objectives?</p> <p>Is the stakeholder doing work that could hinder achievement of the objectives?</p>	<p>Government agencies with responsibility for conservation of coastal ecosystems (mangroves, coral reefs, seagrass beds) can contribute to protecting habitats that are important for healthy fisheries stocks</p> <p>Policymakers can help to ensure that sustainable fisheries are part of national sustainable development initiatives</p> <p>Other CSOs may be executing similar work and can provide information or collaborate</p> <p>Private sector associations can be a channel to engaging individual companies</p>
<p>Capacity</p>	<p>Does the stakeholder have skills, ideas and knowledge, networks, experience and resources that could contribute to achieving the objectives?</p> <p>What are the capacity areas that need strengthening to support the stakeholder to effectively engage with the CSO and participate in processes run by the CSO?</p> <p>Does the stakeholder have the time and resources to engage with the CSO?</p>	<p>Local fisherfolk have important local/ traditional knowledge but may not be confident in engaging in formal multi-stakeholder dialogues</p> <p>Medium and large commercial operators and associations fishing, exporting, or processing fish (including foreign-owned) have important knowledge of the sector and needs and opportunities for economic development</p>

Table 11 *(continued)*: **Types of stakeholder analysis that can be conducted**

Area of analysis	Probing questions	Examples from the fisheries sector (Note: this is only a sample and not all are listed here)
Existing and potential conflicts	<p>Is the stakeholder in conflict with any other stakeholder or the CSO itself?</p> <p>Are there issues of mistrust or lack of respect between this stakeholder and others, including the CSO itself?</p> <p>Is there potential conflict with the stakeholder that could arise because of the focus of the CSO's current or proposed activities?</p>	<p>Government ministries responsible for finance and economic development may see fisheries in conflict with and/or not relevant to other sectors, such as tourism</p> <p>Small-scale fisherfolk as well as medium and large commercial operators and associations fishing, exporting, or processing fish (including foreign-owned) may mistrust government and fear regulation impacts on their livelihoods/businesses</p> <p>There may be mutual mistrust between CSOs and others interested in biodiversity/ ecosystem conservation and fisherfolk interested in extraction</p>
Constraints and challenges with engagement	<p>Does the stakeholder perceive the importance of the resource and their role in managing/conserving it?</p> <p>Is the stakeholder interested in engaging with the CSO?</p> <p>Has the stakeholder had previous negative experiences with stakeholder engagement processes that have reduced their willingness to engage?</p> <p>If stakeholder capacity is low, is there a body that can effectively represent their interests in stakeholder engagement processes initiated by the CSO?</p> <p>Do existing policies and mechanisms support or constrain engagement of the stakeholder?</p>	<p>Commercial fishing is still seen as an industry for those who cannot find employment and the potential of fishing as a livelihood is not always communicated in a positive manner and is not always given prominence in national or regional socio-economic policies.</p> <p>Some fisherfolk are not organised so may be difficult to engage and don't have a collective voice</p> <p>Governmental and inter-governmental bodies and agencies have missions which often directly promote participatory governance approaches, but experience in doing this may be mixed, especially with stakeholders from the private sector</p> <p>Mistrust of civil society, resource users and private sector may exist in some governmental stakeholders</p> <p>Members of national coordinating bodies/ committees may see fisheries in conflict with and/or not relevant to their sector and broader socio-economic development</p>

Table 11 *(continued)*: **Types of stakeholder analysis that can be conducted**

Area of analysis	Probing questions	Examples from the fisheries sector (Note: this is only a sample and not all are listed here)
Stakeholder preferences for communication and engagement	<p>What types of communication products does the stakeholder prefer (e.g. social media posts, short written products, videos, technical reports, etc.)?</p> <p>What communication channels does the stakeholder prefer to use (e.g. social media, email, radio, television, WhatsApp, etc.)?</p> <p>What engagement methods does the stakeholder prefer (e.g. virtual or face-to-face meetings, one-on-one or focus group sessions, workshops, field activities, written surveys etc.)?</p>	<p>Ministers and Permanent Secretaries need information to be presented in a short, easily digestible form, i.e. in jargon-free language that a non-specialist can understand, with information summarised and clear arguments for a particular course of action presented</p> <p>Fisherfolk and local communities may not have skills and access to ICTs to engage virtually, but appreciate use of SMS, IMS, WhatsApp, etc. for simple messaging</p> <p>Less literate resource users are often afraid of being 'shamed' in meetings so have a strong preference for media that don't require reading</p> <p>More detailed technical reports can be made available to technocrats in government agencies</p> <p>Conferences, journal papers, technical reports and case studies can be used by academia and researchers</p>

Analysis of stakeholders' influence (power) and interests is also a useful contribution towards identifying the most appropriate and effective strategies for engagement and communication and an example for the fisheries sector is in Figure 18. A strong focus needs to be on stakeholders with high influence and high interest (e.g. fisheries departments). Securing the buy-in of stakeholders with high influence (e.g. policy makers, ministries responsible for finance and economic development) is critical, while noting that they may have lower interest than some less influential stakeholders. Special attention therefore needs to be paid to stakeholders with high interest but low influence (e.g. individual fisherfolk), who may need support to be able to engage effectively as well as communication products and pathways that make important information accessible to them.

A CSO that has conducted systematic stakeholder identification and analysis exercises should ensure that it captures the information it has gathered (e.g. in tables, charts or databases) and continues updating these regularly as it learns more about each stakeholder. Stakeholder identification and analysis should be treated as an ongoing, iterative activity since additional stakeholders may emerge as conditions or resource use or interests change. As part of the stakeholder engagement process, getting stakeholders to identify other

relevant stakeholders can be an effective mechanism for progressively adding stakeholders and widening the circle of participation to make it truly inclusive. Consequently, it is useful to continuously ask ‘Who have we overlooked?’ and ‘Who else is there?’ and to find ways to engage and include new stakeholders as resources permit.

7.3. Communicating with stakeholders

Once a CSO has identified and analysed its key stakeholders, it needs to turn its attention to how it can most effectively and efficiently communicate with each stakeholder. This involves development of a communication plan or strategy based on consideration of the questions listed below, which are explored in greater depth later in this section and even more extensively in CANARI 2017, Chapter 2 Communicating effectively about climate change, CANARI 2020a; CANARI 2020b; and Hovland 2005 (see Resources section):

- What is the objective of the communication (e.g. to build stakeholder knowledge and awareness, to stimulate the stakeholder to participate in an event/project or programme, or to initiate the possibility of a partnership)?
- What are the key messages the CSO wants to convey?
- What are the most appropriate tools/products and dissemination channels for each stakeholder, based on the stakeholder communication preferences identified during the stakeholder analysis exercises (see section in Table 11 on Stakeholder preferences for communication and engagement)?
- How will you evaluate the success of your communication plan/strategy?

7.3.1. Objective of the communication and selection of appropriate communication tools, products and dissemination channels

Table 12 provides an illustration of the communication objectives and selection of communication tools and channels that could potentially be used to mobilise different stakeholders to engage in a beach clean-up.

7.3.2. Effective messaging

Alongside determining its communication objectives, tools and channels, the CSO needs to decide what message(s) will be most effective for each stakeholder.

Box 17 is an extract from CANARI’s *Communication Strategy for its Strategic Plan 2011 - 2015* relating to its objectives/desired outcomes for its Forests and Livelihoods Programme. This highlights the key messages identified for each of the primary target audiences (priority stakeholders).

Table 12: Communication objectives, tools, products and dissemination channels for a beach clean-up

Communication objectives	
<p>To maximise stakeholder participation in the beach clean-up</p> <p>To solicit material and/or financial resources to support the clean-up</p> <p>To raise awareness of the rationale for and importance of the CSO's turtle conservation work</p>	
Target Stakeholder	Selection of tools and channels used to mobilise stakeholders before the event
All or most	<ul style="list-style-type: none"> • Media coverage (e.g. advertisements, press releases and articles in newspapers and magazines; radio interviews with and TV appearances by the CSO's staff/volunteers) • Announcements, blogs, slide presentations and short videos on the CSO's website and social media pages (Facebook, Instagram, Twitter, etc.), including information about incentives for event participants, such as competitions, prizes for the organisation/group with the most volunteers • Individualised and media reminders 1-2 days before the event
Fisherfolk	<ul style="list-style-type: none"> • Invitation to a community meeting 2-3 weeks before the clean-up at which they provide their contact details and indicate their preferred communication channel (e.g. phone call, text, WhatsApp message, email) • Posters at the fishing depot, local shops and bars • Announcements in local places of worship
Sea moss harvesters	<ul style="list-style-type: none"> • Invitation to a community meeting 2-3 weeks before the clean-up at which they provide their contact details and indicate their preferred communication channel (e.g. phone call, text, WhatsApp message, email) • Posters in local shops and bars • Announcements in local places of worship
Ministry of the Environment, Department of Marine Resources	<ul style="list-style-type: none"> • Face-to-face meeting in the planning stage • Email follow-up, including links to the CSO's blogs for information and circulation to their wider stakeholder base • Provision of posters for them to put up and circulate
Ministry of Tourism	<ul style="list-style-type: none"> • Face-to-face meeting in the planning stage, highlighting the opportunities the event presents for them to engage with community-based, tourism-oriented SMEs as well as local visitors. • Email follow-up, including links to relevant blogs of the CSO for onward circulation to their stakeholders, including local visitors, international tourists, tour operators, etc. • Provision of posters for them to put up and circulate

Table 12 *(continued)*: **Communication objectives, tools, products and dissemination channels for a beach clean-up**

Target Stakeholder	Selection of tools and channels used to mobilise stakeholders before the event
CSO's Board, staff and volunteers	<ul style="list-style-type: none"> • Posters at the CSO's office and shop
Local visitors and international tourists	<ul style="list-style-type: none"> • Email, phone calls, etc. to previous local visitors whose contact details have been logged, including a request to share the information with like-minded friends and family and in their workplaces • Coverage in international news and opinion media (e.g. airline magazines), and regional and international listservs
Wild meat vendors and consumers who continue to hunt and eat sea turtles	<ul style="list-style-type: none"> • Face-to-face or virtual meetings with the major local and national Hunting Associations and informal groups of local hunters • Posters in local bars and restaurants
Community craft enterprises based on use of materials from the beach	<ul style="list-style-type: none"> • Invitation to a community meeting 2-3 weeks before the clean-up at which they provide their contact details and indicate their preferred communication channels (e.g. phone call, text, WhatsApp message, email); alternatively a separate meeting of relevant community-based SMEs • Posters in local shops and bars • Announcements in local places of worship
The national CSO environmental network	<ul style="list-style-type: none"> • Attendance at network meeting(s) by a representative of the CSO • Email follow up, including links to relevant blogs by the CSO for circulation to their stakeholder base • Provision of posters for them to put up and circulate
Local and international researchers	<ul style="list-style-type: none"> • Email, including links to links to relevant blogs by the CSO and other social media posts for circulation to their stakeholder base
CSR programmes with a conservation/ environmental focus	<ul style="list-style-type: none"> • Face-to-face meetings if feasible; otherwise individualised emails identifying the potential role(s) they can play in terms of participation in the clean-up and/ or provision of material or financial support.
International, regional, and national technical and donor agencies that fund/ support community conservation activities	<ul style="list-style-type: none"> • Individualised emails outlining the importance of the event and the potential role(s) they can play in terms of participation in the clean-up (if based in-country) or provision of material or financial support for the event and the proposed subsequent activities

