

NNGO Voices: Leader Perspectives on Locally-Led Development



Introduction

This is a moment of great potential change for the development sector as it moves towards shifting power to local development, decolonizing aid, and building a more equitable development architecture.

Funders, international non-governmental organizations (INGOs), and national/local NGOs (NNGOs) are the key stakeholders in making these changes a reality. Governments also have an important role, as they have power over the operating environment of Civil Society Organizations (CSOs) in many countries.

Humentum has been sharing our theory of change on the importance of operations in this work, called the Collective Journey to Equitable Development. We have published two reports to date: one report shared insights from the funders (From Operations to Outcomes: A Policy Blueprint for Locally-Led Development), and another one shared insights from INGOs (Humentum's Annual ERA Index: The Journey to Equitable Development).

This report highlights the NNGO perspective. Why? Each stakeholder group must have a seat at the proverbial table. Also, no baseline is currently available to measure progress in achieving the sustainable and autonomous operating models necessary for locally-driven development.

To begin building that baseline, a team at Humentum talked to executive directors of NNGOs in Kenya, Malawi, South Africa, Uganda, Zambia, and Zimbabwe. Our goal in these conversations was to:

- a. Gauge NNGO leaders' perspectives and engagement with the conversations around power shifts in the sector globally and in their own contexts
- b. Better understand the practical solutions they believe are needed to shift power and build organizational autonomy
- Explore common goals and strategy between Humentum and NNGO leaders on operationalizing locally-driven equitable development

This is the third report in our Collective Journey to Equitable Development Series. This report is critically important because although we see the sector investing in locally-led development, we repeatedly heard from NNGO leaders that they were not part of the discussion. This report shares their voices, perspectives, and their recommendations to the sector in their own words.

This report was authored by Ennie Chipembere, **Director of Locally-Led Development, Humentum**



Key Insights

From our conversations and observations, we distilled five insights that can lead to substantive change. We heard these messages multiple times from NNGO leaders.

These insights are grounded in one key dimension of change: power and how it operates. Apart from that common thread, the insights fit into the larger categories that Humentum developed to guide the shift forward: institutional architecture, people and culture, funding and financial systems, and risk and compliance.

COMMON THREAD:

Power & Power Relationships – addressing the question of power and how it operates among and between development actors who interact with NNGOs will be critical to achieving locally-driven equitable development.



Institutional Architecture

Governance and leadership are key to NNGOs leading and exercising autonomy. Given that these are both strategic parts of NNGO operating models, efforts should focus on creating more autonomy for NNGOS to lead the locally-driven development agenda.



Risk & Compliance

The operational context of NNGOs is restrictive, with many administrative and regulatory requirements meant to curtail operations and autonomy. Government policy affects the NNGO operating environment and inhibits organizational autonomy and focus on strategic issues.



2

People & Culture

People capacity is a strategic lever of change. The work that NNGOs undertake depends on their human resource capacity, which has been adversely affected by limited funding and inadequate coverage of operational costs.

Funding

Funding & Financial Systems

Funding access and conditionalities do not support equitable and locally-driven development. In fact, they adversely affect the autonomy and operational capacity of NNGOs.

COMMON THREAD:

The Power Imbalance Barrier

NNGO leaders stated unequal power relations are at the heart of barriers to change. There is a need to interrogate and transform all levels of the development structure based on who has what power and to what degree. In the view of NNGO leaders, the operational challenges they face and the structural and practical barriers created by funding partners and INGOs (as development partners) exist at a systemic level. And they're based on unequal power between stakeholders.



Power is the main barrier, you cannot decolonize the sector when there is such a big power imbalance: they set the agenda, they see themselves as the main drivers of development, and we are auxiliary partners, so in that kind of mindset where would they create the space to listen to you about shifting power? We are vulnerable as developing countries, a huge part of the budget of Malawi relies on development partners, this takes away the agency of them pushing for change."

Willie Mpasuka, Executive Director, Rays of Hope, Malawi

NNGO leaders reported that in their opinion, there is a lack of widespread awareness of what's being discussed at the global level about shifting power and locally-led development. This raises the question; can we really advance locally-led development when the discussions and strategies are not locally-led?

