

# Domestic Resource **MOBILISATION** in the **BARBADIAN NGO SECTOR**



**CPDC**  
Caribbean Policy Development Centre





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# LIST OF ACRONYMS

<b>CPDC</b>	Caribbean Policy Development Centre
<b>LGBTI</b>	Lesbian, Gay, Bisexual, Transgendered, and Intersex
<b>NGO</b>	Non-Governmental Organisations
<b>UNDP</b>	United Nations Development Programme
<b>USAID</b>	United States Agency for International Development
<b>VAT</b>	Value Added Tax

# EXECUTIVE SUMMARY



## **WHY IS THIS STUDY BEING DONE?**

This study aims to increase the body of knowledge available to Non-Governmental Organisations (NGOs) on their domestic resource mobilisation efforts. It serves as a starting point to strengthen their ability to effectively mobilise indigenous resources within the Barbadian NGO sector by assessing the key factors relevant to their domestic fundraising efforts. Through this study, the Caribbean Policy Development Centre (CPDC) has sought to identify and analyse key elements of domestic resource mobilisation to ascertain the important influences that can impact resource mobilisation from local sources of funding and in-kind support.

The study was conducted with the participation of twenty-one (21) Barbadian NGOs; all participatory organisations were responsible for their resource mobilisation. The concept for this report is grounded in CPDC's previous work in Barbados to create an enabling legislative and regulatory environment for NGOs to flourish. Emanating from the past project was a view espoused by NGOs that they rely on a limited number of sources of funding to support the implementation of good governance practices which required financing (e.g. audits, evaluations). The limited availability of funding has adversely impacted programmes, projects, operations, salaries, and other expenses.

Participating NGOs were selected due to their direct experience with domestic resource mobilisation and the challenges and trends encountered during the process. Collectively, the respondent NGOs provided viewpoints that helped to improve our understanding of domestic resource mobilisation.

CPDC anticipates that this study will be used to plan capacity building initiatives for the Barbadian NGO sector to enhance their capacity to mobilise resources from domestic sources. The long-term goal is to foster an enabling environment for the sustainability of the NGO sector within Barbados based on improved access to information for decision making and skills development to undertake effective resource mobilisation strategies.

### **WHAT ARE THE SPECIFIC QUESTIONS TO BE ADDRESSED?**

On which thematic issues do the NGOs focus? How well aligned are the NGOs and donors relative to thematic focus? What are the programmatic and capacity hurdles that need to be addressed to mobilise funds effectively? What are the critical changes that should be incorporated by NGOs?

To investigate these questions, it is necessary to adopt a capacity-building approach, that is, to understand that it is a continual approach. For this reason, the study adopted the theory of capacity building postulated by Connolly and York (2002) to help assess the NGOs.<sup>1</sup>

### **WHAT ARE THE KEY LEARNINGS FROM THE STUDY?**

The study confirms that the Barbadian NGOs face various challenges when attempting to engage in domestic resource mobilisation. The majority indicated they had experienced difficulty in their attempts to mobilise resources, which stemmed from a lack of correlation between the needs of NGO beneficiaries and the priority areas for indigenous donors. Creating a database of donors and their thematic areas could help create a strategic resource mobilisation process.

One of the significant problems confronting NGOs' sustainability is the primary use of ad hoc fundraising activities versus formal resource mobilisation plans. It was revealed that NGOs are largely reliant on non-standardised strategies for resource mobilisation. There does appear to be a need for the sector to understand the importance of formalised strategies and the importance of long-term plans for indigenous fundraising success.

This deficiency can be partly attributed to a lack of organisational structure and strategic thinking and planning. While all the NGOs averred that they have an organisational structure that is easily communicated to executive members and staff, the necessary standard operating procedures for procurement and reporting templates were missing. Additionally, there is a need for capacity building to enhance the NGOs' ability to respond to the needs of their beneficiaries effectively.

This study suggests the need for a greater level of collaboration between all the stakeholders—government, international donors, private sector, community, and the NGOs—who desire to continue to make a positive impact on society. A holistic partnership-centred approach to resource mobilisation is needed to assist in addressing the various social ills. It is a complex challenge that requires long term indigenous fundraising strategies.

<sup>1</sup> Connolly, P., & York, P. (2002). Evaluating capacity-building efforts for nonprofit organizations. *Od Practitioner*, 34(4), 33-39.

## LIMITATIONS OF THIS STUDY

The study has three possible limitations: the impact of COVID-19, the sample selection, and the differences in opinions between the better-funded NGOs and their counterparts.

The original research proposal includes executive interviews with donors and the private sector. Due to the state-imposed regulations to curb the spread of the COVID-19 virus, the study focused only on the NGO sector. The operational challenges posed by the effects of COVID-19 did not allow for more robust participation by the targeted NGO sectors.

CPDC employed the snowball sampling method, which could imply that the NGOs have some linkages between them. This could mean that the leadership may be sitting on committees or joint projects. Therefore, there is a possibility of bias in the opinions expressed. However, the authors do not consider this to be a significant risk of skewing results. This opinion is based on the presence in the sample of NGOs of varying size and tenure, which would have provided an internal check to the various views expressed.

The views of the larger and better-funded NGOs may be different from those of the smaller organisations, which may not be reflected adequately. Currently, there is no benchmark to assist with analysing the difference between challenges faced by various sized organisations. Therefore, it will be useful to develop a benchmark for future studies, since it may reveal potential paths for improving the overall sector.





# INTRODUCTION

The Caribbean Policy Development Centre (CPDC) partnered with CIVICUS: World Alliance for Citizen Participation to examine the current resource mobilisation environment in Barbados. This project, "Strengthening Barbadian Civil Society's Ability to Engage in Domestic Resource Mobilisation for a more Sustainable Sector," aims to improve the environment for indigenous resource mobilisation within the Barbadian NGO sector. This study aims to strengthen the Barbadian Civil Society's ability to engage in domestic resource mobilisation and seeks to positively impact the NGO sector's sustainability.

Barbadian non-governmental organisations (NGOs) have found it increasingly challenging to access funding in recent years. Based on CPDC's previous work on NGO legislation, it was established that Barbadian NGOs rely on a limited number of funding sources. The funding is utilised in their programmes, projects, operations, salaries, and other costs.

Organisations are unable to depend on international sources for funding due mainly to the fact that the island is often assessed as middle-to high income by many development organisations. Further to this, there is a limited capacity of the NGOs to execute resource mobilisation strategies successfully. This fact results in a challenging environment for these organisations to mobilise international development assistance for their organisations' programmes, projects, and daily operations. Local organisations are therefore compelled to rely on locally-based donors for much-needed support.

For organisations to become more knowledgeable and effective in domestic resource mobilisation, this study identifies the importance of strategic planning, capacity building needs, funding strategies and good governance policies. The study also assesses the trends in philanthropic giving identified by NGOs, which adversely impact their ability to mobilise resources. Furthermore, the information shared provides a detailed snapshot of the climate regarding domestic resource mobilisation in Barbados. This information will be made accessible to NGOs to create an enabling environment for resource mobilisation and in-kind contributions.



# METHODOLOGY

To measure the ability of NGOs to engage in domestic resource mobilisation, CPDC constructed and administered a standardised questionnaire. The questionnaire consisted of Likert scale questions complemented with open- and closed-ended questions. The questionnaire aimed to gauge the understanding of Barbadian NGOs as it pertained to domestic resource mobilisation and allowed the participating organisations to give information about good governance trends, marketing and communication, strategic fundraising methodologies, and the organisation's capacity-building needs.

CPDC disseminated the questionnaire on March 17, 2020, the same week in which the WHO declared the COVID-19 pandemic. Consequently, the time allotted for completion was heavily impacted and resulted in an extended three-month period for NGOs to complete the questionnaire. There were a total of twenty-one organisations who participated in the questionnaire in the project country, Barbados.

CPDC believes that the sample size and character of the NGOs participating in the questionnaire provide a good indicator of the context of domestic resource mobilisation faced by the Barbadian NGOs.

## RESEARCH OBJECTIVES

The main objectives of the study are:

- To improve the environment for indigenous resource mobilisation within the Barbadian NGO sector;
- To enhance knowledge and identify the main barriers to proper domestic resource mobilisation experienced by civil society;
- To provide evidence of existing domestic resource mobilisation practices in Barbados and civil society resourcing trends; and
- To investigate the key methodologies and trends in philanthropic giving in the NGO sector in Barbados, methods including social entrepreneurship, programmatic focus, accountability and transparency, and networking.



# FINDINGS

## SAMPLE CHARACTERISTICS

This research study assesses the experiences of twenty-one (21) organisations based in Barbados. **Figure 1** identifies that 43% of the respondents indicated their existence for over twenty years. Additionally, 14% stated that they have existed from 6–8 years and 9–11 years, respectively. Ten percent (10 %) of NGOs reported they have been in existence for 18–20 years and 3–5 years.