Table 12 *(continued)*: **Communication objectives, tools, products and dissemination channels for a beach clean-up**

Target Stakeholder	Selection of tools and channels used to mobilise stakeholders before the event
Local host homes, guesthouses and hotels	<ul style="list-style-type: none"> • Invitation to a community meeting 2-3 weeks before the clean-up at which they provide their contact details and indicate their preferred communication channels (e.g. phone call, text, WhatsApp message, email); alternatively, a separate meeting of relevant community-based SMEs • Posters in local shops and bars • Announcements in local places of worship • Posters in local shops and bars
Members of the Spiritual Baptist and Orisha faiths	<ul style="list-style-type: none"> • Email or phone calls if contact details already available • Asking local representatives of these faiths to act as intermediaries to the wider faith community • Provision of posters
Tour operators	<ul style="list-style-type: none"> • Emails highlighting the purpose of the event and the opportunities it presents for them to engage with community-based, tourism-oriented SMEs and discussion with potential local visitors and any international tourists of the value of taking an organised tour to the turtle nesting sites and other interesting local sites.
Non-affiliated community members/ the wider community	<ul style="list-style-type: none"> • Invitation to a community meeting 2-3 weeks before the clean-up at which they provide their contact details and indicate their preferred communication channels (e.g. via radio and TV promotions, posters in the community, including schools and announcements in local places of worship).

Box 17: Key messages to achieve the desired outcomes for the identified target audiences

Desired outcomes	Primary target audience(s)	Key messages
<p><u>At purpose/goal level</u></p> <p>Improved livelihoods and reduced levels of poverty through participatory institutions for forest management that facilitate conservation, wise use and the equitable distribution of ecological goods and services that are critical to development.</p>	<ul style="list-style-type: none"> • Permanent Secretaries in the key Ministries (e.g. Environment/ Forestry; Planning; Tourism; Economic Development; Agriculture; Community Development; Social Development). • Senior technocrats in the key Ministries. • Ministers in the key Ministries • Other parliamentarians • Advisers to Ministers and parliamentarians. • Informal forest managers/ forest resource users • Resource user groups/ networks • Forests and Livelihoods Action Learning Group (ALG) members (as champions and intermediaries) 	<ul style="list-style-type: none"> • Forests provide critical ecological goods and services that support populations in Caribbean islands, including building resilience to climate change and other risks. • Many rural communities are highly dependent on forest resources for their livelihoods. • Participatory approaches to governing and managing forest ecosystems can help to optimise contribution to livelihoods and quality of life while ensuring continued delivery of goods and services and conservation of biodiversity.
<p><u>At objective level</u></p> <p>1 Research has been and is being conducted that contributes to building effective, collaborative forest governance institutions, through a better understanding of:</p> <p>a. approaches to participatory forest governance that work well in Caribbean islands;</p>	<ul style="list-style-type: none"> • Researchers in fields such as conservation, small business, rural development • Minister with responsibility for Forestry • Permanent Secretary and technocrats in the Ministry and Departments responsible for Forestry • Informal forest managers/ forest resource users 	<p><u>Initial messages</u></p> <ul style="list-style-type: none"> • Research can contribute to more effective, collaborative forest governance institutions. • Research is needed to test and document the approaches to forest governance that work best in the Caribbean island context. • Research is needed to test and document how to effectively build and maintain forest management institutions and collaboration between key stakeholders. • Research is needed to test and document how participatory

Box 17 *(continued)*: Key messages to achieve the desired outcomes for the identified target audiences

Desired outcomes	Primary target audience(s)	Key messages
<p>b. how to effectively build and maintain institutions and collaboration between key stakeholders;</p> <p>c. how participatory approaches to forest governance can contribute to equity, livelihoods and conservation of forest resources and under what circumstances;</p> <p>d. how participatory processes can equitably address the sometimes competing demands of conservation and livelihoods, particularly those of the most disadvantaged.</p>	<ul style="list-style-type: none"> • Resource user groups/ networks • Ministers, in Ministries and agencies with responsibilities for Community Development, Rural Development, Planning; Small Business Development, Tourism • Permanent Secretaries in the above Ministries • Technocrats in the above Ministries • Forests and Livelihoods ALG members (as champions and intermediaries) 	<p>approaches to forest governance can most effectively contribute to equity, livelihoods and conservation of forest resources and under what circumstances.</p> <ul style="list-style-type: none"> • Research is needed to test and document how participatory processes can equitably address the sometimes competing demands of conservation and livelihoods, particularly those of the most disadvantaged. <p><u>Messages emerging from the research</u></p> <ul style="list-style-type: none"> • Collaborative formulation of a community-based site plan for sustainable use of forest resources is an effective tool for building collaboration between key stakeholders and equitably addressing the potentially competing demands of conservation and livelihoods
<p>2. To enhance capacity for effective, collaborative participatory forest management in the Caribbean, at regional, national and local levels through:</p> <p>a. workshops, engaging stakeholders in action research and learning, small grants, technical assistance and facilitation of organisational and institutional</p>	<ul style="list-style-type: none"> • Senior technocrats and/ or potential change agents/champions in departments or agencies with responsibilities for Forestry, Community Development, Rural Development, Small Business Development, Tourism. • Resource users • Resource user groups/ networks • Forests and Livelihoods ALG members (as champions and intermediaries) 	<p><u>Initial messages</u></p> <ul style="list-style-type: none"> • The capacity of key stakeholders needs to be built in order to realise the goal of effective, collaborative, participatory forest management in the Caribbean. • CANARI's approach to building the capacity of key stakeholders encompasses training workshops, action research and learning, provision of small grants, mentoring and peer support, access to research findings and its Information Centre. <p><u>Emerging from Programme activities</u></p> <ul style="list-style-type: none"> • Community forestry promotes awareness of forest management issues, identifies opportunities to enhance livelihoods, builds the capacity of civil society

Box 17 *(continued)*: Key messages to achieve the desired outcomes for the identified target audiences

Desired outcomes	Primary target audience(s)	Key messages
<p>development processes (including mentoring and peer support), and exchange visits;</p> <p>b. demonstration and application of research lessons at local, national and regional levels;</p> <p>c. wide dissemination of research findings in formats that are relevant and accessible to all key stakeholders and provide tangible guidance for policy and action;</p> <p>d. management and expansion of CANARI's Information Centre in the area of Forests and Livelihoods and promotion of its use.</p>		<p>organisations, contributes to building consensus on controversial issues and gives voice to civil society organisations.</p> <ul style="list-style-type: none"> • Effective community forestry requires: <ul style="list-style-type: none"> ◦ enabling policies, laws, structures, and processes; ◦ sustained and long-term support and capacity building of the community and local organisations; ◦ enhanced capacity of government agencies to facilitate participatory processes • Community forestry is a key strategy to provide for sustainable livelihoods and economic development as well as enhancing efforts to conserve forest ecosystems. • Participatory forest management increases and sustains benefits to stakeholders. • Forest managers in the Caribbean need to have the capacity to facilitate participatory processes for effective management of forest goods and services to ensure that the resources are conserved and people benefit and CANARI can help to build these skills. • Rural people are playing an important role in managing forests in the Caribbean. • How well the forest resource is managed impacts on how well the forest resource-based business achieves the desired quality of life for its owner. • CANARI has tried and tested tools for facilitating participatory natural resource management that it uses as resources in its training of facilitators of participatory natural resource management and as a resource in the design and implementation of the participatory processes it facilitates.

7.4. Stakeholder engagement

The optimal approach to stakeholder engagement will vary according to the specific activity, project or programme, but the key steps are to:

- a) **Identify the target stakeholders and group them according to how they will be engaged:** The level to which stakeholders are engaged in an event, project or programme will be largely determined based on the level of their interests, rights and responsibilities as identified by the CSO during the stakeholder analysis. For example, partners will need to be engaged very deeply, which might include serving as co-hosts and co-facilitators of an event, or as co-implementers or representatives on advisory committees of a project or programme and involved in shared decision-making. Other primary stakeholders will need to be targeted in facilitated activities where they can have an effective voice and benefit directly from the process. Secondary stakeholders may need to be kept informed but not necessarily engaged in all activities.
- b) **Identify the different ways you want to engage stakeholders:** The CSO will need to develop a variety of stakeholder engagement strategies to ensure that no stakeholders are marginalised or excluded. Stakeholders' preferences for the ways in which they are engaged will ideally have been assessed as part of an earlier comprehensive stakeholder analysis but could otherwise be done at this stage. For example, while most private sector and government stakeholders prefer meetings during the working week, the selection of the date and time of any community activity should be done in consultation with community members to ensure that key stakeholders can attend. Some stakeholders will need to be engaged one-on-one (e.g. Ministers) or in small groups (e.g. fisherfolk at a landing site). Particular attention should be paid to what suits the most marginalised (as a result of gender, age, poverty, etc.) and to religious commitments. This can make it difficult to find a time that suits everyone and may mean doing an activity on weekends or evenings. It is also important to assess the various stakeholders' capacity to engage and what capacity building would be needed for effective participation. This often means that it is necessary to have a combination of different engagement strategies to reach different stakeholders.
- c) **Mobilising stakeholders for engagement:** Historically, very different strategies were needed for mobilising different stakeholder groups (e.g. letters or email for government and private sector; fliers, announcements on local radio or places of worship, and individual phone calls for community groups/members). However, the prevalence of mobile phones, very often with associated internet access, has resulted in increasing use of information and communication technology (ICT) for all stakeholders e.g. WhatsApp messages or texts. Nevertheless, each situation should be individually analysed to ensure that nobody is marginalised by your chosen engagement strategy. And even if a stakeholder has accepted

your invitation, turnout is likely to be highest if you send reminders (via a personal call, text or email) one or two days before the activity. For community events, having a car with a loudspeaker go through the area on the day of the event can also be an effective way to remind people.

For longer-term, broader engagement of stakeholders beyond just a single event, mechanisms need to be used to communicate with and receive feedback and input from stakeholders, e.g. via regular meetings (virtual or face-to-face), advisory committees, WhatsApp groups, periodic individual or group emails, tagging on social media, etc. In all cases, the type of communication used should be appropriate to the stakeholder(s) being targeted and a combination of approaches may need to be used. In terms of mobilisation, you will need to think about whether to provide a stipend or other incentive to encourage stakeholder participation. A CSO needs to be cautious about entering into what Bass et al 1995 (cited in CANARI 2011) call '*Participation for material incentives*' where people participate in return for food, cash or other material incentives but do not engage in the process of learning and have no stake when the incentives end. But in many cases some sort of incentive should be considered as explored in Box 18.