The lack of widespread engagement is not the only challenge. Limited leadership by local actors, as well as ownership of the agenda, is also worrying. Local actors can't step into leadership when they are not recognized as full participants. They lack access to spaces where decisions are made about how locally-led development will be implemented. Where their opinions are sought, they have not been asked to help define the parameters to guide their input. Spaces and platforms need to be intentionally created to allow local leaders full participation.

While the expectation is for NNGO leaders to take the lead, instead they face various constraints:

- Their participation is typically not funded
- They must deal with their organizations' more pressing day-to-day operational issues with limited staff
- They must prioritize delivering on their mission first and foremost

The race to fund their organizations' survival, compliance burdens, and national context issues take precedence and energy. Local actors are therefore caught in a vicious cycle that constrains their voices and actions.

There is limited NNGO
leader participation in
the 'shift the power' and
'locally-led development'
conversations and
agendas. Their perspectives
are therefore missing in the
discussions and knowledge
produced and shared on
locally-led development.





The real issue to explore...is what is limiting locally-led development. As you go up and down the development structure...to what extent are the communities leading, determining priorities, and [are we] giving local leaders the space to lead the agenda? There is need to investigate and transform these five relationships with the aim of having local actors taking up leadership:

- NNGO to Donor
- NNGO to INGO
- NNGO to CBO (community-based organization)
- NNGO to local community
- NNGO to government structures."

Wadzanayi Vere, former Executive Director, Self-Help Development Foundation, Zimbabwe

We found limited documentation of local actors and leaders writing and talking about shifting power and locally-led development from their context. There has yet to be traction, except in community philanthropy, as an opportunity to respond. A few NNGO leaders or practitioners on various platforms and convenings discuss African perspectives on locally-led development. Instead, the focus seems to be on INGOs' transformation, such as the RINGO Project, and on donor-driven discourse, such as USAID's big push for localization and local capacity development.

NNGO leaders reported that they see the need to write, engage, and share their experiences. However, a focus on day-to-day workload, fundraising for survival, and managing restrictive operational environment conditions, makes participation difficult. Despite this, some NNGO leaders engage and call on their peers to do the same.



I accept all these talking and advisory spaces. I am able to talk and challenge, as well as input and influence the system. The point I am trying to make here is that we need to increase the voice. As Uganda NGO Forum, we use our convening power to have more people talking about Shift the Power, I am on a journey of evangelizing about this. We need disciples about this everywhere, in different countries. This way, we can create a movement and connect the different resistance dots. We need to have a lot of NNGO leaders to be disrupters."

Moses Isooba, Executive Director, Uganda NGO Forum, Uganda





Insight 1



Institutional architecture: the relationship between governance and leadership matters in exercising autonomy

NNGO leaders reported that they have limited leadership and governance autonomy. Donor/funding partner interference is the "norm" and goes unchallenged most of the time due to the donor dependency of most NNGOs. When an NNGO partners with an INGO, they typically lose direct contact with the donor and must work under or through the INGO to access global funding opportunities and spaces.



Governance and governance systems – should reflect the national flavor of the country. A CBO will speak to the community, they draw their governance from the scope of the community...As a movement for women's rights and an NNGO, we want to reflect the nation, in terms of identity, beliefs, geography, language.

Governance should be led by the nationals of the country...There must be a deep appreciation and understanding of the issues in the country and how the target group is affected and an understanding of the internal dynamics of the organization, which are a microcosm of what is happening in the country.

There should be autonomy as a legal entity in the nation. You cannot call yourself an NNGO without registration in the country, you need to have a legal persona. [There are issues of] control: who has the final say, who determines what happens and has final decision is a tussle. It's about what's happening in the institution itself, resource allocation, institutional priorities, and what is being done or not."