### Length of Presence Of NGOs

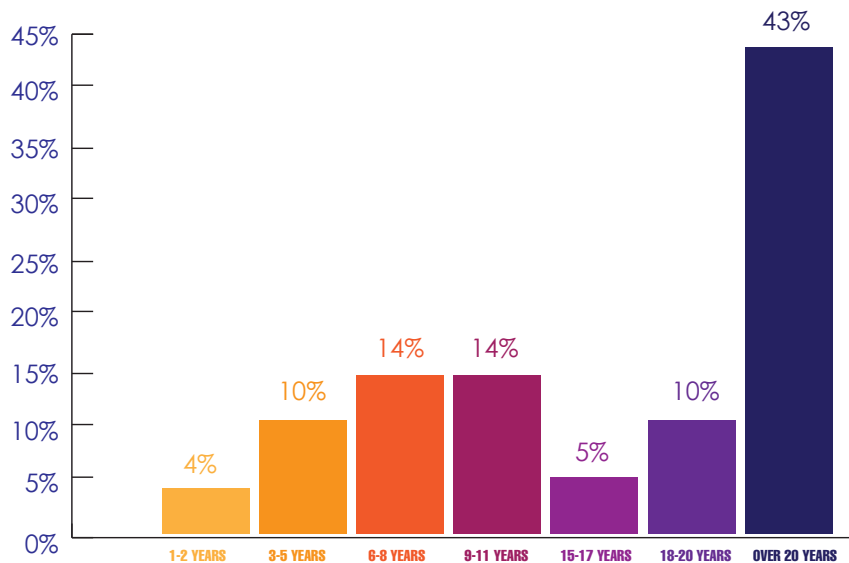


Figure 1: Length of Presence of NGOs

### Year Organisation was Legally Registered

- **1-10 YEARS**
- **11-20 YEARS**
- **21-30 YEARS**
- **31-40 YEARS**
- **OVER 40**

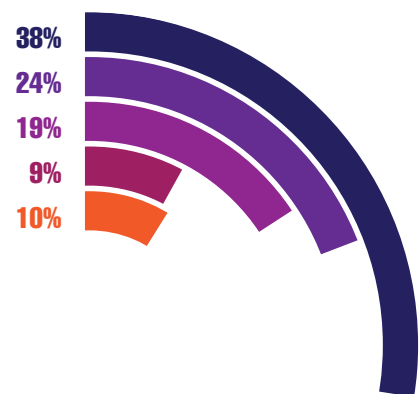


Figure 2: Year Organisation was Legally Registered

Legal status for NGOs permits the organisation to certify its name and use it in bank accounts, contracts, publications, and other ventures. It enhances the NGO's ability to mobilise funding as it provides a form of legitimacy which is attractive to donors. In **Figure 2**, the majority (38%) was legally registered in the last ten years, with 24% being registered for 11–20 years. Additionally, 19% of the sample indicated they were registered between 21 and 30 years.

## Top Four Thematic Areas of Organisations

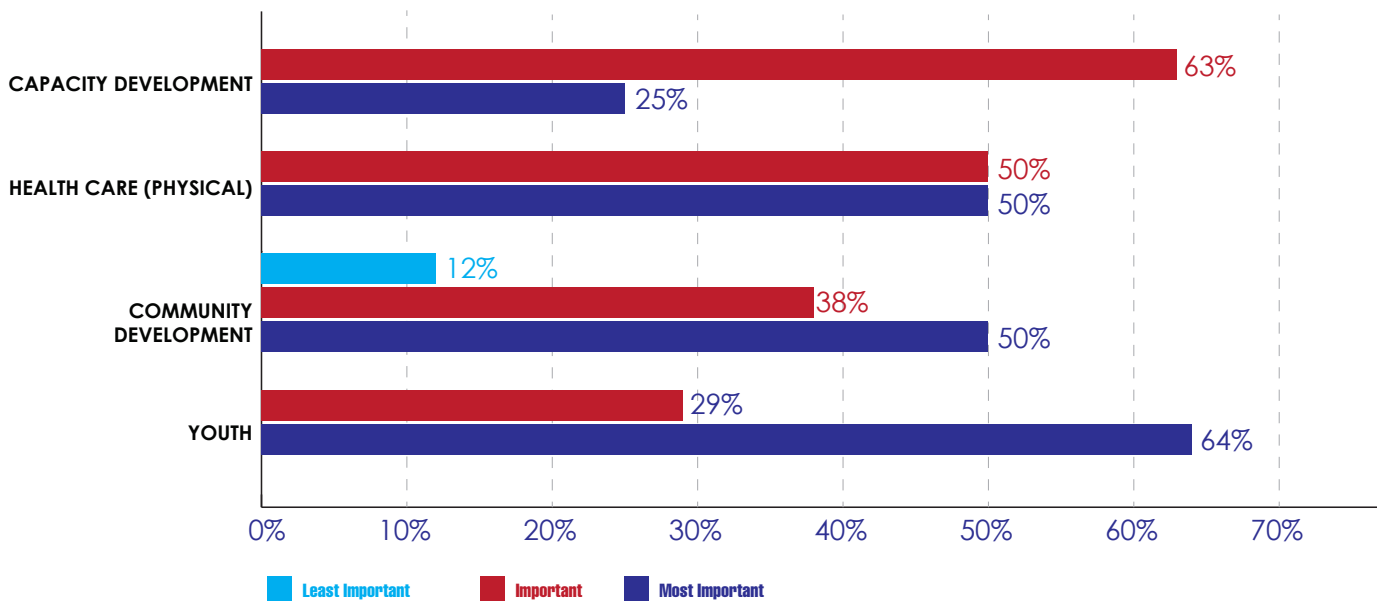


Figure 3: Top Four Thematic Areas of Organisations

In Barbados, NGOs' thematic areas vary according to organisations' missions and strategic objectives. **Figure 3** shows the distribution of the top four thematic areas under which NGOs' programmes are located. These were Youth, Community Development, Health Care (physical), and Capacity Development.<sup>2</sup>

A combined 93% of the organisations highlighted that **Youth** was an important thematic area for their organisations, while 7% indicated it was 'least important.' **Community Development** was indicated as 'important' by 88% of the NGOs. Similarly, 88% of the respondents also identified **Capacity Development** as 'important' with 12% reporting it was 'least important.' Additionally, **Health Care** was reported as 'important' or 'very important' by 100% of the respondents as a top-four thematic area.

Other important thematic areas identified by the sample include Children's Rights, Drug Rehabilitation, Trade/Business Development, Lesbian, Gay, Bisexual, Transgendered, and Intersex (LGBTI), Persons with Disabilities, Mental Health, and Gender Rights. In Barbados, the NGOs have substantially impacted the country's sustainable development, promoting growth and equity for the marginalised.

<sup>2</sup> These results reflect the proportion of the sample selecting multiple options.

The most notable projects undertaken by these organisations include United States Agency for International Development's (USAID) Local Capacity for Local Solutions Project, Barbados Internet Governance Forum, Taking Back Our Youth, Walk A Mile in My Shoes, Linkages, and The Mentoring Model to Develop Young Entrepreneurs project. NGOs have also engaged in climate change-related projects like Disaster Risk Reduction: Building Resilience in Communication, the starting of an organic garden at the Government Industrial School for Girls, Caribbean Clean Seas Programme, and 1.5 to Stay Alive Climate Justice Advocacy project. The most notable projects are illustrated in **Table 1**.

THEMATIC AREA	PROJECT	DESCRIPTION
Persons with Disabilities	Walk A Mile in My Shoes	Encouraging people to take on a form of disability for a day, such as using a wheelchair or being blindfolded or denied the use of their arms, so they can feel the struggles that disabled persons go through all their lives.
Capacity Building	USAID LCLS	This project sought to build the operational and managerial capacities of NGOs in the Eastern and Southern Caribbean to enable organisations to design, deliver, and sustain local solutions for improved development.
Climate Change	1.5 to Stay Alive Climate Justice Advocacy Project	Caribbean Nations are vulnerable to a temperature that rises more than 1.5° Celsius, which would be catastrophic. This climate justice campaign aimed to raise awareness about the perils of global warming.

Table 1: Most Notable Projects

## Financial Budget For the Previous Year

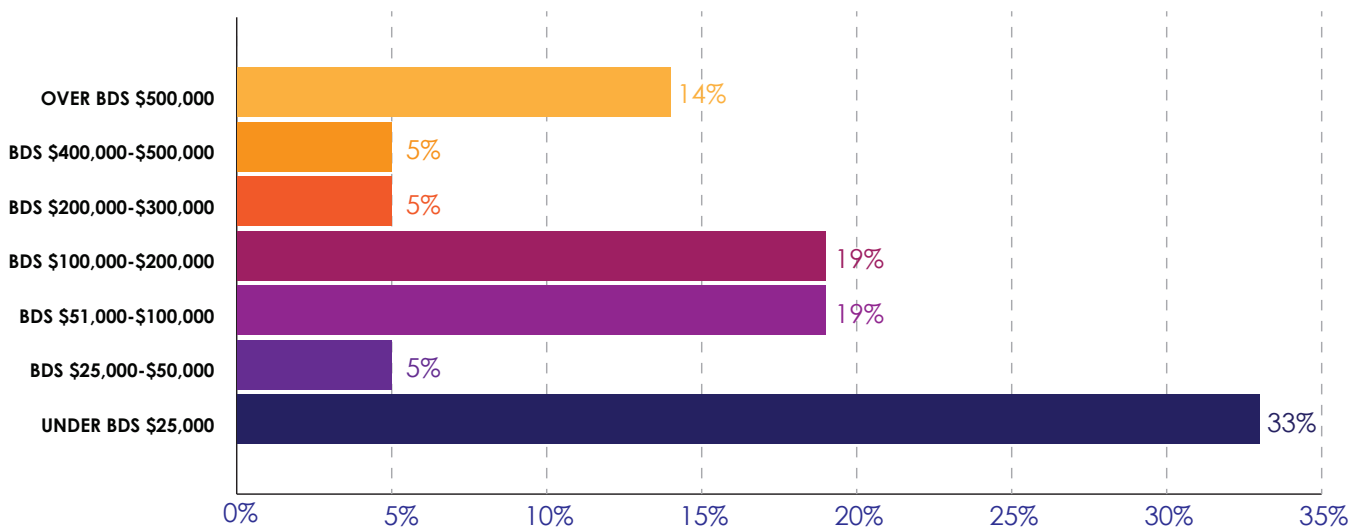


Figure 4: Financial Budget for the Previous Year

In assessing the NGO sector's ability to mobilise resources, respondents were asked to report the size of their last annual financial budget. Thirty-three percent (33%) of the NGOs reported that their budget was under \$25,000. Nineteen percent (19%) of the respondents indicated their budgets average between \$51,000 and \$100,000, and \$101,000 to \$200,000. Fourteen percent (14%) of the sample indicated they had a budget of over \$500,000 in their last financial year. This is illustrated in **Figure 4** above.