Box 18: Determining whether a stipend or other incentive for participation is appropriate

Most people involved in community groups, and in many other CSOs, are volunteers. SME staff and resource users are also unlikely to be paid to engage in activities beyond their direct livelihood focus. This means that if they give up a day of their time to participate in your CSO's activity, they are probably also giving up a day's income or livelihood benefit. CSOs need to be sensitive to this, decide whether to provide a stipend and at the very least ensure that nobody is out of pocket for transport costs, food etc. Providing refreshments contributes to maintaining active effective stakeholder participation, even if you are only planning a short meeting; it also creates an opportunity for stakeholders to interact informally and exchange views and experiences. Using a local caterer contributes to community livelihoods and gives you an additional, informal channel for disseminating information about the activity. While all stakeholders appreciate the incentive of a pleasant meal, those who are participating as part of their job (such as government employees) will not need a stipend. For engagement in a project or longer-term process, it may be useful to consider giving CSOs honoraria to cover the cost of their time to participate throughout the process. Indeed, some CSOs have been calling for honoraria to cover their cost of participating in protected area advisory committees in Trinidad and Tobago, arguing that salaried public servants on the committees are receiving compensation for their contribution. Respecting stakeholders' time, and fairness in how their time is valued, are important considerations here.

7.4.1. Facilitating stakeholder engagement:

In the past, stakeholders were mainly engaged via meetings, interviews, focus group sessions, workshops, practical exercises in the field and conferences. Today, engagement can be face-to-face or virtual, drawing on innovative ICTs (see Box 19 for examples). Good facilitation techniques are essential for effective engagement of diverse stakeholders that promotes open dialogue and encourages stakeholder inputs and feedback. These are not discussed in detail in this section but are explored in more depth in CANARI (2011) *Concept Sheet 1: What is facilitation?* and *Activity Sheet 6: Effective facilitation*.

Box 19: Innovative and creative approaches to stakeholder engagement

CANARI has applied a number of innovative strategies that it has found to be effective in engaging stakeholders, particularly those who may not be comfortable participating in formal or community meetings or whose literacy levels are low. These include use of:

- creative approaches, such as use of performance or creative art, games and competitions
- appreciative inquiry processes, including participatory visioning
- participatory photo journaling
- participatory video
- participatory mapping
- participatory three-dimensional modelling (P3DM)
- participatory Vulnerability and Capacity Assessments (VCAs)
- participatory livelihood vulnerability and value chain analysis

Case studies of the use of some of these approaches can be found in:

- Section 4 of CANARI 2011. *Facilitating participatory natural resource management: A toolkit for Caribbean managers* <https://canari.org/publications/facilitating-participatory-natural-resource-management-a-toolkit-for-caribbean-managers/>
- Case studies in CANARI. 2017. *Implementing climate change action: A toolkit for Caribbean civil society organisations*. Laventille: CANARI <http://www.canari.org/climateactt>
- Overview of CANARI's role in building capacity for conducting VCAs and development of a communication strategy under the *Climate Change Adaptation in the Fisheries Sector of the Eastern Caribbean (CC4FISH)* project <https://www.canari.org/vca-for-cc4fish>.
- Case studies of the application of the Local Green-Blue Enterprise Radar tool in Section 4.9 of CANARI. 2020. *The Local Green-Blue Enterprise Radar: A tool to support community enterprises* <https://canari.org/wp-content/uploads/2020/06/CANARI-LGE-Radar-Toolkit.pdf>

7.5 Putting it all together: developing stakeholder communication and engagement strategies or plans

As a CSO develops and its programmes and projects become more complex, it needs to progress beyond event- or single activity-based stakeholder engagement and communication and transition to more comprehensive and strategic communication and participation planning, monitoring, evaluating and learning.

At this level, a critical step is for the CSO to pull everything together in the form of a stakeholder communication and engagement strategy or plan for its proposed activity or process whilst also start to reflect on how it will continue to communicate effectively with its stakeholders over the longer term (e.g. the duration of a project or programme). Communication with, and engagement of, stakeholders can be considered as intertwined activities necessitating a common, coherent strategy or plan. Effective communication of information is a prerequisite for effective stakeholder engagement and should also contribute to changing or enhancing stakeholders' knowledge, attitudes and practices.

Communication and participation strategies or plans can exist at several different levels, e.g. strategic, programme, project, project activity. Whatever the level, a stakeholder communication and engagement strategy or plan should include consideration of:

- a) The **overall objective(s)** of the project or longer-term programme.
- b) The **participation objective(s)** identifying how stakeholders are expected to contribute to and/or gain from the process/project.
- c) The **communication objective(s)** in terms of the change(s) in stakeholders' knowledge, attitudes and practices (KAP) that it hopes to achieve.
- d) The **target stakeholders/audiences** based on the systematic and continuous process of stakeholder identification and analysis.
- e) The key communication **messages** and most appropriate and effective communication **products and platforms** that will be used to reach these target stakeholders/audiences.
- f) The most appropriate and effective **engagement methods** that will facilitate participation of these target stakeholders/audiences.
- g) The monitoring and evaluation (M&E) approach, with inclusion in the plan/strategy of **appropriate indicators and means of verification** for communication, engagement and participation.

For an activity or short-term project, best practice would be a detailed plan, including identification of specific tasks, timelines and responsibilities as well as a workplan and budget. For a longer-term project, programme or engagement of partners in delivery of the CSO's strategic objectives, it is optimal to develop a broader strategy that then serves as the framework for development of the plans for specific activities. This should be a 'living' document and continuously refined based on new information and deliberate learning from experience in engaging and communicating with stakeholders.

Box 20 provides tips for stakeholder communication and engagement in a specific event. Box 21 outlines the key elements of a stakeholder communication and engagement strategy designed for use in longer-term engagement in a project or programme that involves a series of different events and types of activities. Given that stakeholder engagement will need to take place at various stages of the project or programme in order to achieve the desired results, the strategy can be sequenced with a view to increasing the engagement of key stakeholders over time. It can also combine individualised engagement strategies for different stakeholders (e.g. separate engagement of Ministers and fisherfolk) with multi-stakeholder events such as workshops that facilitate dialogue and exchange of experiences and perspectives.

Whether the strategy/plan relates to an event, a project or a long-term programme, it will almost certainly need to be adapted as the process evolves, based on monitoring of progress and evaluation of the effectiveness of stakeholder communication and engagement. Monitoring and evaluation are therefore essential for learning and continued refinement of the CSO's stakeholder engagement and communication approaches.



Figure 19: Members of WildDominique with students and other members of society during Dominica’s first Climate Strike event, held in September 2019. WildDominique is a civil society organisation in Dominica that works to support and promote sound conservation practices through education, community engagement, research, species preservation and policy.

Photo: WildDominique

Box 20: Tips for communicating with and engaging stakeholders in an event

1. **Choose a venue that all participants feel comfortable with.** For example, a school may have negative associations for people who did not enjoy school or do well academically; a venue that is associated with a particular organisation, especially one with religious or partisan political associations or that is run by elite factions within the community, may deter some people from attending. This means the chosen venue may be less convenient for the facilitator (e.g. no air conditioning; inability to control the amount of light or noise that comes in). Sometimes it may not be impossible to find a single venue that suits everybody so you may have to engage some stakeholders where they normally congregate, e.g. fisherfolk at the fishing depot or young men at the recreation ground.
2. **Develop appropriate communication materials for the event.** It is critical that you provide information that all stakeholders can understand and relate to, so it is clear to them what they are being asked to get involved in and why. All materials need to be tailored to their current level of understanding of the issues as well as literacy levels. This can be quite challenging when complex technical, policy or legislative issues are under consideration but is essential to the legitimacy and transparency of the participatory process. Where resources permit, consider:
 - getting advice from a communication specialist;
 - using an experienced and sensitive facilitator who, for example, is skilled in conveying information

Box 20 *(continued)*: Tips for communicating with and engaging stakeholders in an event

clearly and appropriately, managing conflicts that emerge; ensuring equitable participation/managing over-dominant individuals; and recapping stakeholders' feedback to ensure accuracy;

- making use of media other than print, such as video or performance arts;
 - using popular 'champions' as intermediaries, e.g. the local calypsonian or star cricket player.
3. **Never lose sight of the fact that effective communication is a two-way process.** It is very important that you factor in adequate time and appropriate tools to solicit stakeholder feedback. In this context, some considerations to bear in mind are that:
- Many stakeholders will have had negative experiences of so-called 'consultations' where, for example, the agency representatives sit on a stage at a distance from the audience, dominate the proceedings time-wise, make presentations that indicate that key decisions have already been taken; and leave little or no time for stakeholder inputs or genuine discussion of the points they make.
 - Some stakeholders may feel uncomfortable standing up and making their point in front of a large audience whereas others may seek to dominate the feedback sessions. Having people work in pairs or groups that select their own spokesperson can be an effective way to address this, as can incorporation of practical activities such as participatory mapping or participatory video or encouraging the group to use art, song, spoken word, etc. to provide their inputs (see **Box e Innovative and creative approaches to stakeholder engagement** for examples of other innovative tools and approaches).
 - By the end of the activity, stakeholders should be clear on next steps, with particular focus on how you propose to incorporate their feedback in your planning and when you will report back to them on this.
4. **Assess the effectiveness of your mobilisation and engagement strategies, document lessons learnt and apply them in future activities.** Key steps include:
- Asking those who attended how they heard about the event; what motivated them to attend; whether and why they think other important stakeholders are not there and what would be effective strategies to mobilise them in the future. You could also call one or two of those who did not attend to find out why – often it is just a clash with an important livelihood activity or family matter.
 - Determining whether you had sufficient and sufficiently representative input at the event or whether you need to conduct additional mobilisation efforts or one-on-one engagement with key groups or individuals who were not there.
 - Documenting lessons learnt about how to most effectively mobilise the target audience(s) and sharing these with the full project/programme team to inform future mobilisation and engagement activities.
5. **Ensure that you thank stakeholders for their participation/contributions,** preferably on multiple occasions if you are aiming to cultivate a longer-term, more sustained relationship or partnership. It is not uncommon to hear from stakeholders, and particularly those in the private sector, that CSOs approach them for financial or material contributions but never formally thank them or think to inform them about the results of the activity they supported.

Box 21: Key elements of a stakeholder communication and engagement strategy for a project or programme

1. Background to the project or programme: Describes the initiative and provides the specific goal and/or objectives and a rationale for why stakeholder participation is important
2. Purpose of the strategy: Highlights that the strategy will support effective engagement of and communication with key stakeholders to contribute to achieving the goal and/or objectives of the project or programme
3. Goal of the strategy: To ensure an effective and strategic approach to communications and stakeholder engagement under the project or programme
4. Objectives of the strategy: Includes communication objectives outlining desired changes to knowledge, attitudes and practice (KAP) and engagement objectives related to how deeply stakeholders will be engaged and in what aspects of the project or programme
5. Principles: A list of principles can be included e.g. respect for all, empowerment, enhancing voice, decision-making by consensus, encouraging ownership of the process and results, gender sensitivity, etc.
6. Stakeholder identification: Include description and/or lists of who are the primary and secondary stakeholders for the project or programme
7. Stakeholder analysis: Include table(s) analysing each of the primary and secondary stakeholders in the desired areas, with a separate row for each stakeholder and grouping these into categories (see Table 11).
8. Communication and engagement tactics: Identify the overall communication messages and the mix of communication products and platforms, and engagement methods that will be used to reach all of the key stakeholders. This can be presented in a table if desired (see Table 12), with stakeholders grouped where they have similar communication and engagement preferences. For example, the key government agencies might be one group, but Ministers will be another group as different communication and engagement tactics will need to be used to reach them. Local community resource persons will need to be in a third group.
9. Monitoring, evaluation and adaptation of the strategy: Identify indicators and the process for the assessment and how learning will be used to continually adjust the strategy.