Pheddis Salama Mbura, Regional Coordinator, Sauti ya Wanawake - Colorado Chapter, Bamburi, Kenya





Insight 2



People and culture: limited funding adversely affects the human resource capacity of NNGOs

The capacity challenges for NNGOs are real and varied. Capacity exists for project implementation but not for specific NNGOs' full staffing needs. Throughout the conversations, we heard that NNGOs sometimes serve as training grounds for INGO staffing – INGOs frequently hire staff from their local NGO counterparts. In others, NNGOs are frequently forced to engage staff without pay due to financial constraints linked to restricted funding. Both are examples of how inequitable treatment of NNGOs by funders leads to inequitable treatment of staff.



We have no resources to hire professional and experienced staff, so we rely on Interns and Students on Attachment (work placement during college education). This affects the quality of our work, our impact, workload, and staff wellness. Another impact is on the ability of the Director to focus on strategic issues, fundraise and influence national development processes. There is really no headspace, time, and capacity to engage with national and global issues in the sector such as shifting power and locally-led development, even if we want to. We work long hours, and we are often responsible for two to three portfolios, in addition to being the Executive Director."

Tafadzwa Chikumbu, Executive Director, Transparency International Zimbabwe



Insight 3

Funding and financial systems: NNGO autonomy and capability hinges on financial sustainability



Many of the current aid and funding conditionalities do not support equitable and locally-driven development and adversely affect the autonomy of NNGOs. Because of the myriad co-dependencies built into the current global development funding ecosystem, funding changes cannot be limited to just one stakeholder but instead need to cut across the interwoven relationships between funders, INGOs, and NNGOs. Undeniably, however, there is a hierarchy in this relationship, with funders frequently aligning with the politics and models of the organizations to which the funding flows.



One of the challenges we face as NNGO leaders, driven by a lack of financial sustainability, is that you are waking up at 3:00 AM to think about where to get funding. It's my headache because I am responsible for people's salaries, for an organization on a tight rope, it sucks away creative energy and takes away the headspace to think about strategic issues. We need to address the root cause of limited access to funding by NNGOs if we are going to achieve the transformational agenda of locally-led development. Areas of transformation should be, decolonizing aid, and a focus on shifting power or changing unequal power relations rooted in colonial development frameworks, thinking and positioning."



Gertrude Kabwaza, Executive Director, Yamba-Malawi, Malawi

The sentiments expressed above were shared by most of the NNGO leaders. Funding partners therefore have a critical role in changing this situation. NNGO leaders suggested that funders and INGO development partners should make changes to funding conditionalities, and, outside of project/program funds, provide funding to invest in institutional architecture and real NNGO financial sustainability.

As development partners, INGOs also need to assess and evolve to ensure that their operations do not undercut the ability of NNGOs to lead local development. Currently, some INGOs are contributing to NNGOs' financial instability by using their power to crowd out NNGOs' space for operations, funding, and voice.

NNGO leaders lamented how INGOs are transforming themselves to become "local" through their own country offices or local organizations to be eligible for local funding while retaining the power of their Northern-based headquarters. This raises a critical question in locally-led development work of 'who is local?' Most respondents had much to say about this emerging practice, with the majority stating that they did not recognize the INGO local chapters as "local" as they still had the muscle of the parent organization. They recognized that, in effect, these "local" INGO organizations result in limiting NNGO access to funding.



There is clear crowding out of local and national NGOs by INGOs. They instrumentalize CBOs in implementation of programs without a fair share of the funds allocated for development work. For example, a [certain] INGO channels their funds through the local [partner] organization. They have local staff or international staff, and the proposal and strategy are from the international parent organization. They treat their local counterpart as a local NGO. They try to portray a picture like it's an independent organization, yet, on consortium calls they partner with their "local" organization.

This is their local organization that they channel funds through or use to get funds from donors who say they have local registration. For example, when USAID advertises funding calls, they state that 70% should be local organizations, or they are strongly encouraging local NGOs to apply, but they struggle to access this funding. Instead, the "local" INGO is better positioned because it has the human resource capacity, time, and in-house expertise to work on proposals. Even though we have the Grand Bargain as a global contract to push for localization, these INGOs have a counter plan already. There is no clear platform where we can raise these issues with INGOs and donors."