The majority (52%) of the participants stated that between 90% and 100% of their budgets were sourced locally, with ten percent (10%) of the respondents reporting 81%–90% of the organisation's funding was sourced locally. A further 14% of the NGOs indicated that they sourced 41%–60% of their budget locally. An additional ten percent (10%) stated 20%–30% was sourced locally, while 14% of the organisations reported that under 20% of their annual budget was sourced locally. **Figure 5** showcases the percentage of NGOs' annual budgets are locally sourced.

### Proportion of Budget Sourced Locally

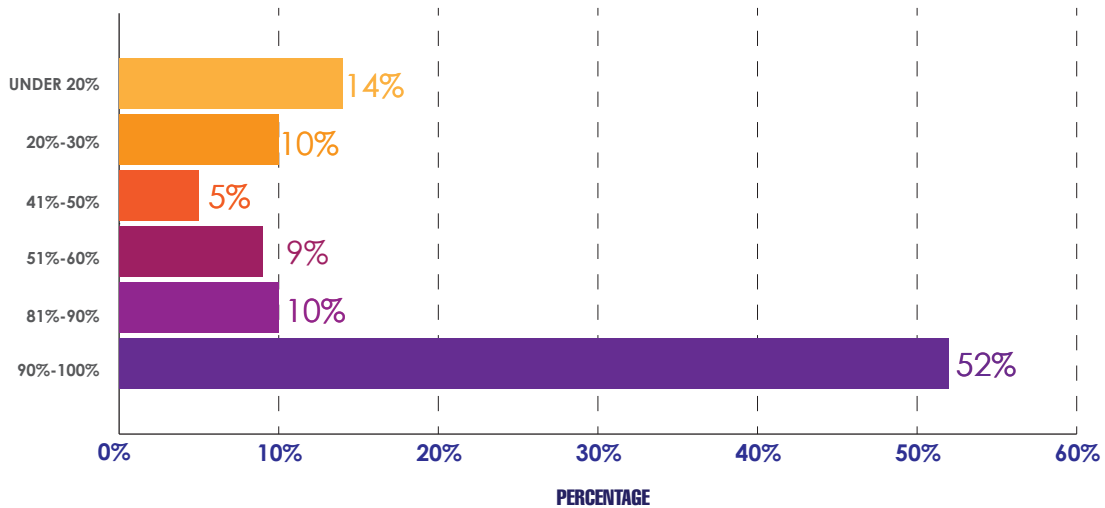


Figure 5: Proportion of Budget Sourced Locally

### DONOR SOURCES AND RELATIONS

#### Significant Donors in the Past 5 Years

- Non-Domestic Sources
- Government
- International Development Agencies
- Private Founder or Trust Based in Barbados

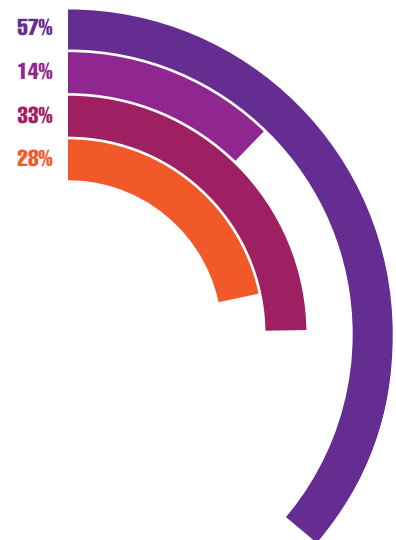


Figure 6: Significant Donors in the Past Five Years

There is a wide range of donors in Barbados, including international development agencies, private trusts and foundations, NGOs, the private sector, and the government. Based on the feedback in **Figure 6**, 33% of NGOs indicated that **International Development Agencies** such as the USAID and the United Nations Development Programme (UNDP) were notable donors. Additionally, 28% of organisations identified local **Private Foundations or Trust based in Barbados**, such as the Maria Holder Memorial Trust and Sandy Lane Charitable Trust, as the most notable donors in the past five years. Fourteen percent (14%) of the participants noted that the **Government** is the most significant donor in the past five years. Fifty-seven percent (57%) of the organisations also highlighted their funding came from **Non-Domestic Sources** such as regional organisations, international NGOs, international Governments accounting for 15%, and the remaining 42% comprised of corporate donors, international foundations, and international development agencies.

In **Figure 7**, organisations ranked their primary sources of funding using a Likert scale of 'most important,' 'important,' and 'least important.' **Private Foundations or Trusts based in Barbados** was rated by 70% of the organisations as the 'most important' source of funding, and 20% rated them as 'important.' **Individuals based in Barbados** was identified by 67% of the NGOs as 'most important,' and 33% noted it was 'important.'<sup>3</sup> Similarly, 67% of the organisations indicated **NGOs or Development Agencies outside of Barbados** was the 'most important' source of funding; 33% noted that it was 'important.'

Sixty-seven percent (67%) of NGOs highlighted **Private Sector Companies based in Barbados** were their 'most important' source of funding, and 25% viewed them as 'important.' Based on the feedback, 43% of NGOs noted that **Government subvention and NGOs or Development Agencies based in Barbados** were the 'most important' source of funding, respectively. Additionally, 43% of NGOs highlighted that **NGOs or Development Agency Donors based in Barbados** were an important source of funding.

## Main Sources of Funding

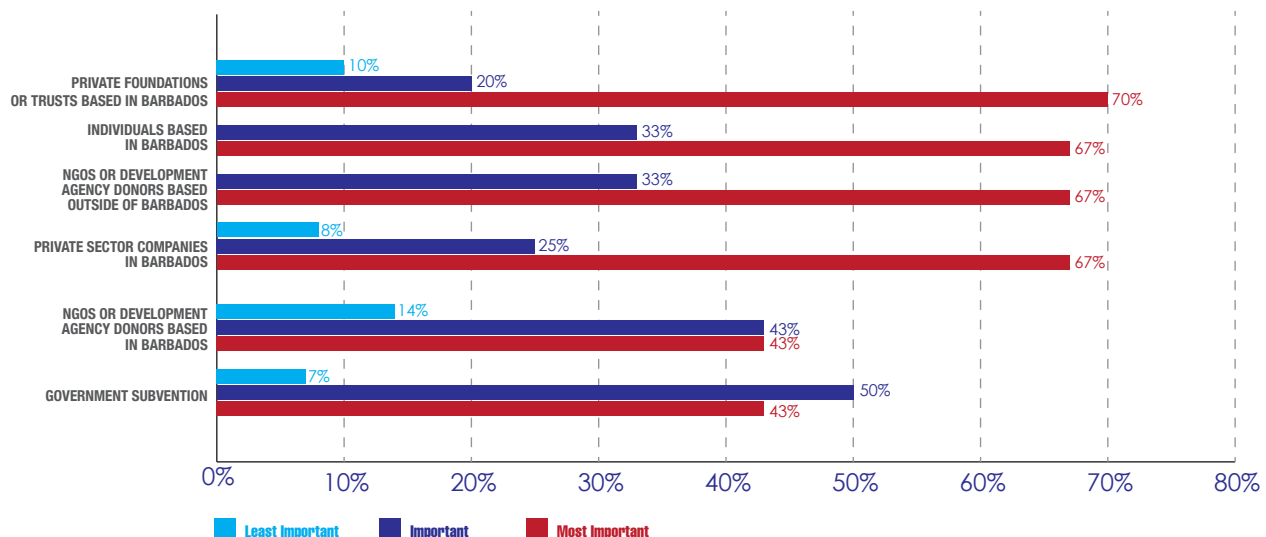


Figure 7: Main Sources of Funding

<sup>3</sup> These results reflect the proportion of the sample selecting multiple options.