To assist with the development of your stakeholder communication and engagement strategies or plans, you will find two templates below – Template 10 for stakeholder analysis and Template 11 for communication and engagement tactics.

Template 10: Stakeholder analysis						
Type of stakeholder	Interests, rights and responsibilities	How stakeholders can contribute to the project	Capacity, potential conflicts and challenges with engagement	General preferences of the stakeholder for communication and engagement	Influence	Conflict
Government						
A						
B						
C						
Civil society						
D						
E						
Private sector						
F						
Etc.						

Template 11: Communication and engagement tactics				
Type of stakeholder	Communication and engagement objectives	Communication product(s)	Dissemination channel(s) for communication	Engagement mechanism

7.6. Developing a partnership strategy

7.6.1. Why focus on partnerships?

Partnerships can serve as a key strategy to assist the CSO and its partner(s) in achieving their respective visions, missions, and strategic objectives. Partnerships also tend to be viewed favourably by donors as a mechanism for enhancing the effectiveness and efficiency of their funding. Partnerships can range from short-term joint implementation of a specific project component to a broader-based or programmatic arrangement over the medium to long-term. A partnership may be initiated by the CSO or developed as a result of being approached by a potential partner or as a result of donor suggestions/requirements (see, for example in the Resources Section, Buglass 2011).

7.6.2. Developing selection criteria

Before embarking on a partnership strategy, the CSO needs to establish criteria for selecting partners and reflect on how it will manage, monitor and evaluate its partnerships to ensure that it is optimising the benefits it derives from the partnership and providing value to the partner. The first criterion is therefore that the partnership must contribute to achieving the goal or objectives of the CSO's project, programme or strategic plan.

When determining selection criteria, concerns may arise that entering into certain partnerships (e.g. with private sector entities) could compromise the ethics/core values of the CSO, so it is useful to reflect in advance on what is and isn't ethically acceptable to your CSO and to document the selection criteria and any overarching principles for partnerships.

7.6.3. Assessing the partner

Having established what is ethically acceptable and unacceptable, and before committing to a partnership, the CSO should carry out a thorough due diligence/vetting process to assess each potential partner. Existing partners should also be assessed periodically using the same process, which will help to determine whether the partnership has been delivering value, or whether it needs to be strengthened, modified or abandoned because it is not meeting the criteria or delivering the benefits that the CSO wants.

The assessment questions and processes may differ for each partnership but should focus on deepening the CSO's understanding of the prospective or actual partner and identifying potential sources of risk in relation to aspects such as the partner's:

- core values;
- commitment to principles of good governance;
- culture of governance, e.g. whether it is participatory, transparent and accountable

- compliance with relevant legal and fiscal (tax) requirements;
- reputation and history of work at the local, national, regional and/or international level;
- organisational and technical capacity and competencies;
- relationships with the CSO's identified key stakeholders;
- relationships with other partners (and potentially the reputation of such partners); and
- in the case of private sector partners, commitment to and action on corporate social responsibility.

Once the CSO and its prospective partner have reached a point where both entities feel that a reasonable assessment has been conducted and that mutual benefits will result from the partnership, a risk management strategy should be developed to address any identified risks. Risks may include where private companies may be undertaking activities that can have negative social or environmental impacts but want to partner with CSOs. Here there is a danger of 'greenwashing' creating reputational risk for the CSO. If a CSO develops a partnership with a private sector entity, it may wish to specify upfront the specific areas of collaboration and that it retains its independence and right to speak out on issues arising from the actions of the private sector entity. These caveats should be explicitly communicated to the private sector entity so that the CSO is not perceived as a potential target for manipulation or silencing.

7.6.4. Identifying the purpose of and roles in the partnership

The goal, objectives and desired results of the partnership need to be negotiated with a view to maximising the benefits to both the CSO and its partner. The respective roles in the partnership will therefore vary. For example, a partner might:

- provide funding (restricted or unrestricted) to the CSO to implement activities towards a common goal;
- enhance the results of one or more of the CSO's projects or programmes by providing in-kind support, including skills and knowledge;
- add credibility and support to the CSO's work through leveraging its reputation and networks;
- collaborate on project implementation (e.g. joint facilitation of workshops and training; development of policies and plans; or documentation of findings and lessons learned);
- sponsor or co-host events and conferences and stakeholder attendance at such events (e.g. Community Expo, national or regional conferences and capacity building opportunities);
- collaborate on advocacy (e.g. coalitions of CSOs submitting joint policy positions).

7.6.5. Partnership agreements

It is also important to determine whether the partnership will be informal or formal. A CSO may be happy with informal collaboration in cases where there is already a high level of mutual trust and sense of common purpose. However, it is still important to jointly clarify expectations and terms of engagement to avoid subsequent confusion and misunderstandings. More formal partnerships should be solidified through some form of written agreement, though these can range from simple letters of exchange through to a contractual agreement for a specific scope of work or a Memorandum of Understanding (MOU) to guide a longer-term collaboration.

7.7. Implementing, evaluating and learning from stakeholder communication, engagement and partnerships

No matter what level of strategies or plans the CSO has developed, the principles of planning, implementing, monitoring and evaluation need to be applied, including:

- establishment and maintenance of stakeholder and partner databases that include basic contact information but can also be used to track how the CSO works/worked with each stakeholder (while ensuring that such databases and their use meet any data protection legislation);
- development of workplans and budgets to guide work with stakeholders that identify activities, timelines, persons responsible and proposed allocation of funds;
- development of an M&E plan to guide assessment of results and lessons on how processes can be improved;
- design of the optimal process for:
 - documenting key tools, best practices, and effective models and templates;
 - applying lessons learnt to adaptation of the design and implementation of the strategies as needed (such strategies should be regarded as living documents that need systematic and regular review and updating).

Whatever the form, all partnerships should also be regularly reviewed by both parties to assess what benefits each party is gaining and whether any adjustments to the relationship are needed, particularly as each party is likely to develop and change over time and the context in which they are working will also evolve. The CSO should also conduct an overall evaluation of its partnership criteria and strategies to ensure that they are effectively assisting the CSO to deliver its mission and vision, and/or to identify any changes needed to enhance them in the future.

Resources

Buglass. 2011. *Consortio Ambiental Dominicano (CAD): A decade of networking and developing strategic partnerships to promote the conservation and participatory management of natural resources in the Dominican Republic*. CANARI Technical Report No. 396. Laventille, Trinidad <https://canari.org/publications/consorcio-ambiental-dominicano-cad-a-decade-of-networking-and-developing-strategic-partnerships-to-promote-the-conservation-and-participatory-management-of-natural-resources-in-the-dominican-republi/>

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Section 8



Monitoring, evaluation and learning

- 8.1. Introduction
- 8.2. Designing a monitoring and evaluation process
- 8.3. Selecting a monitoring and evaluation approach
- 8.4. Participatory evaluation tool: Outcome Mapping
- 8.5. Participatory evaluation method: Most Significant Change (MSC)

8.1. Introduction

8.1.1. Why this topic is important?

Planning, monitoring, evaluation and learning (PMEL) are critical for effective management and governance of a CSO at multiple levels – organisational or strategic, annual or programme, and project or activity. Without proper planning (see Section 3), the CSO will not have a clear collective idea on where it is going and how it will get there. Members may work in different directions, wasting resources and ultimately not achieving the results the CSO needs.

But planning alone is not enough. CSOs also need to track how they are doing against their plans and also assess if they have achieved – or on target to achieve - the desired results of the plans. This necessitates systematic monitoring and evaluation. There are three fundamental justifications for establishing and using monitoring and evaluation systems in organisations, programmes, projects and processes:

- **Accountability:** The information and ideas generated by monitoring and evaluation allow organisations and individuals to become accountable, both to themselves and to others, and to assess the progress they are making as well as the usefulness of their work.
- **Management and adaptation:** Monitoring and evaluation are also essential to improve the effectiveness of the CSO’s work and inform management decisions. They are a key part of the management process because they allow managers to change course if necessary, to modify their interventions in response to results obtained, and to adjust to new conditions. Consequently, monitoring and evaluation should aim to reveal the unpredictable, i.e. things that could not have been foreseen at the planning stage. It should also provide a mechanism to detect significant changes in the social, political, economic and natural environment in which they operate that could affect the CSO and its processes.
- **Learning:** Beyond the immediate requirements of a specific management intervention, monitoring and evaluation helps to improve the skills and knowledge of those involved in the intervention, and allows them to share that learning with others. Through monitoring and evaluation, the CSO can discover and document “what works” and “what does not work” and use this empirical learning to inform both theory and practice.

PMEL are part of a process integral to the operation of a CSO. This can be displayed as a simple cycle (see Figure 6 in Section 3 Planning) but is really an iterative process where, at any point, learning and re-planning can take place as findings and ideas are generated from monitoring and evaluation.

As noted in Section 3, the overall purpose of planning is to:

- clarify the organisation’s goals/purpose/objectives for the planning time frame;

- maximise the potential for achieving these goals;
- identify the resources needed to achieve these goals; and
- serve as a yardstick when determining priorities and assessing project opportunities.

Monitoring and evaluation is the counterpoint to planning, where the overall purpose is to

- collect, manage and use information to guide decision-making;
- provide for accountability to prove that the CSO's work is contributing to positive change (i.e. how is it making a difference) at three different levels:
 - upward accountability towards the donor and relevant authorities;
 - horizontal accountability towards the various stakeholders involved in implementing the actions; and
 - downward accountability towards the stakeholders being targeted.

Active and systematic learning is also an important as part of the PMEL process to increase knowledge and understanding in order to:

- improve planning and management for enhanced efficiency and effectiveness;
- assess the potential for replication; and
- build organisational capacity.



Figure 20: CSO organisational strengthening mentors from the PISCES project learning about how the AuPicon Charcoal and Agricultural Producers Group (ACAPG) use natural resources from the Mankoté mangroves in a sustainable manner for their livelihoods. The ACAPG is a community-based organisation (CBO) which serves as the sole agent authorised by the Department of Fisheries in Saint Lucia to extract resources from the basin mangrove located in Mankoté.

Participatory approaches to all elements of PMEL are essential for a CSO. Such approaches engage the organisation's stakeholders in collaboratively deciding what should be achieved and how, what is important to measure and how to measure it, how to assess the results and make changes that will improve performance. This shares control with stakeholders and shifts the focus to mutual accountability and mutual learning. This contrasts with conventional monitoring and evaluation which generally involve outside experts measuring performance against pre-set indicators using standardised procedures and tools.

