



Resource Building for NGO Networks

CODE-NGO

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Outline of presentation

- Rationale
 - Challenges in sustaining networks
 - Key elements of network sustainability
 - Fostering an entrepreneurial mindset for social development
- Resource building options for NGO networks (summary of seminar series July to Oct 2010)



Challenges to NGO networks

Like “plumbing,” networks or infrastructure orgs are:

- Invisible, hidden
- Less compelling; donors tend to invest in more critical substantive issues
- While some infrastructure organizations earn revenues from their services, most need to be subsidized

Source: Marissa Camacho, WINGS



Challenges to NGO networks

- Increasing number of infrastructure organizations - redundancy and sustainability
- Every major funder wanted to start an infrastructure organization it could call its own
- Situation worsened after 9/11 and 2008 global economic downturn



Key elements of network sustainability

- Relevance and impact of the network
- Critical core membership
- Governance system
- Financial Resources
- Human Resources
- Values (culture, ethics)
- Public image



Entrepreneurial mindset in social development

*Source: Dean Tony LaVina, Ateneo
School of Government*

Social entrepreneurs

- Not for business success, but for finding a new idea or solution to address a need
- Important elements: innovation, sustainability, scalability
- Strong ethical fiber – consistency of values (no dilemma on market/corporate opportunities)



Social sector comparative advantage

*Source: Dean Tony LaVina, Ateneo
School of Government*

- Process sensitive, e.g. stakeholder participation
- Social analysis
- Team approach
- Sense of mission



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Rags2Riches is an enterprise creating social statement in style. It is a company of talent, passion, and commitment. It is a community of skill, dedication, and hope. It is a stylish product line that pleases the eye and touches the heart Rags2Riches is *elegance with a conscience.*



Resource building options

- Earned income, service fees, consultancy services
- Community foundations
- Corporate foundations
- Individual / Migrant philanthropy
- Local funding institutions



Earned income, service fees

- Earning income can be as simple as taking a workshop that you already provide and figuring out how to expand its scope and make a profit while doing it
- Or perhaps your stakeholders tell you they need a certain product or service, which you can develop or “sell”



Earned income, service fees

PROS

- No strings attached
- Makes you self-sufficient; not dependent on donors
- Strengthen your organization by diversifying your offerings
- Forces you to be sensitive to the needs of your stakeholders (customers)



Earned income, service fees

CONS

- Time consuming: market research, business plan, financial projections - before starting an IGP
- All must be committed to the idea of entrepreneurship. Board and staff must be educated about it

Source: Marissa Camacho, WINGS



Earned income, service fees

CONS

- Must have top quality, business-minded people
- In most cases, you need some money up-front, or a cushion of cash-on-hand or quick loan to help you through downturns in the market

Source: Marissa Camacho, WINGS



7 steps to earned income

1. Choose an idea.
2. Gain the support of your staff and board.
3. Do a market survey.
4. Write a business plan.
5. Raise the capital needed to launch your venture.
6. Market your idea to your target audience.
7. Gradually expand business as it proves itself.


Source: Marissa Camacho, WINGS



Consultancy services


- Have an inventory of expertise; vet your list of consultants. Define procedure for suggesting consultants.
- Be the middle man. If you get a job through our list, then we get a share of the fee. Member benefit or charge for it?
- Criteria to be a vetted consultant
- Follow-up questionnaire to find out result of consultancy
- Business plan for consultancy service

Source: Marissa Camacho, WINGS



Corporate foundations: business as funders

- = Corporate social responsibility, corporate philanthropy, strategic social investment
- Mostly operating foundations and will need implementing partners
- Would usually not get involved in potentially controversial projects



Corporate foundations: business as funders

What they look for:

- Value proposition – how your program/project can help improve their “brand”
- Mutual benefit, convergence of their mission with that of their partners
- Transparency and accountability

*Source: Eli Castro, League of
Corporate Foundations*



Corporate foundations: business as funders

What they can offer:

- Large amounts of financial resources
- Very competent personnel; operational efficiency; business ethics

*Source: Eli Castro, League of
Corporate Foundations*





Community foundations

Source: Association of Foundations

“a foundation of the community, for the community, by the community”