Ernest Nyimai, Executive Director, National Association of NGOs, Zimbabwe

What NNGO leaders want is much more equitable partnerships and opportunities to take up space, access to local resources assigned to locally-led development transformation, and the opportunity to frame and lead the agenda. An example of this is the efforts to build community philanthropy by some NNGOs, funders, and development partners.

Community Philanthropy as an Opportunity for Change

The struggle for funding has led NNGO leaders and progressive donors who support financial sustainability to invest in community philanthropy as part of the solution. Community philanthropy allows NNGOs and communities to build autonomy and ownership of development processes and outcomes. Community philanthropy can be defined as a method to develop local resources, capacities, and trust with development partners. The aim is that community members where development efforts are directed have greater ownership and participation in the solutions to their problems.

NNGO leaders see community philanthropy as a strategy that gives power and voice to communities and a way to challenge the dominant narrative surrounding the development industry. This is because community members realize they have resources, knowledge, assets, skills, and networks, which are game-changers in redefining locally-led development. In the past, local communities were just beneficiaries, based on colonial frameworks geared towards "we do development on them or for them". In contrast, local philanthropy allows communities to become co-investors in development. The work of Giving for Change with NNGOs in Africa is an illustrative example.

"Giving for Change" (GfC) is an alliance which includes the Uganda National NGO Forum as a member. The Dutch Ministry of Foreign Affairs funds the program in eight countries to grow community philanthropy and shift power from development partners to NNGOs and community members as the key trigger for social change and redefining development toward local ownership. Under the GfC programme, NGO members produced five "Sense-Making Policy Papers on Philanthropy."

"But words are words! When we were launching the Giving for Change Programme in Uganda, the Government became difficult and accused us of planning to raise money from communities for regime change. In Uganda, "change" is understood (re: misunderstood) by the regime to be equal to regime change and we tend to avoid it. So this programme in the other seven countries goes by the name of GFC, but in Uganda, because of the political sensitivity, we re-baptised it "Philanthropy for Development" as the Government could not allow us to run the programme under the name of Giving for Change." Moses Isooba, Executive Director, Uganda NGO Forum, Uganda



Insight 4

Risk and compliance: restrictive operational context negatively affects NNGO operations

Government regulation of NNGO operating environments through structures and administrative requirements matters to autonomy. Increasingly, national governments are actively working in this equitable development space, although frequently in a negative sense. NNGO leaders reported the policies governments put in place negatively affect institutional autonomy, including NNGO registration requirements and efforts to coordinate donor funds through apex structures or accountability reports, negatively affect institutional autonomy.

For example, currently relationships are tense between NNGOs and governments. This is particularly palpable in Zimbabwe and Uganda, where some NNGOs are viewed as being resourced by Western governments to effect regime change. This has led to closer scrutiny and the use of legislative instruments and other government structures to limit NNGOs' access and operations. Administrative requirements for an NNGO in Zimbabwe and Uganda to receive an operating license in a local or national space are prohibitive, time-consuming, and used as a control measure by government administrators.

South Africa's government response and critique of NNGOs are fraught with similar challenges as in the other five countries. They allege that NNGOs are under Western donor control, which can destabilize their sovereign states. That serves as justification for tighter regulation and control of both NNGO sector funding and operations. The narrative is that NNGOs are not locally-driven, but instead prioritize the funding priorities and requirements of funders and their governments or individual philanthropy family interests. Furthermore, they take the bulk of the resources, while CBOs and community members get very little. Leaders acknowledged that there is a need for regulation, but not over-regulation without their input.



It's a vicious cycle, the current development model. Donors define funding types, priority areas, and conditions. INGO development partners who are intermediaries, walk away with most of the resources and starve NNGOs. NNGOs scramble for resources to fulfill their mission with limited investment in their organizational needs. As a result, the South African government responds by criticizing NNGOs for not sharing resources equitably with local CBOs, and tightening registration and operational conditions. The challenge for us is to counter over-regulation and shrinking civic space. One way of this is doing locally-driven development and drilling down to the very local level – 'the real local'."



Feryal Domingo, Executive Director, Inyathelo –
The South African Institute for Advancement, South Africa

In addition to restrictive administrative requirements, legislation is used to police NNGOs. Their legality can be under scrutiny, which negatively affects their right to operate with autonomy, as well as their outcomes.

