Planning for sustainability: How NGOs prepare for their future

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a. Introduction

The role of NGOs (Non-Government Organizations) is becoming more significant in this century as they are part of international system in an increasingly globalized world (Carolyn, 2016)\(^1\). Despite this, a great number of NGOs are struggling to effectively implement their program and achieve their mission. The challenges they are facing include difficulty to secure funding, ineffective governance and inability to sustain their programs. The sustainability of NGOs has been questioned because of the fact that the majority of them rely on a single donor funding. Some have started to look at different ways of getting support and yet the majority are not able to see beyond donor support. Unfortunately, donor funding is never easy to secure, particularly for smaller NGOs which have less access to financial resources. Globally, donor funding for development has been reported as significantly decreasing from time to time (Davis, 2015)\(^2\).

In light of this, NGOs need to plan for their sustainability if they want to continue to bring benefits to their target group and to fulfil their mission for a long term future. In other words, sustainability of an NGO means that it operates continuously as long as possible in its marketplace (SvidroÀová, 2013)\(^3\). It has been argued that looking at the perspective of donors and NGOs, sustainability of a project simply implies the continuation of project activities and sustenance of project outcomes after the initial/primary grant expires.

The ability of a NGO to develop a good sustainability plan is important because it can increase their chance of getting attention from potential funders. In fact, more donors are concerned with the sustainability aspect of a project and they are more likely to fund projects which have a well-defined sustainability plan in place (Joshi, 2016)\(^4\). Unlike their counterparts which are dependent

\(^1\) Islam, Carolyn, 2016, Non-Governmental Organization Vulnerabilities: Donors and Resource Dependence, retrieved from [http://scholarship.claremont.edu/cgi/viewcontent.cgi?article=2367&context=cmc_theses](http://scholarship.claremont.edu/cgi/viewcontent.cgi?article=2367&context=cmc_theses)

\(^2\) Davis, Ben, 2015. Keberlanjutan Finansial dan Diversifikasi Pendanaan: Tantangan bagi LSM Indonesia, research for DFAT, Cardno.


\(^4\) Upasana, Joshi, 2016, How to ensure sustainability? Retrieved from [https://www2.fundsforngos.org/featured/how-to-ensure-sustainability/](https://www2.fundsforngos.org/featured/how-to-ensure-sustainability/)
on a single donor and have to discontinue their program or project when the donor funding stops, an NGO who plans for their sustainability indicates their commitment to continue to improve their lives of their target group until they have achieved their mission. Such an NGO identifies different ways to mobilize resources and accordingly develops strategies to tap into each of them.

Taking the importance of sustainability strategy into account, more donors nowadays require the NGOs they work with to develop a sustainability strategy plan which has to be put in place before the project finishes. In doing so, it is expected that these NGOs have planned where to mobilize resources when the funding support terminates so they can sustain their program. Since most of NGOs are new to sustainability plans, the donor needs to facilitate the process and work with the NGOs to develop a sustainability plan and provide support to help them implement the plan. This is what is currently being implemented by a program called MAMPU, a program in Indonesia which is funded by the Government of Australia through the Australian Aid Program in the Department of Foreign Affairs and Trade (DFAT). MAMPU assisted by MDF Asia, a training and consulting firm based in Netherland, is currently helping MAMPU partners to develop a sustainability strategy plan. Using this as a case study, this paper aims at analyzing factors that need to be considered by NGOs in order to develop a well-defined sustainability plan in order for them to be a sustainable organization.

b. Conceptual framework
Sustainability is more often than not associated with financial sustainability which is the ability to secure funding. It is true that no project or program can be done in the absence of financial support. However, to say that the availability of funding is the most important component of the NGO sustainability is not right. There are many other reasons why an NGO fails to deliver its mission and implement its programs effectively despite the availability of the money to fund the programs. Some of the factors which inhibit this to happen include ineffective communication, poor leadership, inability to embrace change, short-term focus, and so on (www.aidwatch.org, 2008)5. There are many aspects which contribute to the sustainability of an organization and these aspects have to be considered when developing a sustainability plan for an NGO.