The advantages of participatory PMEL are:

- enhanced capacity of stakeholders including through increased knowledge, management capacity and skills;
- empowerment of stakeholders as they have space to include their perspectives, analyse their views and advocate for action;
- strengthened partnerships through involvement of all stakeholders, increased mutual understanding, collaboration in the process and opportunities to celebrate success;

Box 22: Key definitions and concepts in monitoring, evaluation and learning

Monitoring is a continuous process conducted throughout a project or process. It tracks to what extent the plan is being followed, based on the systematic collection of data on specified indicators (e.g. timeframes specified in a workplan, amounts in a budget, deliverables specified in a logframe). Monitoring provides information on the extent of progress and what changes need to be made in the plan (e.g. revisions to the budget, workplan or logframe) to achieve the desired results.

Evaluation is a systematic and objective assessment of an on-going or completed project, programme or process, its design, implementation and results. Evaluation is a defined process that takes place at discrete points during an intervention (e.g. a mid-term evaluation) or at the end of a process (e.g. a final project evaluation, an annual evaluation, evaluation of implementation of a 5-year strategic plan). An evaluation examines five areas: relevance, efficiency, effectiveness, impact and sustainability (see Table 13). An evaluation should provide information that is useful, enabling an assessment of results achieved and the incorporation of lessons learned into the decision-making process. Information needs to be:

- Accurate
- Relevant
- Available in a timely manner to be able to influence decisions
- Credible / believable
- Significant
- Representative
- Comparable

Learning is the systematic capture of lessons learnt, purposeful and directed communication of these lessons to key stakeholders (e.g. managers of a process, partners, beneficiaries and donors), and incorporation of these lessons into the policies and practices of these stakeholders (including feeding back into the adaptation of ongoing processes as well as informing the design of new processes).

- increased accountability to stakeholders through increased demands for information and transparency.

8.1.2. What will be covered in this section

This section examines monitoring, evaluation and learning and how these relate to each other and to planning and implementation. See Box 22 for key definitions and concepts, Table 13 for the areas covered under evaluation and Table 14 for the differences between monitoring and evaluation, which is a common area of confusion.

Table 13: Areas examined in evaluation		
Criteria	Definition	Key questions
Relevance	The extent to which the activity is suited to the priorities and policies of the target group, recipient and donor.	<ul style="list-style-type: none"> • To what extent are the objectives still valid? • Are the activities and outputs consistent with the overall goal and the attainment of objectives? • Are the activities and outputs consistent with the intended outcomes and impacts?
Efficiency	Efficiency measures the outputs – qualitative and quantitative – in relation to the inputs. This assesses the least costly use of resources possible to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.	<ul style="list-style-type: none"> • Were activities cost-efficient? Were the costs reasonable given the achievements? • Were objectives achieved on time? • Was the intervention implemented in the most efficient way compared to alternatives?
Effectiveness	A measure of the extent to which an intervention attains its objectives.	<ul style="list-style-type: none"> • To what extent were the objectives achieved/ are likely to be achieved? • What were the major factors influencing the achievement or non-achievement of the objectives? • Can the initiative be adapted to improve the result (impact)? Are there better approaches?
Impact	The positive and negative changes produced by an intervention, directly or indirectly, intended or unintended. This examines the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators. The examination should	<ul style="list-style-type: none"> • What has happened because of the intervention? • What real difference has the intervention made to the beneficiaries? • How many people have been affected?

Table 13 *(continued)*: Areas examined in evaluation

Criteria	Definition	Key questions
	be concerned with both intended and unintended results and must also include the positive and negative impact of external factors.	
Sustainability	Sustainability is concerned with measuring whether the benefits (outcomes and impacts) of an activity are likely to continue after donor funding has been withdrawn. Initiatives need to be environmentally, socially and financially sustainable. Any assessment of sustainability should cover the concept of ownership.	<ul style="list-style-type: none"> • To what extent did/will the benefits continue after the intervention ends? • What were the major factors which influenced the achievement or non-achievement of sustainability of the intervention?

Table 14: The differences between monitoring and evaluation

Monitoring	Evaluation
Conducted <u>throughout</u> the activity	Conducted at <u>discrete points</u> or <u>completion</u> of activity
A continuous process	A defined single process
Tracks delivery of outputs	Tracks delivery of outputs and contribution to outcomes and impacts
Gives information on if following the plan, what assumptions change, what steps not achieved, etc.	Gives information on whether the activity was successful, had negative impacts, suggests improvements, identifies gaps and new avenues, etc.
Inputs into constant revision of the plan	Inputs into designing new projects or initiatives
Informs the need to take urgent action	Encourages broader reflection and learning
MONITORING IS ABOUT KEEPING ON TRACK	EVALUATION IS ABOUT BEING STRATEGIC

8.1.3. Defining results

Results contribute to physical, financial, institutional, social, environmental, or other benefits (or changes) to a society, community, or group of people. All results can be either intended or unintended and positive or negative, so it is important that monitoring and evaluation examine all these possibilities. It is essential to understand that many

factors contribute to a result, so results generally cannot be solely attributed to a particular intervention.

Evaluation and monitoring look at results at different levels – output, outcome or impact. Table 15 outlines the differences between these types of result.

Table 15: Definitions of outputs, outcomes and impacts		
Result	Definition	Examples
Outputs	<p>The immediate and short-term results of your organisation's activities – the tangible processes, goods and services that it produces from the activities.</p> <p>Your organisation controls its outputs. For example, outputs include the knowledge, skills or attitudes that have changed when an individual or group of people participate in your workshop because you control the quality of your intervention.</p>	<ul style="list-style-type: none"> • Capacity building interventions or events held (e.g. workshops for fisherfolk) • Documents produced (e.g. training manuals, research reports, management plans) • Skills or knowledge built (e.g. fisherfolk have enhanced knowledge about sustainable fishing methods)
Outcomes	<p>Observable short-term and medium-term behavioural, institutional, societal and environmental changes that have been influenced, directly or indirectly, partially or totally, intentionally or not, by your activities or your outputs.</p> <p>Your organisation only influences outcomes, but other factors outside of your control also affect whether outcomes can be achieved. For example, your organisation cannot control what an individual or group does (or does not do) with new knowledge, skills or attitudes (achieved as an output of an intervention) and what outcomes are ultimately achieved.</p>	<ul style="list-style-type: none"> • Changes in policies (e.g. development of a new fisheries management law or establishment of a management committee) • Changes in the actions of stakeholders (e.g. fisherfolk practice sustainable fishing methods) • Changes in the state of the environment (e.g. coral reef health increased)
Impacts	<p>Long-term, sustainable changes in the conditions of people and the state of the environment that structurally reduce poverty, improve human well-being and protect and conserve natural resources.</p> <p>Your organisation contributes partially and indirectly to these enduring results in society or the environment.</p>	<ul style="list-style-type: none"> • Improved livelihoods of fisherfolk • Reduced poverty in coastal communities • Enhanced marine and coastal biodiversity

8.1.4. Best practice targets for PMEL

Assessing the capacity of a CSO to effectively implement monitoring, evaluation and learning requires an examination of its policies and practices at all levels – from strategic to operational. CANARI's *Civil Society Organisational Capacity Assessment Tool* identifies four three best practice targets for monitoring, evaluation and learning (see Table 16).

Capacity area	Best practice target
Monitoring, evaluation and learning	1. Clear procedures and process used for monitoring and adaptive management to deliver results within budget and time
	2. Clear procedures and process used for evaluation of results and lessons learnt
	3. Clear procedures and process used for integrating lessons learnt into CSO's work

8.2. Designing a monitoring and evaluation process

Typically, the design of a monitoring and evaluation process at the organisational, programme or project will involve the following elements:

1. **Defining what it is that will be monitored and evaluated:** It sounds obvious, but the first step is to clearly define what you want to assess – a specific project, a longer-term programme (which may comprise a series of separate projects), or the strategic plan of the CSO?
2. **Clarifying and negotiating monitoring and evaluation objectives:** This next step is to think about why do we want to monitor and evaluate and what do we expect from the process? It is useful to start by thinking about who the internal and external stakeholders are and what information do they need to get.

Table 17 illustrates that monitoring and evaluation needs to fulfil a specific purpose for different stakeholders based on their areas of interest. Their information needs are therefore different and the spaces and rhythms of when information needs to be fed to them are also different.

Table 17 can be adapted to be a template to guide the development of the analysis of the information needs for your specific stakeholders. Decide which of these are the priority or will be the main focus of the monitoring and evaluation process or whether you want to meet the needs of several stakeholders. Think about how these relate, and to what extent you can design a monitoring and evaluation process to satisfy the interests of different stakeholders.

Table 17: Audiences and information needs for a project or programme

Stakeholders	Purposes based on stakeholder interests	Information needs	Spaces and rhythms
INTERNAL STAKEHOLDERS			
Staff or members directly involved in implementing the project or programme	<p><u>Monitoring:</u></p> <ol style="list-style-type: none"> To track use of resources (money, equipment, materials, personnel) according to plan. 	<ol style="list-style-type: none"> Is the project or programme keeping on track? How do we need to adapt what we are doing if needed? 	Project or programme team meetings, reports and other communications
All staff or members of the organisation	<p><u>Evaluation:</u></p> <ol style="list-style-type: none"> To compare what was achieved with the expected results. To assess effectiveness of methods and strategies. To assess how the internal systems and structures supported or hindered work. 	<ol style="list-style-type: none"> What are the outcomes (intended and unintended) of the project or programme? <ul style="list-style-type: none"> What changed as a result? What other factors were at play? How did people benefit? How do people feel about it? How can the achievement of the desired outcomes be improved? How can negative outcomes be minimised? How can the design and implementation be improved? <ul style="list-style-type: none"> What lessons were learnt from implementation for next steps, related initiatives and new needs and opportunities? What are the lessons to improve organisational practices of the CSO? 	Staff or member meetings, reports and other communications
Staff and Board	<ol style="list-style-type: none"> To assess progress towards the CSO's mission and vision. To assess changing needs, challenges, opportunities, forces or players. To assess the CSO's internal systems and structures. 	<ol style="list-style-type: none"> What are the outcomes (intended and unintended)? How did the project or programme contribute to the CSO's overall mission and vision? What was learnt about needs, challenges, and opportunities? What other forces or stakeholders had an influence and what has been the influence (positive or negative)? What lessons were learnt from implementation about how the CSO functions? 	Board meetings and reports

Table 17 *(continued)*: **Audiences and information needs for a project or programme**

Stakeholders	Purposes based on stakeholder interests	Information needs	Spaces and rhythms
EXTERNAL STAKEHOLDERS			
Stakeholders directly “targeted” by the intervention	<u>Evaluation:</u> <ol style="list-style-type: none"> To know what contributions were made. To get a different perspective on the issue. To build capacity for further stakeholder action. 	<ol style="list-style-type: none"> How did the intervention make a difference? What other factors (forces, other players) influenced the results and how? What are the outstanding needs? 	<p>Consultations held during the intervention</p> <p>The CSO’s communications via its website, social media, etc.</p>
Partners collaborating with the CSO on the project	<ol style="list-style-type: none"> To compare what was achieved with the expected results. To assess effectiveness of methods and strategies. 	<ol style="list-style-type: none"> What are the results (intended and unintended) of the project or programme? Was the approach effective? What lessons were learnt from how the project or programme was implemented? How can the approach be replicated and adapted? 	<p>Project or programme partner communications and meetings</p> <p>Project or programme reports circulated to all partners</p>
Donors	<u>Monitoring:</u> <ol style="list-style-type: none"> To ensure that money is spent as planned. <u>Evaluation:</u> <ol style="list-style-type: none"> To ensure that the outputs, outcomes are achieved. To ensure that a sustainable contribution is made to the donor’s priorities. To identify models, lessons and best practices. 	<ol style="list-style-type: none"> Was money spent according to plan? If there was a variation, why? Were deadlines met? Were the planned outputs and outcomes achieved? If not, why not? What are the unintended outcomes of the project? How did the project or programme contribute to the donor’s priorities? Will the results be sustained? Was the investment in this approach worthwhile? What lessons were learnt from how the project or programme was implemented? Can, and if so how can, the approach be replicated and adapted? 	<p>Donor reports and meetings</p>

8.3. Selecting a monitoring and evaluation approach

There are many analytical frameworks and methods that can be used in monitoring and evaluation, depending on what information you need (to address the needs of your various stakeholders) and what capacities you have, including time and resources to conduct the process. It is important to think about what types of methods and information each stakeholder needs. For example, donors usually operate using logical frameworks as they are highly structured and have objectively verifiable indicators. However, they have certain drawbacks that other methods can address. A mix of methods is sometimes useful, especially mixing methods that will give you different types of information that help you to get a rich understanding. Table 18 provides a comparison of three different approaches.