Respondents were asked to rank the types of resources mobilised nationally using most important, important, and least important. The data in **Figure 8** shows that 89% of NGOs indicated **Volunteer Support from Individuals** is the most important resource they mobilise locally, with 11% of NGOs reporting that volunteer support from individuals was an 'important' type of resource they mobilise within Barbados. Followed by funding from **International Development Agencies based in Barbados**, 78% noted funding was 'most important.' An additional 22% of the participants reported that funding from these agencies is 'important.' Sixty-three percent (63%) of the organisations noted **Funding from Private Trusts and Foundations** were 'most important;' 25% of NGOs indicated they were important.<sup>4</sup>

## Importance of Resources Mobilised in Barbados

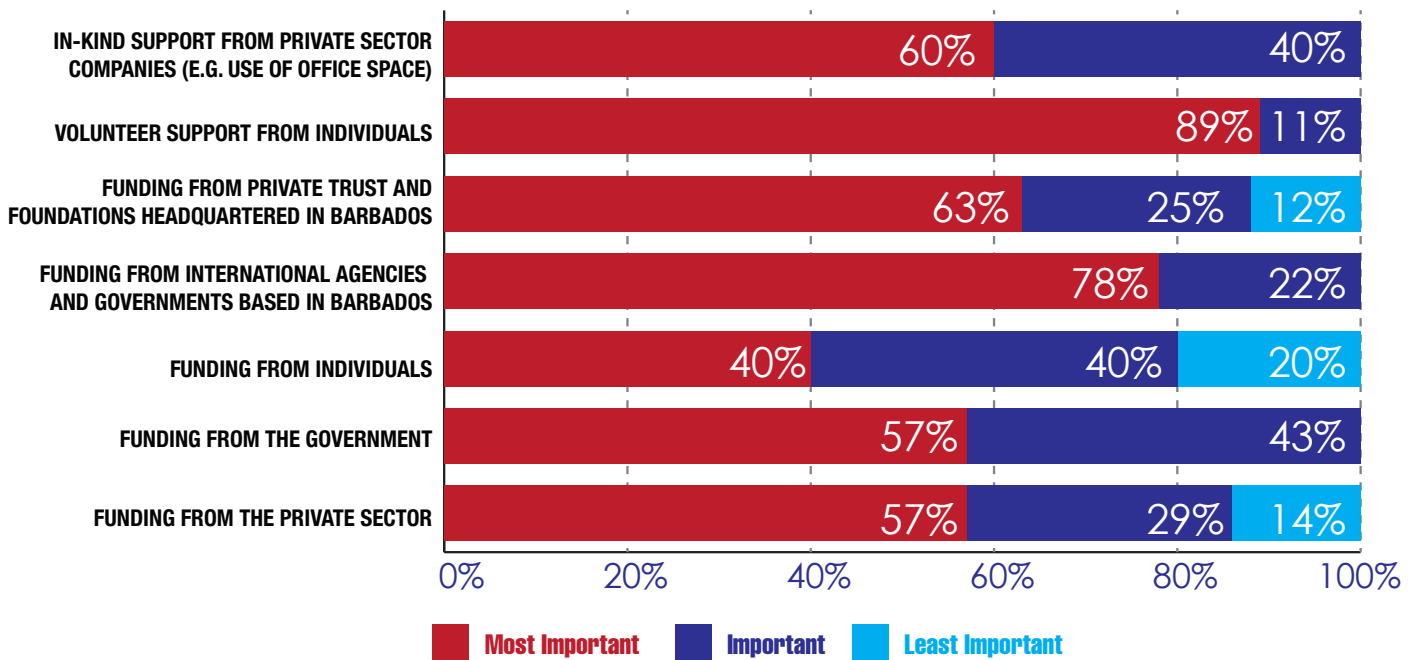


Figure 8: Importance of Resources Mobilised in Barbados

## RESOURCE MOBILISATION STRATEGIES

To effectively mobilise domestic resources, organisations must be aware of the potential local donor pool. Three out of four NGOs (76%) were aware of this universe of donors.

Adopting a strategic approach to resource mobilisation can enhance NGOs' ability to galvanise funding and in-kind support. **Figure 9** shows that only one in six NGOs (14%) had a written resource mobilisation strategy. As part of their strategic financial process, these NGOs reported their use of electronic documents, independent teams, agency identification, annual budget programs, and the development of three-year strategic plans.

<sup>4</sup> These results reflect the proportion of the sample selecting multiple options.



## Written Resource Mobilisation Strategy

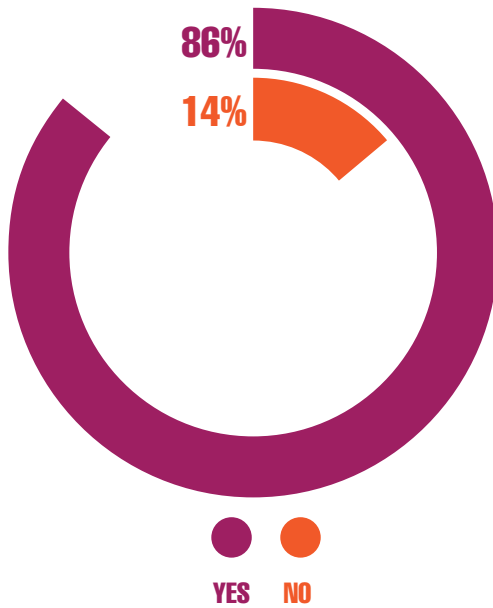


Figure 9: Written Resource Mobilisation Strategy

NGOs can enhance their resources mobilisation strategies by having team members dedicated to the successful implementation of them. In **Figure 11**, six out of 10 NGOs (57%) did not have staff dedicated to resource mobilisation. The NGOs' fundraising teams usually consisted of staff members, volunteers, the Board of Directors, Executive Director, and small subcommittees.

## Staff Allocation to Fundraising Team

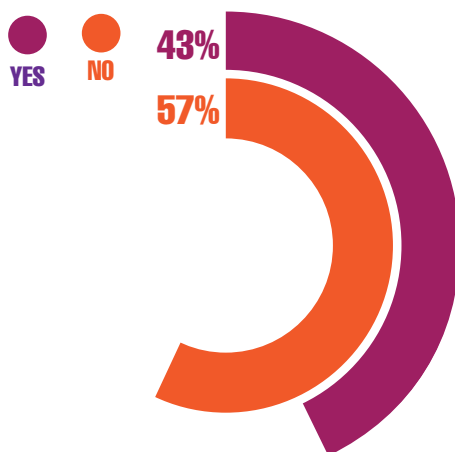


Figure 11: Staff Allocation to Fundraising Team

Further, about half (52%) of the other NGOs reported they employed an unwritten resource mobilisation strategy. Utilising unwritten strategies, the NGOs noted that they used stakeholder discussions, executive teams, board member guidance, and an ad hoc approach using needs-based assessments as a means of arriving at their strategy. This is illustrated in **Figure 10**.

## Unwritten Resource Mobilisation Strategy

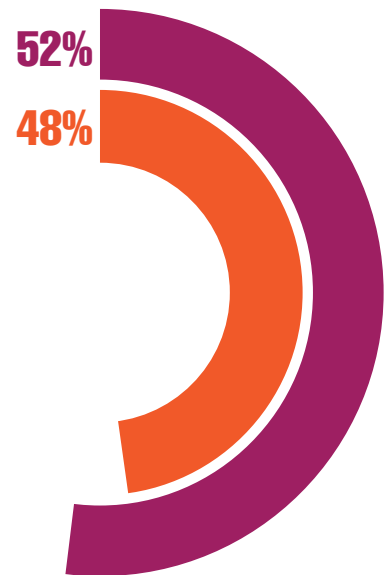


Figure 10: Unwritten Resource Mobilisation Strategy

In assessing the NGOs' resource mobilisation fundraising strategies' effectiveness, the minority (9%) indicated it was 'very effective' with an additional 29% reporting that their fundraising strategy was 'effective.' Fourteen percent (14%) of the NGOs stated that they were 'unsure' about the effectiveness of their fundraising strategy; 43% of the sample indicated that their fundraising strategy was 'not so effective' with five percent (5%) noting that their strategy was 'not at all effective.' See **Figure 12**.

## Effectiveness of NGO's Resource Mobilisation Strategies

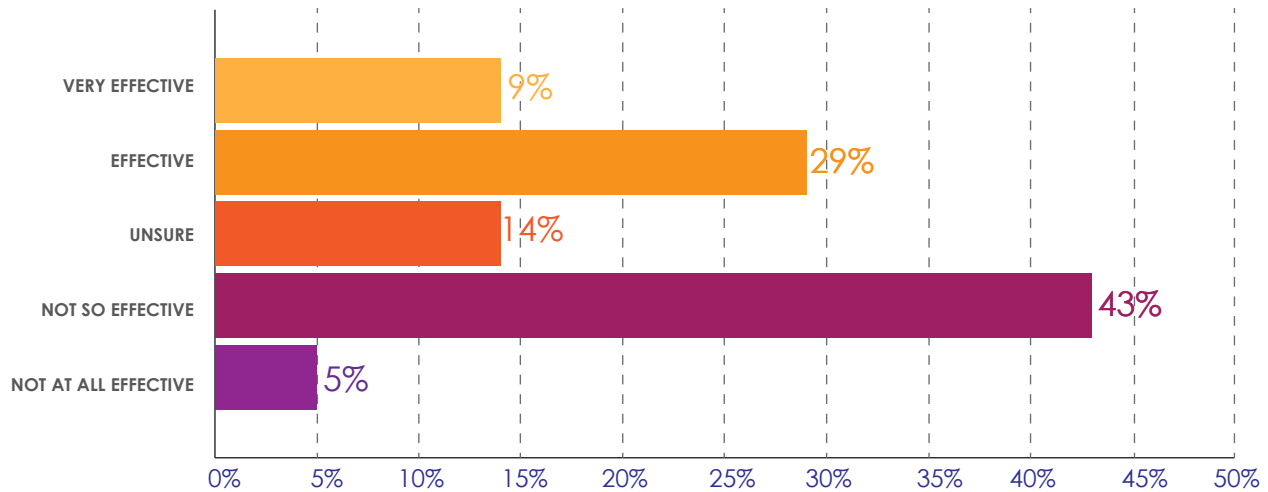


Figure 12: Effectiveness of NGO's Resource Mobilisation Strategies

**Figure 13** illustrates the top three resource mobilisation strategies of the organisations. Seventy-one percent (71%) noted that they prepared letters requesting assistance locally from donor organisations. A further 62% of the respondents reported that they prepared proposals, and with a similar proportion (62%) conducted their own fundraising activities and fairs.

Other resource mobilisation strategies utilised include preparing concept notes, requesting meetings with local donors for support, online campaigns and outreach, entrepreneurial initiatives, and sponsorship packages for the organisation's conferences.