Government regulation of CSOs is shrinking civic space and affecting human rights defenders. In Zimbabwe, for example, this is currently through the PVO Bill that is ready to be reviewed for signing by the Head of State. This has led to umbrella bodies such as NANGO considering self-regulation to demonstrate sector accountability. The threat of deregistration of NNGOs currently registered as Trusts is causing existential and funding flow crises.



The PVO Bill will be a challenge to those local actors registered as Trusts and not used to government scrutiny. As Zim Rights we have experience with operating under restrictive regulations and regular government checks, so we ensure that we meet the very demanding compliance requirements, while still advocating for human rights defenders and a better NNGO operating environment."

Dzikamai Bere, Executive Director, ZimRights, Zimbabwe

NNGO leaders reiterated that they accept that accountability challenges need to be addressed. However, the government's responses are what they find challenging. NNGO leaders talked about self-regulation, benchmarking, and mutual accountability, as possible counter-responses to the challenges raised related to accountability, risk management, and compliance by the government.



RECOMMENDATIONS FROM NNGO LEADERS:

Operationalizing Equitable Development that is Locally-Driven



OVERARCHING INSIGHT

POWER AND POWER RELATIONSHIPS

Addressing the question of power and how it operates among and between development actors who interact with NNGOs will be critical to achieving equitable development that is locally driven.



INSIGHT 1

INSTITUTIONAL ARCHITECTURE

Governance and leadership are key to NNGOs exercising autonomy and leadership.

RECOMMENDATION

The shifting power and locally-led development movement and change efforts should be led by or intentionally include NNGO leaders and their stakeholders.

- NNGOs: Connect as a network of NNGOs to increase collective power and voice, as well as advocate for funding model changes.
- INGOs: Facilitate NNGO leaders' engagement and leadership, e.g., ensure NNGO leaders are in spaces and processes where decisions about how locally-led development are being made.
- **Funders:** Provide funding to ensure that NNGO leaders can attend without depleting their organization's resources (this is part of the "overhead myth" explored in this report, <u>Breaking the Starvation Cycle</u>).

RECOMMENDATION

Invest in stronger organizational models, especially the governance and leadership of NNGOs.

- NNGOs: Advocate for development partners' support that strengthens NNGO operating models as strategic levers for change. Prioritize this in funding and program proposals.
- INGOs: As development partners, strengthen the capacity of NNGO leaders and their governance to push back, practice autonomy, and take up leadership. This would allow NNGO leaders to focus on strategic issues and not spend a lot of time on fundraising, in survival mode, and operating with capacity gaps.
- Funders: Respect NNGOs' leadership, structures, and
 decisions. Once program frameworks are agreed upon with a
 donor and concepts are in place, the organization should make
 decisions around programs. Currently, partners and funders
 frequently push for changes in program decisions. NNGOs
 should be allowed to make these decisions and bear the
 associated consequences and risks.



INSIGHT 2

PEOPLE & CULTURE

View people capacity as a strategic lever of change; not doing so is crippling NNGOs. The work that NNGOs undertake depends on their human resource capacity, which has been negatively affected by limited funding and inadequate coverage of operational costs.



Financial and technical support should be aimed at increasing NNGOs' capability for transformation and leadership of the equitable development agenda.

- **NNGOs:** At both an organizational and leadership level, there should be readiness to support the processes leading to a shift in power within NNGOs, in the relationship with INGOs and funding partners, and working with communities. The focus could be systems change, financial sustainability, or change management so NNGOs are not set up to fail.
- INGOs: Human resource planning, resourcing, and decision-making should be the prerogative of the NNGO. INGOs as development partners should respect their processes and not push for involvement that undercuts NNGOs' organizational authority.
- Funders: Resource allocation should reflect the organization's
 true financial and human resource needs, not just project costs.
 There should be space and scope for NNGOs to actively
 negotiate costs and true operational cost coverage, regardless of
 funder budget allocation parameters.