- Broadly-defined mission (e.g. to improve quality of life in a community)
- Specified geographical scope: barangay, municipality, city, province or region
- Supported by a broad range of private as well as public donors and seeks philanthropic contributions from inside the community



Community foundations

“a foundation of the community, for the community, by the community”

- Governed by multi-sectoral boards reflecting the community
- Builds capital endowment, as an important element of sustainability
- Has mainly or exclusively grant-making function



Pondong Batangan story

- Pioneering community foundation
- Success factors
 - Clear vision; visionary leader
 - Community education on the value of Christian giving
 - Giving value to small contributions
- Results
 - Endowment build-up
 - Support for livelihood, scholarships and training programs

Source: Fr. Manny Guazon, PBCFI



Migrant Philanthropy

Generally untapped potential source of financial resources:

- ~8.2 million overseas Filipinos in 193 countries
- Top 5 in the world in terms of remittances
- Annual OFW remittances = from US\$ 103M in 1975 to US\$12.8B in 2006 (Agence France-Presse, 2007)
- Major driver of RP economic growth, kept us afloat even with the global financial crisis

Source: IMDI, 2006

Pinoy migrant philanthropy 101

World's most distributed migrant philanthropy phenomenon



Source: IMDI, 2006

Dynamics of migrant philanthropy

- Donor-directed
- Can be formal or informal (thru hometown associations)
- Giving starts with family and friends (thru remittances)
- Joining groups abroad with projects for the Philippines a part-time involvement for nearly all donors abroad
- Migrants are “well-meaning amateurs” in social development work (Shawn Powers, 2006)

Source: IMDI, 2006



Dynamics of migrant philanthropy

- Mostly one-time, short-term giving
- Goes mostly to rural areas (where 73% of Pinoys abroad come from)
- Important to link Pinoys abroad to broader development issues
 - “A serious plan to link with overseas Filipinos should involve endeavoring to understand their concerns and issues – not only financial but also social.” (Ildefonso Bagasao, 2007)
 - International migration, and the costs it brings, is the country's next most important socio-economic issue

Source: IMDI, 2006



Local funding mechanisms

- Peace and Equity Foundation (PEF)
- Foundation for Sustainable Society (FSSI)
- Foundation for Philippine Environment (FPE)
- Philippine Tropical Forest Conservation Foundation (PTFCF)



Local funding mechanisms

PEF – promoting opportunities for the poor using a social enterprise approach

- Help reduce poverty and create sustainable incomes for rural households
- Build, promote, scale up SE development models that work
- Most of the support went to Mindanao (38%); to NGOs (40%)



Local funding mechanisms

FPE

- supports community-based approaches and actions in biodiversity conservation and sustainable development
- Priority issues: mining, climate change, logging, unsustainable agricultural practices, unsustainable fisheries, watershed management, land use management, indigenous knowledge, systems and practices, environmental education, governance and CSR



Local funding mechanisms

PTFCF

- Forest formations, particularly dipterocarp forests and mangrove forests
- Focus on remaining forested areas where biodiversity and ecosystem services matter most (particularly for areas not covered by national or local government programs on conservation and restoration)
- Project must be sustainable and must have direct impact on forest conservation



Local funding mechanisms

FSSI

- Social investments that facilitate the entry and participation of poor Filipino communities for the development of just, local economies
- 3BL – Economically Viable, Socially Equitable and Ecologically Sound
- Eco-enterprises = business discipline + social purpose



Local funding mechanisms

Common threads:

- Endowment fund that can sustainably support NGO/PO projects
- Specific mandates and use/purpose of the fund
- Clear loan and grants guidelines/criteria



Some notes

- Community foundation and migrant philanthropy inherently linked to local programs
- Earned income ventures/SE more apt for certain NGOs, e.g. service-delivery
- Practice of transparency and accountability is important
- Partnership with corporations and local funding mechanisms can be pursued by CODE-NGO as a network



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[References for Resource Building for Networks](#)



Buzz Session Guide

- Does being a member of a network add value to your organization? If yes, how? If no, why not?
- What are the weaknesses of your network and the challenges in sustaining it, if any? What are your recommendations to address these weaknesses and challenges?
- Which of the recommendations you identified in question 2 do you think can be supported by the 4 Local Funding Institutions (LFIs)?
- Apart from the support of the 4 LFIs, what other opportunities do you see will help address the challenges you identified in question 2?