## Top Three Domestic Resource Mobilisation Strategies



Figure 13: Top Three Domestic Resource Mobilisation Strategies

A donor database can enhance an NGO's ability to map and access sources of funding and maintain relationships with donors. In **Figure 14**, more than half the sample (55%) indicated that they maintained a donor database.

## Portion of NGOs With Donor Database

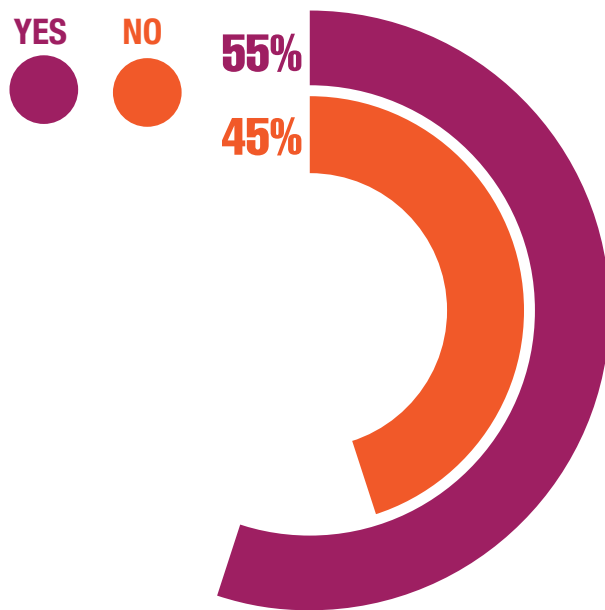


Figure 14: Proportion of NGOs with Donor Database

Fifty-seven percent (57%) of the organisations interviewed have not engaged in social entrepreneurship initiatives. When asked if they had considered undertaking social entrepreneurship initiatives to mobilise resources, most reported that they wished to explore social entrepreneurship ventures.

This type of resource mobilisation is not without its challenges. The NGOs reported the following difficulties: competing priorities for resource allocation to project implementation versus fundraising, difficulty obtaining experienced human resources to develop and promote initiatives.

Social entrepreneurship is a strategy used to mobilise resources, where the profits made are linked directly to a social mission, which can include feeding the homeless, providing financial support, and other services to the vulnerable. Forty-three percent (43%) of the NGOs engage in social entrepreneurship initiatives such as thrift shops, sales of branded merchandise, agricultural products, value-added products, and items sold to local markets. Additionally, NGOs utilised fundraising activities, sale of donated bicycle projects, public performances, sexual and reproductive health commodities for sale, social enterprise incubator, and capacity building initiatives as a means to gain funds. This is illustrated in **Figure 15**.

## Utilisation of Social Entrepreneurship

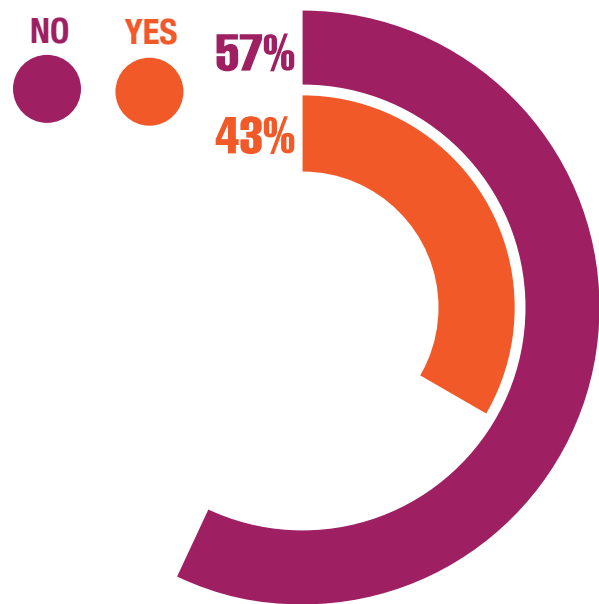


Figure 15: Utilisation of Social Entrepreneurship Initiatives

### MAINTAINING FUNDING RELATIONSHIPS

Marketing and Communications should be fundamental components of NGOs' resource mobilisation, as it assists with maintaining relationships and the dissemination of information on current and previous project activities. If marketing and communication are properly harnessed, it can foster donors' interest and enhance potential successes via funding opportunities.

A super-majority (81%) reported they promote the success of project activities to donors. The main methods utilised to promote project activities and successes to donors and the public, respectively, are emails, social media, blog posts, concept notes, flyers, and newsletters. In contrast, the minority (19%) of NGOs did not engage in these activities. This is illustrated in **Figure 16**.

### Promoting Project Activities and Successes to Donors

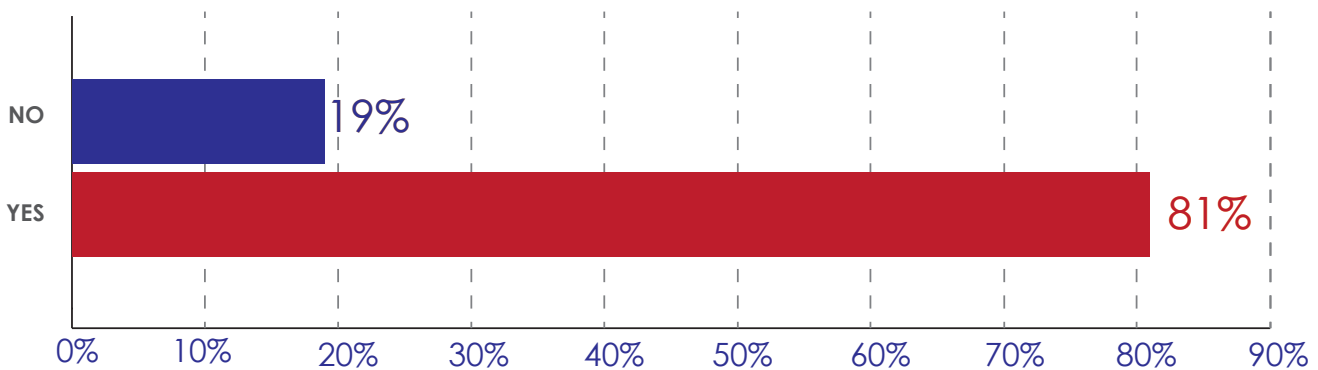
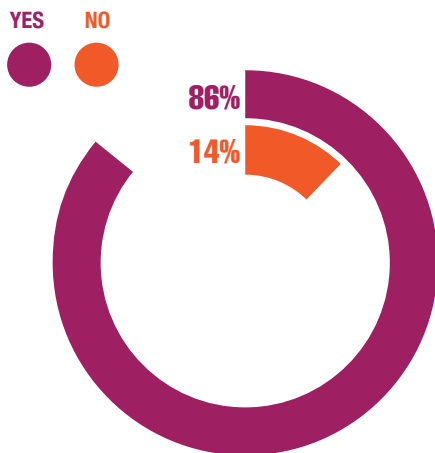


Figure 16: Promoting Project Activities and Successes to Donors

Providing the public with information on project activities and successes can lead to the support of initiatives through volunteerism or other support. This exposure allows NGOs to raise awareness of the work they do and their importance to the country. **Figure 17** reveals that almost 9 in 10 NGOs promote their project activities and their successes to the public. Methods utilised to communicate project activities with the public include formal reports, letters, press releases, website posts, published brochures, outreach programmes, and the annual general meetings.

### Promoting Project Activities and Successes to Public



Strong and mutually respectful relationships with donors is an important criterion for lasting success within resource mobilisation. The majority (58%) of the organisations noted they maintain relationships with previous donors, which could set the foundation for other project support in the future. The principal ways NGOs maintained good relations with donors were reported as sending thank you letters, invitations to events, updating briefs, and following up correspondence. A notable percentage (42%) did not maintain relationships, as they did not see the value in expending limited human resources on this effort. **Figure 18** illustrates this information.

Figure 17: Promoting Project Activities and Successes to Public

## Maintain Relationships with Previous Donors

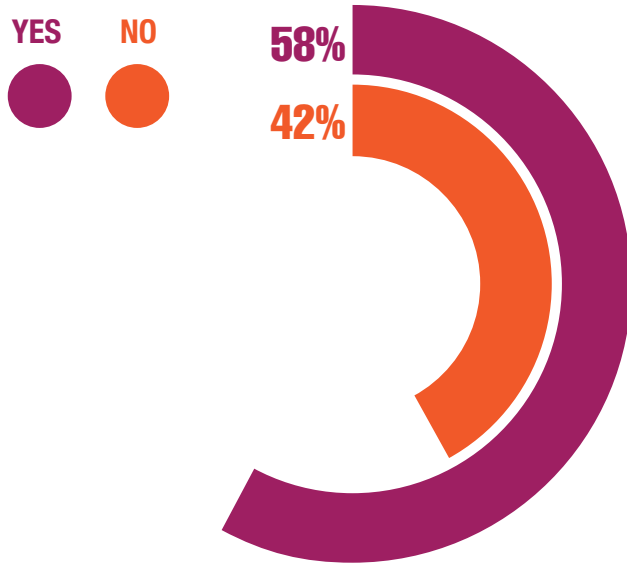


Figure 18: Maintaining Relationships with Previous Donors

NGOs reported that they enter partnerships with other NGOs with similar portfolios as a strategic resource mobilisation approach. These NGOs stated that they conducted joint fundraising initiatives such as hosting seminars, hubs to facilitate food sharing, and other events. In some cases, the NGOs pledge partnerships as part of the regulations for large grants required by donors. Another participant stated that they engage in partnerships to build their human resource capacity to implement projects when required.