INSIGHT 3

FUNDING & FINANCIAL SYSTEMS

Funding access and conditionalities do not support equitable and locally-driven development and adversely affect the autonomy and operational capacity of NNGOs.

RECOMMENDATION

Funding and financial systems should be reviewed and re-designed to support locally-driven equitable development.

- NNGOs: Explore community philanthropy and strengthen
 community knowledge systems, operating systems, community
 structures, and how they are organized. This will ensure they
 get stronger over time in terms of their ability to engage with
 partner organizations and government, and demand value and
 development investment from them.
- INGOs: Review INGO transformation and response to the shifting power and locally-led development movement to ensure there are no negative impacts on NNGOs, e.g., those presented by INGOs registering as local NGOs and elbowing out NNGOs from funding.
- Funders: Funding conditionalities, due diligence, and reporting
 processes should be made less restrictive, and there should
 be more coordination among the donors. Funders should be
 prepared to cover the real, full, and fair costs of project execution
 and to invest in local partner sustainability, including building
 reserves.





INSIGHT 4

RISK & COMPLIANCE

The operational context of NNGOs is restrictive, with many administrative and regulatory requirements meant to curtail operations and autonomy. Government policy affects the NNGO operating environment and contributes to or inhibits organizational autonomy and a focus on strategic issues.

RECOMMENDATION

All development stakeholders should collaborate to cultivate a supportive/conducive operational context for NNGOs.

- NNGOs: NNGOs should be able to demand accountability, but also be held accountable through self-regulation and benchmarking to internationally accredited standards.
- **INGOs:** Support NNGOs as partners to respond to restrictive regulatory requirements by providing platforms for sharing, strategizing, and advocating together. This will increase collaboration, coordinate efforts, and create space for NNGO leaders to speak with a unified voice to counter operational challenges.
- Funders: Funding partners should support communitylevel consultations and NNGO engagements should get contextualized input for establishing trust-based risk management methods.



Conclusion

From the beginning of our work toward equitable, resilient, and accountable operations, we have included three core stakeholders: funders, INGOs, and NNGOs. We compare it to a three-legged stool, meaning the entire stability of the structure depends on the strength and alignment of all three key development actors.

We're happy to share these voices from the NNGO community as an important first step in moving forward together. What we heard in all conversations was that NNGO voices were not being listened to. In fact, they were not even asked to participate.

NNGO leaders shared their perspectives on the challenges and opportunities they see regarding shifting power and working to achieve locally-driven equitable development. Financial sustainability, as defined by NNGO leaders, was mentioned as a cornerstone for equipping them to lead this transformation agenda. They also highlighted how context matters in determining how to carry the locally-led development agenda forward and ensuring they can operate effectively. For the leaders we spoke with, shrinking political and civic space impedes NNGOs' ability to operate, be autonomous, and engage on strategic issues.

When considering the question of power shift in the sector, we recognize the inter-dependency of funders, INGOs, and NNGOs. This report gives the voices of NNGO leaders visibility across the sector because NNGO leaders are usually excluded from discussions on locally-led development when they should be leading. Strikingly, the insights in this report align strongly with the findings of the reports in the "Collective Journey" series, underscoring the weight of these issues within the sector.

Going forward, our recommendation is explicit care be taken to include NNGO perspectives and leaders at the same level and table for all decisions around the movement toward equitable development. NNGOs must be included in every discussion and all levels of change. Humentum will continue to provide space and support to make this happen, and we call on funders, colleagues, and organizations across the sector to make the same commitment.

INDEX

Methodology and Information Sources

- Interviews with 50 senior leaders of 50 NNGOs from 6 countries (Kenya, Malawi, Zambia, South Africa, Zimbabwe, and Uganda).
- Humentum's 2022 one-year webinar series on Operationalizing Locally-Led Development, which included more than 2,000 participants.
- Project engagement with 12 NNGOs in Africa: Financial Sustainability Support: A program designed for grantees to improve their financial sustainability. This is work in partnership with the Open Society Foundation in Africa.
- Project engagement with 66 NNGOs in Africa: Core Support for the Ford OSA Resource Hub. This is work in partnership with Ford Foundation Southern Africa.