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
Approach	<p>LFA emphasis logical planning about what the project or programme is trying to achieve (the purpose or goal), what things the project or programme needs to do to bring that about (the outputs) and what needs to be done to produce these outputs (the activities). It provides a framework for planning, monitoring and evaluation.</p>	<p>OM shifts away from a focus on outcome as a change in state to outcome as change in behaviours, relationships, actions or activities of the people, groups and organisations with which a development programme works directly. It is based on the central concept that development is by and for people, and thus seeks to measure change in people. The focus of OM is on people.</p> <p>The originality of the methodology is its shift away from assessing the development impact of a programme (defined as changes in state: for example, policy relevance, poverty alleviation, or reduced conflict) and toward changes in the behaviours, relationships, actions or activities of the people, groups and organisations with which a development programme works directly. Outcome mapping does not belittle the importance of changes in state (such as cleaner water or a stronger economy) but instead argues that for each change in state</p>	<p>MSC is a form of participatory monitoring and evaluation that collects information (as stories) from people on the results of a project or programme. It feeds into monitoring by providing information on what is working and not working in a project to inform management and adaptive management. It can be used in evaluation to provide information on the medium- and long-term results of a project (outcomes and impacts) together with a rich story of the factors contributing to the results.</p> <p>It is a qualitative approach but can have some quantitative aspects:</p> <ul style="list-style-type: none"> • Within stories • During feedback, check if other similar stories experienced by participants • In secondary analysis

Table 18 *(continued)*: **A comparison of three approaches to monitoring and evaluation**

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
Tools used	<p>LFA produces a summary table known as a logframe, which presents information about the key components of a project in a clear, concise, logical and systematic way. This can be used as a guide throughout the project or programme and can and should be adapted as needed.</p> <p>The logframe outlines information on the overall goal (or purpose), the objectives that need to be achieved to contribute to that goal, and the activities that need to be implemented to achieve the objectives. Objectively verifiable indicators and means of verification are included.</p> <p>LFA also explicitly includes information on what are the risks (or assumptions) to successful implementation a project or programme. This is a basis for ongoing reflection and potential adaptation of the approach, documented in the updated logframe.</p>	<p>OM works by identifying boundary partners as the people with whom an organisation, programme or project is working directly. It then describes the desired vision of changed behaviours of these partners as outcome challenges that, if achieved, will result in a positive contribution to the desired development change. For each boundary partner progress markers are then identified as a graduated series of change in behaviours towards this ultimate vision of success.</p> <p>OM also looks at what is going on in the outside world that could also be influencing the results and tracks these using strategy maps. It also looks inwardly at organisational practices (e.g. culture of learning, knowledge management) and how these are affecting the efforts.</p>	<p>MSC involves the collection of significant change stories from people (in the field) and the systematic selection of the most significant of these stories by panels of designated stakeholders or staff. MSC asks stakeholders questions about:</p> <ul style="list-style-type: none"> • What do they think is the most significant or important change? • Why do they think it is important? • What lessons do they identify or what recommendations do they have?
Information provided	<ul style="list-style-type: none"> • What the project is going to achieve? • What activities will be carried out to achieve its outputs and purpose? • What resources (inputs) are required? 	<ul style="list-style-type: none"> • Who are the stakeholders that can deliver positive development outcomes by changing their behaviour and relationships? • What types of changes in behaviour and relationships will contribute to the desired results? 	<ul style="list-style-type: none"> • people's opinions of what results (positive or negative) a project has had and collecting direct experiences to illustrate these; • what people feel is important;

Table 18 *(continued)*: **A comparison of three approaches to monitoring and evaluation**

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
Information provided	<ul style="list-style-type: none"> • What are the potential problems which could affect the success of the project? • How the progress and ultimate success of the project will be measured and verified? 	<ul style="list-style-type: none"> • What progress is being made with changing behaviour and relationships? • What else is contributing (positively or negatively) to change? • How are the organisation's operations affecting the change? 	<ul style="list-style-type: none"> • the complex range of factors influencing change, which may or may not be related to the project – it puts things in context.
Advantages	<ul style="list-style-type: none"> • LFA provides a summary of information in a standard format. • LFA facilitates an invaluable <u>process</u> of logically thinking through what you want to do. The LFA analytical model is based on predictive, logical relationships between activities, outputs, outcomes and impacts. • Results are measured using indicators reflecting observable changes in state. This is considered more objectively verifiable and measurable. • Risks (or assumptions) are explicitly addressed. • LFA is used by most donors. 	<ul style="list-style-type: none"> • OM recognises that development is complex and is accomplished by, and for, people. • OM focuses on contribution not attribution. • OM is participatory in that it involves people in design and is intended to be a consciousness-raising, consensus building and empowering process. • OM purposefully seeks to understand the effects of the outside world and organisational practices. • OM provides a rich picture to help understand development processes. 	<ul style="list-style-type: none"> • MSC is bottom-up participatory monitoring and evaluation, where stakeholders identify what is important and do the analysis themselves. It gives them direct voice in the process. MSC gives greater voice to those at the bottom of an organisational hierarchy than conventional monitoring and evaluation systems. • MSC can be facilitated by and involve people with no special skills or knowledge – it focuses simply on stories (without needing to understand what are indicators or definitions of results). • MSC identifies unexpected changes and looks at positive as well as negative experiences. • MSC builds understanding of what people value and judge as 'success' as they are asked why they feel the stories they tell or choose are important. • MSC puts the focus of all stakeholders (those implementing a project

Table 18 *(continued)*: **A comparison of three approaches to monitoring and evaluation**

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
			<p>as well as those directly or indirectly involved) on identifying what are the results of the project.</p> <ul style="list-style-type: none"> • MSC builds understanding how the results happened through development of a rich picture including all of the factors (including those outside the project) influencing the results. • MSC facilitates participatory identification of lessons or recommendations. • MSC collects a wealth of mini case-study material to support and illustrate arguments from other types of evaluation.
Disadvantages	<ul style="list-style-type: none"> • LFA's promotion of linear cause and effect thinking is a serious problem in the complex world of development. • Although logframes are used as a framework for proposals and reporting to many donors, the narrow focus on specific indicators limits deeper understanding of what results are emerging and why. 	<ul style="list-style-type: none"> • OM challenges traditional development thinking based on logically structured projects and programmes and is not understood or accepted by all (including donors). • Indicators are progress markers of changes in behaviour and relationships of stakeholders, but this is highly variable and difficult to measure and verify. 	<ul style="list-style-type: none"> • MSC does not capture the average experience and has not been used as the sole technique for producing summative judgements of the overall success of an initiative. • MSC favours the inclusion of stakeholders who attend sessions. It does not deliberately attempt to capture the opinions of those who choose not to participate.
Advantages	<ul style="list-style-type: none"> • LFA provides a summary of information in a standard format. • LFA facilitates an invaluable process of logically thinking through what you want to do. The LFA analytical model is based on 	<ul style="list-style-type: none"> • OM recognises that development is complex and is accomplished by, and for, people. • OM focuses on contribution not attribution. • OM is participatory in that it involves people in design and is intended to be a 	<ul style="list-style-type: none"> • MSC is bottom-up participatory monitoring and evaluation, where stakeholders identify what is important and do the analysis themselves. It gives them direct voice in the process. MSC gives greater voice to those at the bottom

Table 18 *(continued)*: **A comparison of three approaches to monitoring and evaluation**

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
	<p>predictive, logical relationships between activities, outputs, outcomes and impacts.</p> <ul style="list-style-type: none"> • Results are measured using indicators reflecting observable changes in state. This is considered more objectively verifiable and measurable. • Risks (or assumptions) are explicitly addressed. • LFA is used by most donors. 	<p>consciousness-raising, consensus building and empowering process.</p> <ul style="list-style-type: none"> • OM purposefully seeks to understand the effects of the outside world and organisational practices. • OM provides a rich picture to help understand development processes. 	<p>of an organisational hierarchy than conventional monitoring and evaluation systems.</p> <ul style="list-style-type: none"> • MSC can be facilitated by and involve people with no special skills or knowledge – it focuses simply on stories (without needing to understand what are indicators or definitions of results). • MSC identifies unexpected changes and looks at positive as well as negative experiences. • MSC builds understanding of what people value and judge as ‘success’ as they are asked why they feel the stories they tell or choose are important. • MSC puts the focus of all stakeholders (those implementing a project as well as those directly or indirectly involved) on identifying what are the results of the project. • MSC builds understanding how the results happened through development of a rich picture including all of the factors (including those outside the project) influencing the results. • MSC facilitates participatory identification of lessons or recommendations. • MSC collects a wealth of mini case-study material to support and illustrate arguments from other types of evaluation.

Table 18 *(continued)*: **A comparison of three approaches to monitoring and evaluation**

	Logical Framework (logframe) Analysis (LFA)	Outcome Mapping (OM)	Most Significant Change (MSC)
Disadvantages	<ul style="list-style-type: none"> LFA's promotion of linear cause and effect thinking is a serious problem in the complex world of development. Although logframes are used as a framework for proposals and reporting to many donors, the narrow focus on specific indicators limits deeper understanding of what results are emerging and why. 	<ul style="list-style-type: none"> OM challenges traditional development thinking based on logically structured projects and programmes and is not understood or accepted by all (including donors). Indicators are progress markers of changes in behaviour and relationships of stakeholders, but this is highly variable and difficult to measure and verify. 	<ul style="list-style-type: none"> MSC does not capture the average experience and has not been used as the sole technique for producing summative judgements of the overall success of an initiative. MSC favours the inclusion of stakeholders who attend sessions. It does not deliberately attempt to capture the opinions of those who choose not to participate.