Networking within the NGO sector as a means of domestic resource mobilisation will enhance the institutional capacity to obtain funding. Only about half of the NGOs (52%) indicated they utilise networking as a strategic method to undertake domestic resource mobilisation. The remaining NGOs (48%) reported that they do not engage in networking as a means of resource mobilisation. (See Figure 19.)

## Collaboration in Aid of Domestic Resource Mobilisation

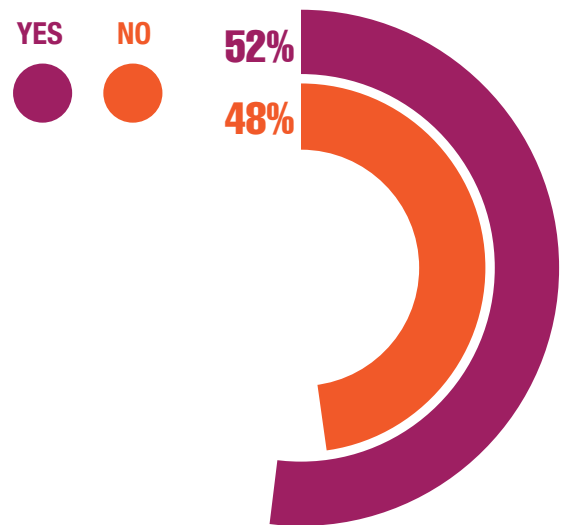


Figure 19: Collaboration in Aid of Domestic Resource Mobilisation

# DOMESTIC RESOURCE MOBILISATION TRENDS

## Challenges with Domestic Resource Mobilisation

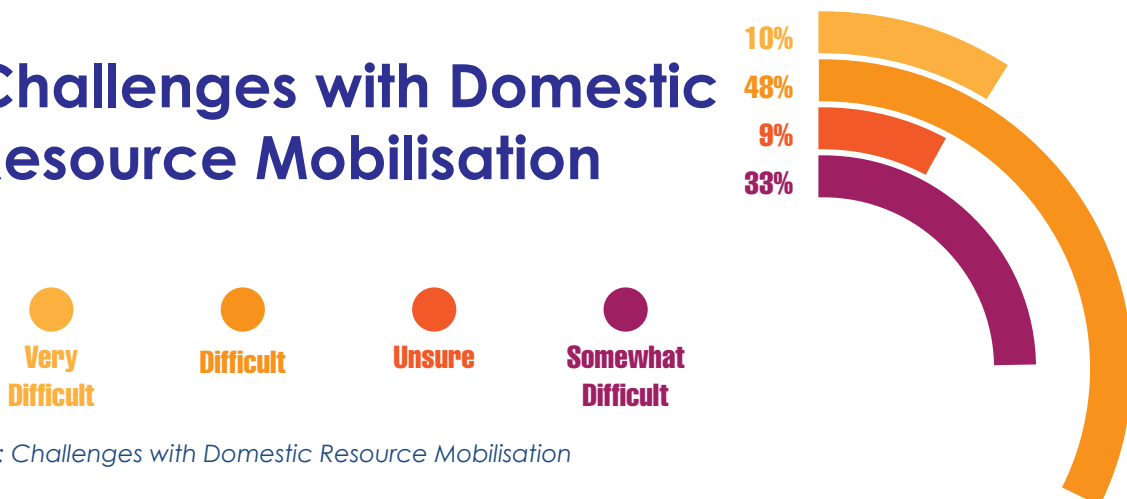


Figure 20: Challenges with Domestic Resource Mobilisation

Organisations were asked to assess the challenges and the difficulties associated with domestic resource mobilisation. Ten percent (10 %) reported it was 'very difficult,' 48% said 'difficult,' and 33% indicated it was 'somewhat difficult.' Only nine percent (9%) of the organisations interviewed were unsure of any challenges. See **Figure 20**.

## Trends in Domestic Resource Mobilisation (Last 5 Years)

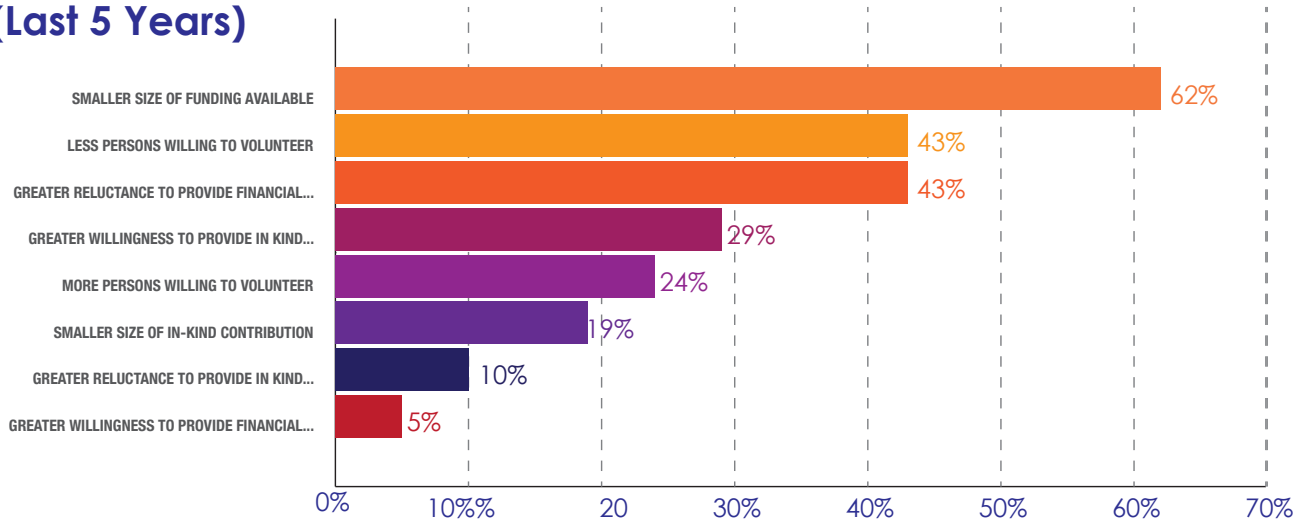


Figure 21: Trends in Domestic Resource Mobilisation (Last Five Years)<sup>5</sup>

For NGOs to provide services and support to their beneficiaries, they are dependent on access to resources, which can vary from volunteerism and in-kind contributions to financial aid. Based on the feedback, there have been some negative trends in resource mobilisation in the last five years.

The majority (62%) of NGOs indicated a smaller size of funding opportunities available. Further, 43% of the sample reported greater reluctance by donors to provide financial support—a similar proportion of those reported that fewer individuals were willing to volunteer services. Additionally, 19% of the sample identified a smaller size of in-kind contributions, along with 10% saying there is a greater reluctance to provide in-kind support.

In contrast, 29% of the sample noted a greater willingness to provide in-kind support. Twenty-four percent (24%) mentioned that more persons were willing to volunteer, and five percent (5%) of NGOs indicated a greater willingness to provide financial support. This is illustrated in **Figure 21**.

In many instances, corporate and developmental donors provide funding for thematic areas that align with their goals and objectives. The popular opinion (70%) among respondents was that there were specific thematic areas in which donors were more willing to support.

5. These results reflect the proportion of the sample selecting multiple options.

# GOOD GOVERNANCE PRACTICES

## ORGANISATIONAL AND INSTITUTIONAL STRUCTURE

Good governance ensures that the NGOs have policies, guidelines, and transparent decision-making processes that hold members accountable and regulate the procurement of goods and services. All of the NGOs reported that they have a clear organisational structure that can be easily communicated to their members. A little more than half (52%) of the NGOs indicated that they had written procurement guides which govern the acquisition of goods and services.

## FINANCIAL MANAGEMENT

Financial management seeks to organise all economic activities, including the procurement of goods and services. In **Figure 22**, the majority (95%) of the sample indicated that they had financial management systems to guide project expenditure. For example, their financial management systems include the mandatory two signatures on cheques and the preparation of monthly or quarterly financial statements.

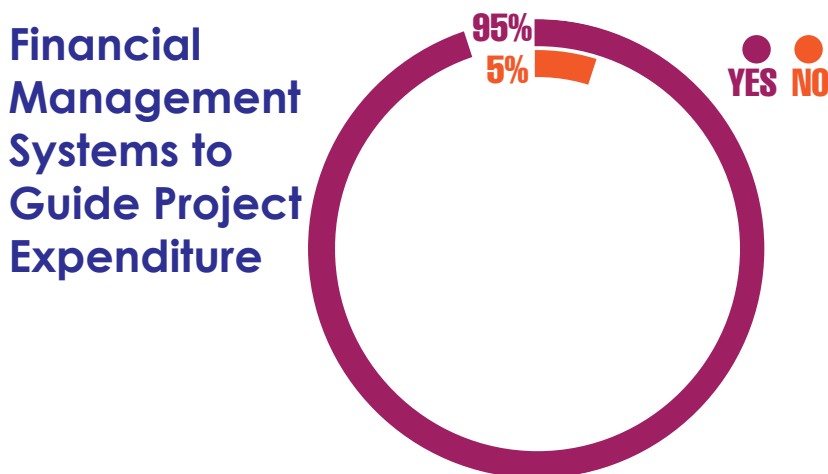


Figure 22: Financial Management Systems to Guide Project Expenditure

As part of good governance measures, organisations are required to monitor their financial activities and provide consistent reporting, ensuring a level of internal transparency for assessing expenses, assets, and liabilities. Financial reports can also be utilised externally if and when donor agencies require their submission as a prerequisite to obtaining funding.