There are some key basics that contribute towards sustainability; Does the organisation know why it exists, where it is going and what it needs to move forward? Has it adapted to a continually changing environment? Has it documented all the information required for external stakeholders to understand what it is about? Are its relationships with the external community strong and transparent? Does it deliver? Is there succession planning in the organisation? Does it monitor progress and learn from mistakes? (Growing Local Philanthropy, 2008)6

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In general, there are three aspects which should underlie a sustainability plan of an organization namely financial, organizational/institutional and programmatic aspects of sustainability (Joshi, 2016). She argues that while ensuring a steady flow of funds and generating revenue (financial sustainability) is crucial for maintaining and continuing the organizations work, proper working of the organization (organizational/institutional sustainability) and its ability to continue the organizations projects and programs in the absence of donor support (programmatic sustainability) are equally important. Failing to address all of the aspects can result in the failure of the organization to achieve its sustainability goal.

**Financial sustainability**
Financial sustainability involves ensuring that the funding streams for the new practice are established, reliable, and adequate (Metz & Bartley, 2012). In order to achieve financial sustainability, an NGO needs to look beyond traditional donor funding. It is important to have multiple sources of funding as this can increase the NGO independence and flexibility to implement programs and reduce reliance on external (or foreign) funding (Sera and Beaudry, 2007). Financial resources can be mobilized through different ways both internally and externally. Internal mobilization includes membership dues or contribution from the organization’s business ventures. External mobilization includes donation from philanthropic organizations or donors, government assistance, and so on. Sera and Beaudry further state that resources which an organization can mobilized can be either financial and no-financial (in-kind). Volunteers, for example, is a non-financial resource but can provide great resources and benefits for the organization. More companies ask their employees to volunteer in social activities working with local NGOs to help solve social problems which the community are facing (Caramela, 2016). There is also a case where a company lets an NGO use the company building space for free when they have a meeting. There is now a trend that companies and funding organizations have changed their way of helping NGOs, from giving money to other forms of assistance. There are many different forms of resources which an organization needs to identify which can bring as much benefit to the organization as financial resource does.

**Organizational/institutional sustainability**
Organizational sustainability refers to the capacity of organizational arrangements to continue to provide a framework through which benefits to the poor can be delivered over time (Lewis,

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There are criteria for an organization to meet in order to achieve institutional sustainability namely ability to recover some of their costs or even self-financing, ability to supply continuing streams of benefits and ability to survive over time as identifiable units (Goldsmith and Brinkerhoff, 1990). There are different ways to achieve institutional/organizational sustainability including exploring new opportunities, developing new partnerships, boosting existing relations, having a strong communication strategy that can help them in showcasing their project results to a large audience, and lastly engaging volunteers to sustain their projects by performing some activities (Joshi, 2016).

Programmatic sustainability
It refers to the ability of the organization to continue the programs after the termination of funding support from the donor. Unfortunately, the majority of NGO programs cannot be implemented fully due to the absence of donor funding. NGOs which have a sustainability program in place can look at different ways to ensure the sustenance of their program. Joshi (2016) proposes four ways to secure programmatic sustainability; first is by involving community at various stages of the program. This will give them ownership of the project and there is a high chance that they may continue with some project aspects even after the project duration. Second is by institutionalizing local groups. There are usually small groups around where the NGO is implementing their programs. Involving them in the planning and implementation phase is an effective way to ensure they maintain the project objectives. Third is community advocacy which is making sure that the community to which the NGO program is targeted realizes and acknowledges the benefits of the program for their life and advocate for a policy. Both can result in the long term sustainability of the project. Lastly, by involving local government and departments. As these two agencies are permanent, if effectively involved they can ensure the project activities beyond the project duration.

c. Sustainability for MAMPU partners
The Empowering Indonesian Women for Poverty Reduction Program or Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan (MAMPU) Program is funded by the Government of Australia through the Australian Aid Program in the Department of Foreign Affairs and Trade (DFAT). The MAMPU Program supports networks and inclusive coalitions of women’s and gender-interested organizations, and parliamentarians (the MAMPU partners) to influence government policies, regulations and services, and in selected private sector arenas. Ultimately, this work aims to improve the access of poor women in Indonesia to critical services and programs.