8.4. Participatory evaluation tool: Outcome Mapping¹¹

1. Deciding whether to use OM: OM requires a change in perspective and approach and willingness to think about development as about changing behaviours and relationships of people and therefore planning, monitoring and evaluation are focused on influencing key stakeholders who can effect change (see Box 23). It is designed to be facilitated as a participatory process to raise consciousness, build consensus among, and empower stakeholders involved. OM therefore required a commitment to participatory and learning-based approaches to monitoring and evaluation as it depends largely on self-assessment data generated systematically by the team and the boundary partners. OM is introduced at the planning stage of a programme or project. It is best used once a programme or project has made a decision about its strategic directions or primary program areas. OM recognises that a programme or project can only contribute to achieving a change, and other factors are important. OM only provides an evaluation of results, not relevance, efficiency or effectiveness of one approach compared with another.

Box 23 provides an example of how OM can be applied to a knowledge sharing programme.

2. Steps in implementing OM: The full process includes three stages and twelve steps (see Figure 21).

- Intentional Design** is conducted to establish consensus on the macro-level changes that the programme or project will help to bring about and plan the strategies it

¹¹ This section draws very heavily from the excellent manual *Outcome Mapping - Building Learning and Reflection into Development Programs* by Earl et al (2001).

Box 23: Example of how Outcome Mapping can be applied to a knowledge sharing programme

For example, a capacity building programme's objective may be to enhance the knowledge of fisherfolk on sustainable fishing methods using a mobile phone application (App). Traditionally, the method of evaluating the results of this programme would be to count the number of potential users of the App, and to measure changes in the level of access of the App. A focus on changes in behaviour begins instead from the premise that mobile phones are a mechanism for knowledge sharing, and that the App will not be used without people perceiving there to be quality information available. The programme's outcomes are therefore evaluated in terms of whether fisherfolk not only have, but also use, the App available on their mobile phones to use the App to access information, to network with each other to promote sustainable fishing, and ultimately to change their fishing practices. In outcome mapping, the overall desired behaviour of the fisherfolk is identified (the outcome challenge) and individual steps towards changes in behaviour of fisherfolk (progress markers) are identified. Progress in achieving these individual changes in behaviour are then assessed as indicators towards achieving the overall desired result.

will use. The design process can be participatory and involve the full range of stakeholders, including staff from the programme or project as well as boundary partners, donors, and ultimate beneficiaries. At this stage the logic of the programme or project is designed by answering four questions:

- Why? (What is the vision to which the programme wants to contribute?)
- What? (What are the changes or development goals/ objectives that are being sought?)
- Who? (Who are the programme's boundary partners who can influence these changes?)
- How? (How will the programme or project contribute to influence our boundary partners' contribution to the broader development goals?)
- **Outcome and Performance Monitoring** provides a framework for the ongoing monitoring of the programme's actions and the boundary partners' progress toward the achievement of outcomes. It is based largely on systematised self-assessment. It provides the following data collection tools for elements identified in the Intentional Design stage:
 - An Outcome Journal (with the progress markers)
 - A Strategy Journal (with strategy maps)
 - A Performance Journal (with organisational practices)
- **Evaluation Planning** helps the programme identify evaluation priorities and develop an evaluation plan.

See Figure 21 for a graphic representation of these three steps.



Figure 21: The three stages of outcome mapping. (Earl et al, 2001)

Step 1 - Developing a vision: The vision statement reflects the large-scale economic, political, social, or environmental changes development changes that the programme or project hopes to encourage. This provides an inspirational focus. The facilitator should help the group to develop a common vision by asking questions (see Box 24) such as: What are your dreams of success? What changes do you want to try to help bring about? What would be different when the programme or project has been very successful? In developing consensus on a vision, individual persons should share their views with others and through discussion the group should come to agreement on a common vision. This should be written up as one to a few paragraphs. The vision describes WHAT the programme or project sets out to achieve change. This is analogous to the “goal” when using a logical framework approach

Box 24: Example of a visioning question (Earl et al, 2001)

Picture the programme or project three to five years from now and imagine that it has been extremely successful in developing and implementing its activities. In this ideal situation, assuming everything went well, what changes did your programme help to bring about? What have your partners achieved? What are they doing differently? In other words, what would total success look like?

Step 2 - Developing a mission: The mission statement describes how the programme or project intends to support the vision. It describes what areas the programme or project needs to work in to help to achieve the vision. Note that some of these ideas may come up when discussing the vision. The mission describes HOW the programme or project sets out to achieve change. This is analogous to “objectives” when using a logical framework approach.

Step 3 - Identifying boundary partners: Boundary partners are those individuals, groups, and organisations who can influence change and with whom the programme or project interacts directly and with whom the program anticipates opportunities for influence. Boundary partners are the stakeholders with whom the programme or project works directly. Note that there may be important stakeholders who need to change but with whom the programme or project does not work directly. In these cases, you should identify who are the boundary partners it can influence who will, in turn, influence those stakeholders. The focus of the programme or project should be on those who it can directly influence, while maintaining a bigger vision of who can effect change. For example, a project may not be able to directly influence a Minister of Finance, but it may be able to influence a civil society organisation which can lobby the Minister. The civil society organisation is the boundary partner. Boundary partners are therefore not the same as all “stakeholders” of a project but is a narrower set of specific stakeholders that you will target to influence. Usually, a programme or project should identify four or five types of boundary partners (although each boundary partner can include multiple individuals, groups, or organisations). Collaborators and strategic partners with whom the programme or project is working (e.g. donors, researchers) are not considered boundary partners if they are not the target for changing behaviour and relationships. In identifying boundary partners, ask questions like: Who are the most important stakeholders that can contribute to achieving the vision if their behaviour or relationships change? Who can help or hinder our work? Who can we most influence? You may generate a long list which may need to be prioritised based on which will be most strategic and what will be the most efficient and effective use of your resources. Boundary partners are WHO the programme or project works with to achieve change.

Step 4 - Developing outcome challenges: Outcomes are the changes in the behaviour, relationships, activities, or actions of the people, groups, and organisations with whom a program works directly. The outcome challenge statements identify the results that the programme would like to see its boundary partners achieve. An outcome challenge

statement needs to be developed for each boundary partner. This is a few sentences that describes behaviour, relationships, activities, or action of the boundary partner will change if the programme or project is successful (i.e. the result or outcome). This set of changes in the boundary partner will contribute to achieving the vision. The changes are descriptive and not quantified. Achieving these changes is recognised to be challenging, hence the term “outcome challenge”. See an example in Box 25.

Box 25: An outcome challenge statement for one of CANARI's boundary partners as described in its Strategic Plan 2011-2016

“CSOs at local, national and regional levels are effectively and equitably participating in natural resource governance processes for policy making, planning, and implementation. They have a strong voice and are equitably exerting influence in decisions related to natural resource governance. They are effectively advocating on key issues. They are engaged in formal and informal collaborative arrangements for natural resource management. They are effectively networking with each other to share information and collaborate. They are engaged in meaningful and equitable partnerships with government agencies and local communities.”

Step 5 - Identifying progress markers: A set of graduated progress markers are indicators of the step changes in behaviour or relationships that a boundary partner would demonstrate. OM recognises that change is complex and show. It suggests identifying three sets of indicators of change: changes you would “expect to see” (i.e. smaller changes in behaviour or relationships of the boundary partner that the programme or project could expect to achieve – this is not the baseline!); changes you would “like to see” (i.e. more challenging changes to achieve); and changes you would “love to see” (i.e. very demanding changes to achieve). Anywhere from three to eight progress markers can be identified for each. Progress markers are analogous to “indicators” when using a logical framework approach, but the power of this approach is using them collectively as a set which illustrates the complexity and logic of the change process. Progress markers should not be viewed as unchangeable and during monitoring it may be revealed that they are no longer appropriate and need to be revised.

Step 6 - Developing strategy maps: A strategy map is then created for each outcome challenge and this describes what are the strategies that will be used to influence the boundary partner. Strategies can be aimed directly at an individual or group (e.g. awareness-raising or capacity building activities) or at the enabling environment (e.g. creating incentives or learning networks).

Step 7 - Identifying organisational practices: OM includes the deliberate reflection and planning for how organisational practices need to be improved to effectively deliver the programme or project. OM encourages looking at eight organisational practices to enhance relevance, innovation and sustainability of a programme or project (see Table 19).

Table 19: Organisational practices examined in OM (Earl et al, 2001)

Eight organisational practices that can help programmes and projects be effective

1. Prospecting for new ideas, opportunities and resources
2. Seeking feedback from key informants (boundary partners and other stakeholders)
3. Obtaining the support of your next highest power (i.e. decision-makers in your organisation)
4. Assessing and (re)designing products, services, systems and procedures (to ensure continued relevance, efficiency and effectiveness)
5. Checking up on those already served to add value (learning can help inform new work)
6. Sharing your best wisdom with the world (sharing learning from your work)
7. Experimenting to remain innovative
8. Engaging in organisational reflection

Steps 8-11 - Monitoring progress in outcomes, strategies and organisational performance: OM unites process and outcome evaluation as it monitors 1) the changes in the behaviours, actions, activities, and relationships of the people, groups, and organisations with whom a programme or project works directly; (2) the strategies that a programme or project employs to encourage change in its partners; and (3) the functioning of a programme or project as an organisational unit. OM suggests the use of an outcome journal, a strategy journal and a performance journal as tools to help monitor in each of these areas (see Table 20). Data can be collected via interviews or focus groups, observations of the team, self-assessments, reviews of reports and communication materials, etc.

The team should review and analyse the information collected through monitoring to assess:

- How far have our boundary partners progressed towards achieving outcomes?
- Do we need to revise our progress markers to be able to better track change?
- What are we doing to support the achievement of outcomes? What are we learning about what we are doing well and where we need to improve?
- How well have we performed? What worked well? Why? Are all the necessary strategies included? What do we need to change in our strategies? Are we spreading ourselves too thin by trying to use too many strategies? How can we maximise our contributions?

As part of the monitoring process, the team should also reflect on the entire logic model and reflect on if anything needs to be revised. Questions to ask include:

- Does the vision still reflect the big change that people want to achieve?
- Have we been following the mission? If not, why not? Should we add anything or take anything away?
- Are we working directly with the boundary partners? Do we need to add anyone else?