Eight out of ten NGOs reported they have financial reports covering their administrative spending and management of project expenditures. These NGOs reported that they utilise many different documents to monitor expenditures. These include audited and unaudited financial statements, invoice issuance procedures, project reports, and donor reports. Additionally, some organisations noted they utilise more detailed practices such as creating in-house policies, preparing financial statements per each event, training budgets, annual budgets, and management accounts to keep a proper record of the yearly expenditure. The compliance level among the sampled NGOs is illustrated in **Figure 23**.

## Financial Report Expenditure

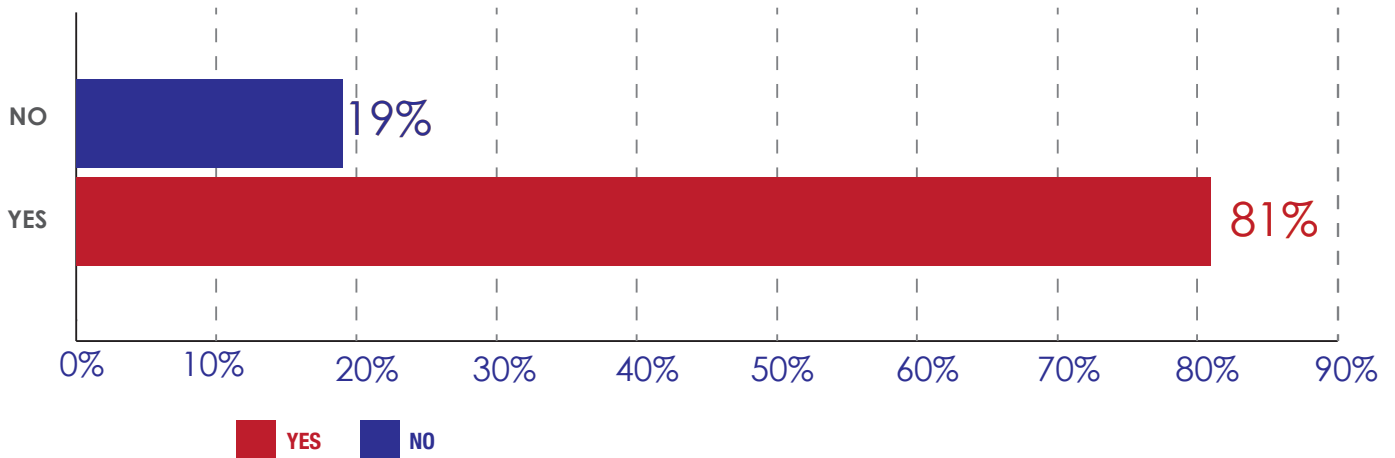


Figure 23: Financial Reports of Annual Expenditure

Projects require the close management of expenditure by organisations to ensure a high adherence between approved actions and actual spending. Based on the statistical information in **Figure 24**, four in ten NGOs 'always' provide financial reports throughout the duration and after the project is completed. Three in ten NGOs indicated they provide financial reports 'sometimes.' Whereas, one in seven NGOs 'rarely' provide reports or 'never' give the donors financial reports.

## Provide Donors with Financial Reports During/After Projects

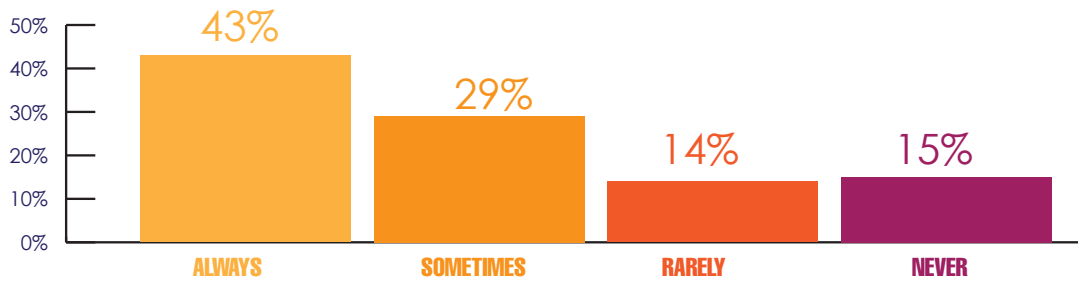


Figure 24: Providing Donors with Financial Reports During/After Projects

Narrative reports are often used by NGOs to maintain communication with donors to keep them updated on projects' progress. Forty-three percent (43%) of NGOs noted they 'sometimes' provide narrative reports, while just over a third (38%) report that they 'always' offer narrative reports to donors. Ten percent (10%) of NGOs 'rarely' provide donors with reports with nine percent (9%), indicating they 'never' give the donors reports during projects or after its completion. This is illustrated in **Figure 25**.



# Provide Donors with Narrative Reports During/After Projects

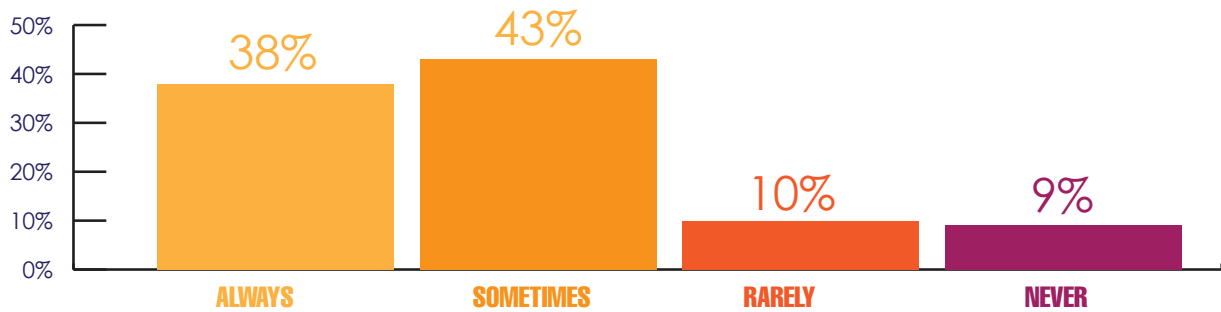
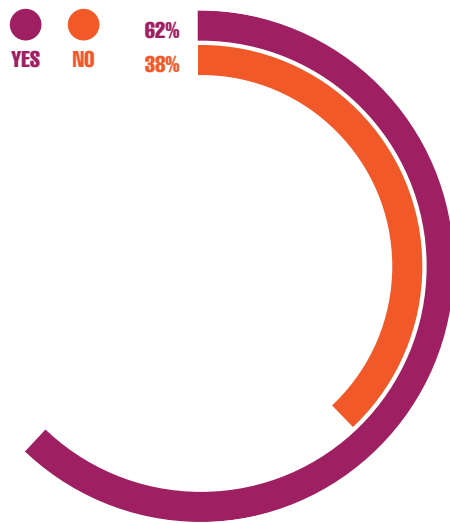


Figure 25: Providing Donors with Narrative Reports During/After Projects

## ENABLING FUNDING ENVIRONMENT BY THE GOVERNMENT

### Aware of Tax Exemptions



When provided by governments, fiscal incentives often create an enabling environment enhancing an NGO's ability to provide services to its beneficiaries. **Figure 26** illustrates that six in ten NGOs indicated that they are aware of the tax exemptions afforded them. Some of the exemptions afforded to Barbadian NGOs include donor tax breaks for charitable donations, duty-free concessions, and other tax exemptions. One NGO indicated that they no longer have updated information on tax exemptions afforded to NGOs.

Figure 26: Aware of Tax Exemptions

### Creation of Enabling Environment by Government



Figure 27: Creation of Enabling Environment by Government

NGOs require strategic interventions by the Government to improve their effectiveness and efficiency. In this context, the NGOs in this study indicated the need for the Government to implement exemptions and concessions.

The top four suggestions highlighted in **Figure 27** were Value Added Tax (VAT) exemptions (57%), tax incentives (33%), duty-free concessions (14%), and government subventions (9%).

Additionally, NGOs recommended that the Government assist them by commissioning a needs assessment of the sector, passing appropriate legislation, providing testimonials of impact, and delivering more efficiency in handling government-sponsored programmes and more technical assistance.<sup>6</sup>

### CAPACITY BUILDING

Capacity building is the process that enables NGOs to improve their skills and knowledge intending to strengthen their technical and institutional capacity. In **Figure 28**, most of the NGOs (95%) indicated their NGOs needed capacity-building support to enhance their ability to mobilise domestic resources.

## Assistance in Capacity Building for Domestic Resource Mobilisation

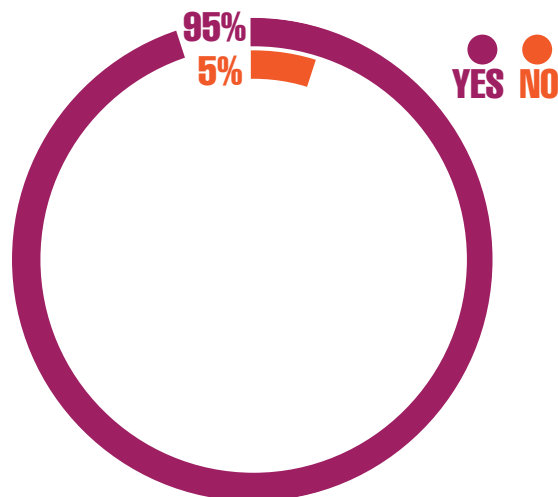


Figure 28: Assistance in Capacity Building for Domestic Resource Mobilisation

When the organisations were asked to rank the top three areas of capacity-building required, help with **Proposal Writing**, **Online Campaigns and Outreach**, and **Funding Letters** were ranked as the most important of their capacity-building needs.