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11 Lewi, David, 2003. NGOs, Organizational Culture, and Institutional Sustainability. NGOs, organizational culture, and institutional sustainability. Annals of the American Academy of Political and Social Science

MAMPU partners include 'Aisyiah, BaKTI, Forum Pengada Layanan, KAPAL Perempuan, Home Workers Partners Group (MWPRI, BITRA, TURC, Yasanti), Indonesian Women's Coalition, Migrant CARE, Pekka Foundation and PERMAMPU. Like many other organizations which depend on donor funding, MAMPU partners also face the same challenges, such as uncertainty of donor support which has become the main supporter of the program. Therefore, they need to start considering and looking for more alternative ways, securing and managing their resources, increasing public support (including volunteers and public recognition) and increasing cooperation through networks and networking.

With the assistance from a training and consulting firm MDF Asia, Indonesia Office, the MAMPU partners are currently developing a sustainability plan of the institution and program. They have begun the process of reflection and planning for a sustainable future, including interpreting sustainability, identifying success and success factors, identifying assets, analysing the strengths, weaknesses, opportunities and threats and developing a vision for their organisation in 2025.

MAMPU defines sustainability as “an attitude and how to manage the organisation, so that it remains dynamic and able to adapt, to respond to the changes that occur continuously in the vicinity and the work environment. An organization will not be sustainable if it does not have the ability to rebuild itself (reinvent) so that it remains relevant to the issues that they handle or main mandate of the organisation (the business at hand). In other words, sustainability is not just 'exist' or 'survive'”.

d. MDF approach to sustainability
The technical assistance and facilitation provided by MDF to the MAMPU partners is based on the understanding that sustainability is grounded on three pillars. The first is organizational sustainability which is the ability of the partners to implement a strong governance and leadership system (including renewal/“caderization” of leadership) and develop shared values. The partners need to adjust their human resources to meet demands by having the right people in the right place and their capacity also needs to be renewed. In addition, they need to develop robust financial (and other) systems capable of identifying, developing, protecting and expanding assets.

The second pillar is diversification of resources for sustainability. This pillar is concerned with the ability of the partners to build partnerships with the private sector and government at local and, if possible, national levels. Similarly, partners need to raise direct funding from their supporters as well as effectively manage their assets. In addition, they need to seriously reconsider how they are best equipped to generate income to support their work. Thousands of NGOs around the world have reached the same conclusion, that the sale of products and services can help them to be sustainable and achieve their goals. These organisations have become known as social enterprises. Building networks and coalitions at the international and national levels that provide support, inspiration and protection can also contribute to the partners’ ability to
diversify resources. These resources can be financial or non-financial including professional support.

The third is programmatic sustainability which is the ability of the partners to develop creative and innovative ideas to address changing circumstances and needs. They also need to be equipped with the ability to influence changes in policy and practice that will continue to deliver their programs. Communities need to be empowered to monitor programs and policy implementation and government (and the private sector) need to be engaged so they can provide help in protecting, enhancing and expanding program quality and reach. The last component is the ability to increase public awareness of work and reputation, legitimacy from members, “beneficiaries”, supporters, the general public, government, international and national foundations, and so on so forth.

In addition, MDF uses the Integrated Organization Model (IOM) to help the MAMPU partners to develop a well-defined sustainability plan. This model is applied to describe, to analyse and to diagnose organisations. The IOM is an integrated (or integral) model to emphasise the interrelationships of the different elements of an organisation: although the elements can, to a certain extent, be treated separately, they are all connected to each other and - ideally - in balance. When there is no clear fit between the different elements within an organisation, the organisation will not function optimally and the need for organisational change will be (or become) apparent.