Table 20: OM monitoring tools - outcome journal, a strategy journal and a performance journal

<p>Outcome journal</p>	<p>To track progress over time, an outcome journal can be used for each boundary partner that the program has identified as a priority. It includes the graduated progress markers and for each of these:</p> <ul style="list-style-type: none"> • a description of the level of change as low, medium, or high • a place to record who among the boundary partners exhibited the change • information explaining the reasons for the change, the people and circumstances that contributed to the change • sources of evidence of the change • a record of unanticipated change • lessons for the programme or project <p>Monitoring progress markers helps to systematise the collection of rich and complex data on the boundary partner's changes. They should not be seen as check-marks to be obtained. Ratings can be used to reflect the number of boundary partners exhibiting the change or the quality or depth of the change exhibited by any one boundary partner (based on high, medium or low achievement of progress markers or assigning values to different progress markers).</p>
<p>Strategy journal</p>	<p>This should include the resources allocated (inputs), the activities undertaken, a judgement on their effectiveness, the outputs, and any required follow-up.</p>
<p>Performance journal</p>	<p>This should include information on how the organisational practices are supporting effective delivery of the programme or project. Data can be gathered through quantitative indicators, qualitative examples, or a combination of the two. Learning should be fed into future work plans.</p>

- Do the outcome challenge statements accurately describe the ideal way that our boundary partners could act to contribute to the achievement of the vision?
- Are the progress markers useful in reflecting the change process? What needs to be added or taken out?
- What did we plan to do? Have we implemented these activities? Why? Why not?
- Are we using organisational practices to support effective implementation of the programme or project?

Step 12 - Developing an evaluation plan: An evaluation plan should be prepared to prioritise what will be evaluated and how resources will be allocated for this (See Template 12 Design worksheets for OM). It should outline:

- Who is the evaluation is being done for? What is the purpose of the evaluation? How will findings be used?
- What strategies, relationships, or issues need to be studied in-depth?
- What questions will we ask (see Box 26 for examples)?

- How, and from where, can we gather relevant data?
- What methods will we use to gather data?
- Who is in the evaluation team?
- What are the dates for the evaluation?
- What is the approximate cost? What other (non-financial) resources are needed?

This information is also useful as a basis for terms of reference if an external evaluator will be used. Outlining how the findings of the evaluation will be communicated to relevant stakeholder groups should be a critical component of the plan.

Box 26: Sample evaluation questions in OM (Earl et al, 2001)

- Who changed? How did they change?
- If they did not change as expected, do we need to do something different or reorient our expectations?
- What activities/strategies were used?
- How did the activities influence individuals, groups, or institutions to change?

Template 12: Design worksheets for OM (adapted from Earl et al, 2001)

Name of programme or project	
Vision	
Mission	
Boundary partners	Outcome challenge statements
1	
2	
3	
4	

For each boundary partner:

Name of boundary partner	
Outcome challenge statement	
Progress markers “expect to see”	<ul style="list-style-type: none"> • • Etc.
Progress markers “like to see”	<ul style="list-style-type: none"> • • Etc.
Progress markers “love to see”	<ul style="list-style-type: none"> • • Etc.

8.5. Participatory evaluation method: Most Significant Change (MSC)

Deciding whether to use MSC: When considering whether to use MSC as part of a CSO's monitoring and evaluation process, review Table 20 on how it compares to other approaches and also Table 21 on situations when it is useful.

Table 21: Situations where Most Significant Change (MSC) can be used effectively	
Situations where traditional monitoring and evaluation is challenging	Where MSC can add value to strategic direction, communication and capacity building
<ul style="list-style-type: none"> • Where monitoring and evaluation is focused on learning rather than just accountability. • In complex initiatives which produce diverse and emergent results. • To assess initiatives that do not have narrowly pre-determined outcomes against which to evaluate. • In large initiatives with multiple organisational layers. • To feed into the evolution of an intervention with better understanding of what is working and what is not, what is important to people, and the multitude of contributing factors and how these are affecting change. • In initiatives focusing on social change. 	<ul style="list-style-type: none"> • To help the CSO to focus its work explicitly towards directions that are valued by its stakeholders and away from less valued directions. • To aid in reflection on the CSO's system of values and foster a more shared vision. • To facilitate vertical and horizontal dialogue. • To help steering committees to steer. • To provide material for publicity and communications (with consent!) to celebrate success. • To provide material for training and build capacity in evaluation.

Steps in implementing MSC: There are 10 basic steps when implementing a MSC process.

1) *Getting familiar with the approach and finding champions to promote MSC*

- a) Identify a team who will be involved in implementing the MSC process. In explaining the approach, use newspapers and holiday memories to help team members identify what are the most outstanding stories and understand why stories are a powerful way to monitor and evaluate.

2) *Establishing 'domains of change'*

- a) Domains of change are broad and often fuzzy categories on what areas the CSO wants to achieve results (impacts), for example changes in quality of people's lives, nature of people's participation, sustainability of organisations and activities, changes in policy or institutions, changes in partnerships or relationships.

- b) The CSO can pre-determine its domains of change depending on its strategic priorities (for example as outlined in its strategic plan or objectives of a programme) or allow these to emerge from the participatory process.
- c) The CSO can always leave open option for ‘other type of change’ to be identified during the MSC process.
- d) The CSO should consider if to have a domain explicitly focusing on negative changes, otherwise this often gets forgotten. This can be captured as ‘lessons learned’ or ‘areas to improve’.
- e) Identify three to five domains of change as a manageable number, but more can be used if needed.

3) Defining the reporting period

- a) Think about how frequently the CSO wants to undertake a MSC exercise as part of its monitoring and evaluation. Infrequent reporting (e.g. annually) runs risk of staff and participants forgetting how MSC works and why it is being used. Too frequent may mean spending resources without getting significant new information.
- b) When a MSC process is first introduced, there is often a backlog of stories from stakeholders. Higher frequency reporting soon leads to exhaustion of known cases of longer-term significant change and a focus on the shorter-term changes that can be identified. As a result, often frequency is decreased as the process continues.
- c) If the MSC process needs to feed into monitoring, the frequency needs to be adequate and appropriate to be able to inform adaptive management. For example, if annual reviews of a project are taking place then a MSC process can help to feed into this.

4) Identifying who to interview

- a) MSC does not collect stories randomly but uses purposeful sampling where people with the richest cases (can be positive or negative) are selected to be interviewed.
- b) Selecting people to interview needs to consider the range of the CSO’s stakeholders and different interests and perspectives that need to be captured.
- c) Remember that stakeholders will be internal to the CSO (e.g. members, staff, Board) and external to the CSO (e.g. partners, beneficiaries, donors).

5) Collecting stories of change

- a) You may need to build interviewing skills in the team collecting the stories from people targeted.

- b) Note that stories can be collected in various ways:
- i. They can be unsolicited stories that staff have heard.
 - ii. Stories can be collected from interviews with stakeholders.
 - iii. Stories can be gathered during focus group discussions.
 - iv. Stakeholders can document their own story.
- c) Remember that stories can be captured using written or audiovisual means. Virtual means (e.g. emails, calls, mobile phone messages) and social media can be used to reach some audiences where face-to-face engagement is not feasible.
- d) If recorded as notes or video it is important to verify the accuracy of the story with the storyteller(s).
- e) In documenting the story (can use a form), you need to capture the following information:
- What is the story?
 - Who collected the story and when?
 - What is the significance of the story to the storyteller?
 - What is the headline or title given by the storyteller (optional)?
 - Has consent been given to use and communicate the story (including with third party if mentioned)?
- f) To capture the story, use a six-part open question format as shown in Box 27, which captures the following information:
- Period of time for review
 - Asks respondents to use own judgement
 - Be selective
 - Report on change in situation
 - What is the domain of change
 - Boundaries
- g) Remember that the story needs to have enough detail so probe if needed to get more information.

Box 27: Six-part standard format for MSC questions

(1) Looking back over the past insert time period (e.g. six months), (2) what do you think was (3) the most significant (4) change (5) in the *insert domain of change* (e.g. quality of people's lives) (6) in *insert geographic or other scope of attention* (e.g. this community).

6) *Reviewing the stories*

- a) Gather the team who will review all the stories that were collected. The team may be drawn from within the CSO and/or include a selected group of external stakeholders (e.g. beneficiaries, partners, independent persons in the field).
- b) Have team members read the stories and select what they feel are the most important stories, documenting the reasons for their choices. Note that these reasons will reflect what they see as criteria for success of the CSO.
- c) The entire team then needs to agree on the top stories. To get agreement on this, different processes can be used, for example iterative voting, individual voting, discussion of why chosen, second round of voting and facilitated discussion to move towards consensus.

7) *Providing stakeholders with regular feedback about the review process and results*

- a) Attach reason for selection to chosen stories and feedback.
- b) But need to be careful not to manipulate by telling individuals and communities how they should develop.
- c) Important to:
 - i. aid selection of stories in next round
 - ii. celebrate stories of success
 - iii. motivate people
 - iv. identify things to look for (build understanding)
 - v. make process transparent
 - vi. demonstrate value given to stories shared – ‘downward accountability’
- d) Can compare results of scoring by different groups and discuss to build common understanding.

8) *Following up on the stories if necessary*

- a) Important to have confidence that stories are real, properly understood, and significance not exaggerated.
- b) But if not properly managed, may make people feel they are not trusted and discourage them from reporting anything other than what they think is expected – the word ‘verification’ is connected with control!
- c) Follow-up enquiries can be presented as doing more in-depth capturing.

9) *Conducting secondary analysis of the stories collectively*

- a) Secondary analysis – Look more in depth across stories to identify content or themes across them.

- b) Meta-monitoring – Collect data on attributes of stories – who identified, who selected, number of stories, what being selected and if changes over time.
- c) Examine stories against expected outcomes.

10) Revisiting the MSC process

- a) Along the way, be sure to adapt the MSC process as you monitor and learn. For example, do you need to change the names of domains, the frequency of reporting, the types of participants you interview, the process for selection of stories?

Box 28: Glossary of terms used in M&E

Accountability

Obligation to demonstrate that work has been conducted in compliance with agreed rules and standards or to report fairly and accurately on performance results vis a vis mandated roles and/or plans. This may require a careful, even legally defensible, demonstration that the work is consistent with the contract terms.

Attribution

The ascription of a causal link between observed (or expected to be observed) changes and a specific intervention.

Effect

Intended or unintended change due directly or indirectly to an intervention. Related terms: results, outcome.

Effectiveness

The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

Efficiency

A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.

Impacts

Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Indicator

Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.

Outcome

The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect.

Outputs

The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

Box 28 *(continued)*: Glossary of terms used in M&E

Participatory evaluation

Evaluation method in which representatives of agencies and stakeholders (including beneficiaries) work together in designing, carrying out and interpreting an evaluation.

Relevance

The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.

Results

The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention.

Sustainability

The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.

Results-Based Management (RBM)

A management strategy focusing on performance and achievement of outputs, outcomes and impacts.

Logical framework (Logframe)

Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention.

Useful resources

CARE-Uganda (1997). *Guidelines to Monitoring and Evaluation: How are we doing?* Atlanta: CARE-USA. Available at <https://www.scribd.com/document/283942235/Guidelines-to-Monitoring-and-Evaluation-CARE-Uganda>.

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Caribbean Natural Resources Institute

The Caribbean Natural Resources Institute (CANARI) is a regional technical non-profit organisation which has been working across the Caribbean for over 30 years. We are registered in Trinidad and Tobago, Saint Lucia and the United States Virgin Islands, with charitable status in Trinidad and Tobago and 501(c)(3) status in the United States.

Our mission is to promote and facilitate stakeholder participation in the stewardship of natural resources in the Caribbean. Our work currently focuses in five strategic directions: resilience, biodiversity and ecosystems, equity and justice, participatory governance and innovation.

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