e. Sustainability plan facilitation and consultations
Desk review
The facilitation and consultations process for the MAMPU partners started with desk review. During this process, relevant documents from each partner is studied so that initial information about the organization including their program design and the result of their Organizational Capacity Performance and Assessment (OCPAT) can be informed. Studying these documents, the consultants assigned to each a partner to have a better understanding of the organization’s orientation, governance, organizational management, program management, sustainability aspects, and overall performance.
Appreciative consultation
The second stage in the process is appreciative consultations. Together with the partner, the consultant discusses the result of the desk review with the purpose of gaining more information about the changes they have made and to follow up the results of the assessment. It is also a good opportunity for the consultant to build a good relationship with the partner, learn more about the organizational structure and dynamics as well as to communicate clearly the whole process involved in the facilitation and consultations for the next two years. It is important that the relationship between the partner with the assigned consultant is well established from the beginning in order to build mutual trust between them. Unless this is achieved, the partner might not be open during the consultation and as a consequence the consultant will not be able to help them develop a well-defined sustainability plan.

The consultation is appreciative of past results, meaning the sustainability strategy plan to be develop is based on what has worked in the organization rather than what has not. As such, the consultant asks appreciative questions such as; What achievements has the organization made? What factors led to the achievements? How can these factors be utilized in order to create more success for the organization in the future? What are the assets of the organization (financial, organizational, programs, human resources, etc.? How can these be used to improve the organization and ensure their sustainability? These questions help the partner to realize that despite the challenges they are facing, they have strengths which can be utilized.

The findings of the appreciative consultation suggest that all the partners have thought of sustainability, and yet not all of them have developed a long-term sustainability plan. They rarely have an opportunity to discuss sustainability internally because of being busy with their programs. Some of them define sustainability as the ability to secure financial resources from donor funding and believe that unless donor funding is provided most of their programs will not be sustained. They acknowledge the existence of other sources but they do not think they can access them. During this process, the consultant also has the opportunity to learn more about the partner’s organizational dynamic, organizational culture and values, type of leadership, as well as human resources. Understanding the internal factors of the organization is important because the sustainability strategy which the partner is to develop takes this into consideration. In fact, both internal factors and external factors play equal roles in the sustainability of the organization. The result of the appreciative consultation is sent back to the partner for them to review and check if the information presented is correct and reflects the actual condition of the partner.

Developing a sustainability plan
Sustainability workshop
In order to prepare the partner to develop a sustainability plan, a national workshop is conducted. The purpose of the workshop is to strengthen the partners’ understanding of sustainability, expose the partners to new and sustainable ways to achieve sustainability and agree on the next stage of the process. Each partner is invited to envision what they want to become in 10 years’ time and how they are going to arrive at this. They clarify the impact to be achieved, their target group, core business and organizational values. Inspirational speakers and
resource persons are invited to share their thoughts and experiences relating to women’s empowerment, creative resource mobilization strategies including the use of technology, policy influencing and advocacy, and other relevant issues.

By the end of the presentation, the partners gain better knowledge of what they can pursue in order to achieve their sustainability. They are given time to approach any resource person whose topic they find interesting and relevant to them in order to gain deeper insight before they can decide which strategies to be considered in their plan. The partners then discuss the inputs from the resource persons in their own group and accordingly revise the list of their strategies which they present before a panel of resource persons who give them feedback. At the end of the workshop, each partner again presents their new strategy on which their sustainability plan will be based.

**Developing strategic options for sustainability**

**Sustainability mission**

After the workshop and internal discussion with the board members, the partner is ready to develop a comprehensive and well-defined sustainability plan. This starts with developing a sustainability mission statement which should take into account what the organization wants to look like and how they want others to look at them in 10 years’ time, what is their core business, who is their target group that they want to serve, what values they want to adhere to and which strategic options they will implement in order to achieve this mission.

**SWOT analysis and IOM analysis**

SWOT analysis is used to analyze key components in the mission. This enables the partner to identify potential options which come up through questions such as, *What opportunities (external) are available and which strengths (internal) can we use to make the most of these opportunities? How can we use these opportunities to overcome our weaknesses (internal)? What threats are there and how can we use our strengths to minimize the threats (external)?* All the options which have been identified in this analysis, will further be analyzed using the IOM model. Factors and actors in the external environment and factors in the internal environment which are relevant to each option is identified and elaborated. An option which looks good in the SWOT analysis might be unrealistic (considering the organizational financial and human resources), too risky, not strategic in the long run, or goes against the organizational values, etc.

**Realistic and achievable strategic options**

The analysis helps the partner to select only the options that are strategic. For each strategic option (SO), a results chain of activities, output, outcome and impact is developed. At this stage, the partner can see the logical links between the impact they want to influence, the outcome they can contribute to, the output they want to produce and the activities needed for the output to happen. In doing so, the partner will not invest their resources in the activities which might look good but do not contribute to the outcome of the given SO. Monitoring framework is developed to include SMART Indicators that measure activities, output, outcome and impact to assess whether each of them has been achieved, who will do the monitoring, the frequency of the monitoring, and so on. In addition to the results chain, the main stakeholders for each SO
are identified so their involvement in the implementation of the strategy can be mapped out. Furthermore, risks associated with each strategy are assessed and mitigation strategy proposed.

It is important that the strategies selected for the plan are in line with the sustainability mission in order to ensure they can be implemented effectively with the support from within the organization as well as external stakeholders. All of the partners show interest in adopting creative ideas shared during the workshop but decide to select only those which are realistic and strategic. While the partners’ draft plan has not been finalized by the time this article is written, the strategies to achieve their sustainability show consideration to the three pillars of sustainability.

a. Diversified resource mobilization for sustainability
   The partners are now looking into both internal and external mobilization of resources in order to be less dependent on donor funding. Setting up business ventures, membership dues, face to face and electronic fundraising, building partnership with private sector and philanthropic organizations are some of the strategies proposed to ensure their financial sustainability. Additionally, non-financial support and resources are seen as also contributing and therefore opportunities of in-kind resources have been identified. In order to make this happen, the partners have planned to improve the capacity of their staff in order to be able to respond to the new trends in resource mobilization. Likewise, they are now more open to work with private sector who share the same values. Many of the strategies in their plan are to achieve this sustainability.

b. Organizational/institutional sustainability
   Strategies to achieve this include activities such as setting a good database, implementation of knowledge management, training in leadership and management, implementation of good monitoring and evaluation system, use of proper technology and systems to improve communication within the organization and with people and organizations outside the organization, and boosting existing relations as well as building new ones. Internal systems and processes will be made flexible to ensure the organization is able to adapt to changing conditions in their environment.

c. Programmatic sustainability
   The partners recognize the importance of working with local groups as well as involve communities at different levels of the program. Activities to raise public awareness of their program have been incorporated in some strategies because they believe that lack of public support might be because people do not know about their program or cannot see how the program can benefit them. Policy change and influence is also evident in the partners’ strategy. Activities such as meeting with legislative bodies and discussion with government offices, legal drafting and advocacy are some of the issues raised in the sustainability plan to achieve sustainable program.

Challenges
Developing a good sustainability plan is one thing and implementing it is another. As the partners are now finalizing their plan, there are already some challenges identified for the plan to be
implemented effectively. The first is the financial challenge. While MAMPU is committed to help the partners implement their strategies, the financial support might not be sufficient to cover all the costs associated. The partners need to find financial sources both internally and externally to finance each strategy. The second challenge is human resources. Capacity building is needed to equip the staff of the partners in order to be able to implement the strategies, most of which, are new such as as electronic fundraising, building partnerships with companies to implement their CSR programs, preparing a business proposal/model, etc. Other challenges can include ineffective internal communication, the absence of proper organizational procedures and systems, poor planning, etc.

**What is next**

When the sustainability plan is finalized, the partners will meet potential funders in a *sales pitch*. Capacity building will be given to the partners to enable them to convincingly sell their strategies and accordingly gain support. In addition to this, support will be provided for them to improve their capacity in all areas identified in their sustainability plan followed by national workshops where the partners will meet government, private sector, national and international organizations and foundations who are potential funders and supporters. The plan will then be implemented, monitored, evaluated and reported at the final workshop in order to draw lessons and share both success stories and challenges.

**Summary**

Sustainability strategies need to be developed by NGOs which need to be sustainable. The most important key to sustainability is the ability of the organization to adapt to the constant changes in their environment. This requires internal and external analysis which will result in a well-defined sustainability plan.

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