**Proposal writing** was voted as 'most important' by seven in ten NGOs. **Online campaigns and outreach** were ranked as 'most important' by six in ten NGOs. Five in ten NGOs noted **'funding letters'** was 'most important.' See **Figure 29**.

6. These results reflect the proportion of the sample selecting multiple options.

## Top Three Capacity Building Areas

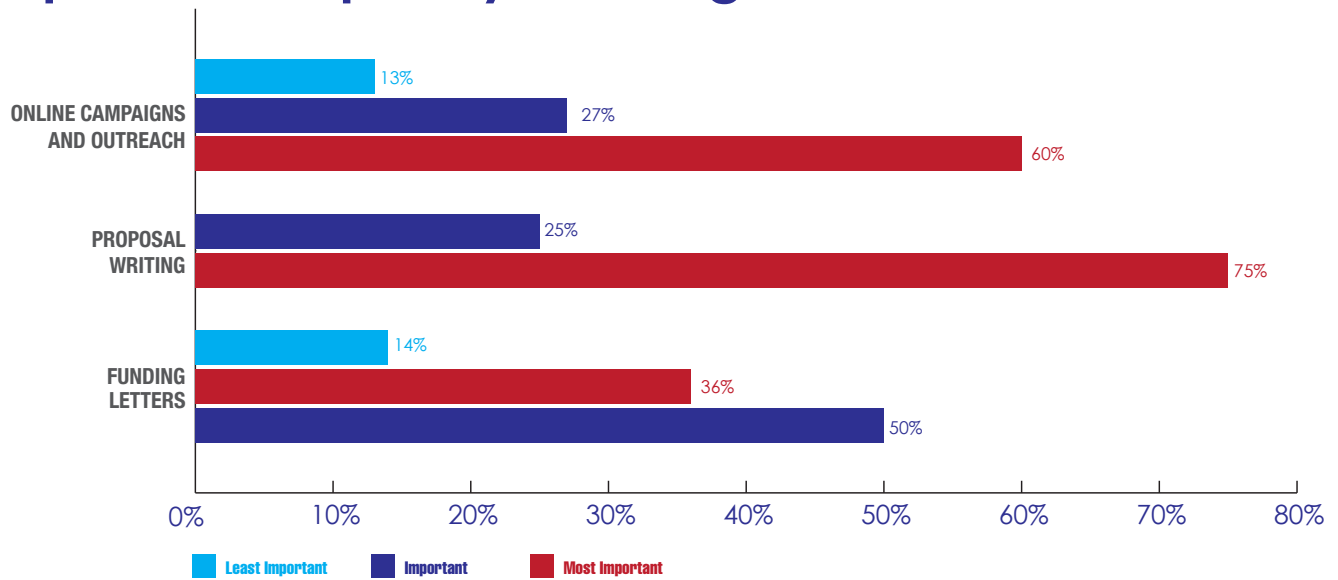


Figure 29: Top Three Capacity Building Areas

In **Figure 30**, 81% of the sample identified ‘training workshops’ as the most useful method for enhancing their knowledge. Two-thirds (67%) of the organisations indicated the provision of ‘toolkits’ and ‘technical assistance consultations,’ respectively. ‘Online courses’ were also highlighted by 52% of the respondents. The participants also identified areas of interest in which they would like to be trained: networking skills, utilising online methodologies to promote fundraising, and collective bargaining training for NGOs.<sup>7</sup>

## Methods of Capacity Building Best Suited to the Development of Resource Mobilisation

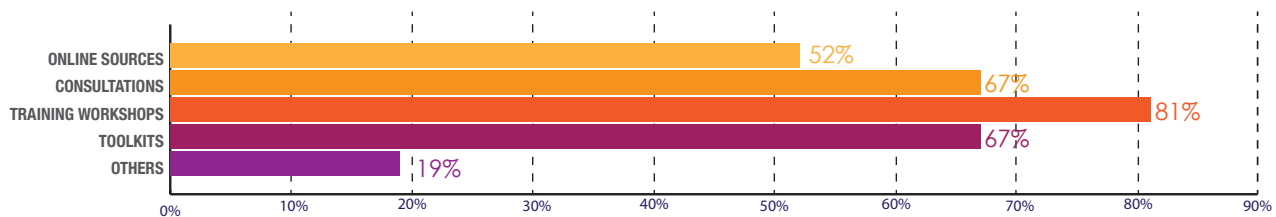


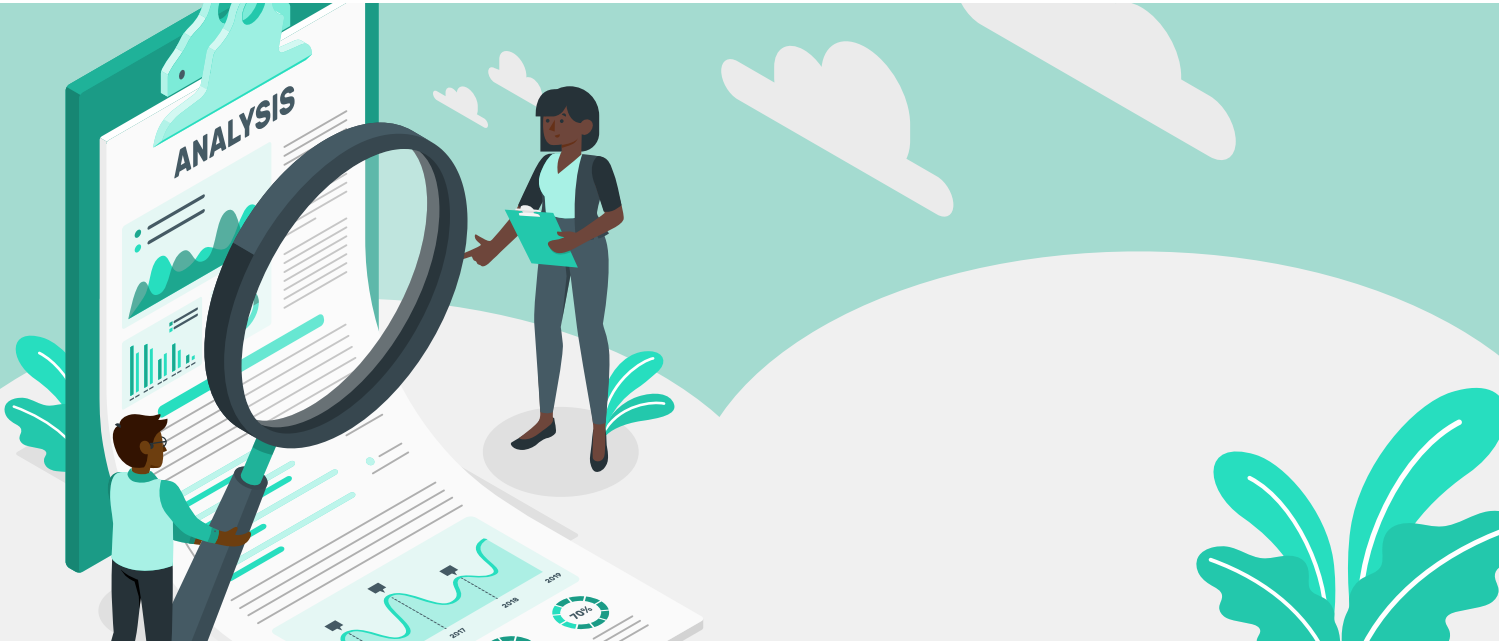
Figure 30: Methods of Capacity Building Best Suited to the Development of Resource Mobilisation<sup>8</sup>

7. These results reflect the proportion of the sample selecting multiple options.

8. These results reflect the proportion of the sample selecting multiple options.

# ANALYSIS

## RESOURCE MOBILISATION AND SECTOR SUSTAINABILITY



According to Batti, “resource mobilisation is a process whereby resources are mobilised both financial and non-financial resources, either externally or internally, to support organised activity.”<sup>9</sup>

In Barbados, Non-Governmental Organisations (NGOs) have struggled to mobilise local resources. This weakness has severely affected the sustainability of the sector. The insufficient financial and non-financial resources have decreased these organisations' capacity to provide the necessary services for their beneficiaries. To effectively mobilise resources, the organisations require technical capacity-building initiatives to aid in the development of innovative strategies.

NGOs have showcased their historical and contemporary value to the sustainable development of Barbadian society. Over the years, NGOs have played a pivotal role in the social development of the country. Even though NGOs have existed for lengthy periods, some of the organisations have not been legally registered for their entire existence.

The research study indicated the existence of notable sources of funding in the past five years. These funders included local donor agencies, international development agencies, and government agencies. International development agencies have contributed heavily to the development of the sector through funding initiatives. However, it was revealed that NGOs in Barbados cannot solely rely on international sources to support domestic resource mobilisation. The most notable local donors in the country highlighted by the NGOs were the Sandy Lane Charitable Trust, The Maria Holder Memorial Trust, and the Government. These donors have contributed substantially to the NGO sector's sustainability in the last five years. Consistent input into the NGO sector from these donors demonstrates the importance of local foundations and the public sector to ensure sustainability in the sector.

<sup>9</sup> Batti, R. C. (2014). Challenges facing local NGOs in resource mobilization. *Humanities and Social Sciences*, 2(3), 57-64. <https://doi.org/10.11648/j.hss.20140203.12>

The positive impact and support of the foreign donor stream have been slowly trending downwards in recent years. This trend has left the NGOs underfunded and potentially unsustainable. Therefore, organisations must strive to maintain relations with previous and present donors to create improved funding opportunities. The difficulties associated with mobilising foreign resources underscores the importance of developing local streams of income and investments to ensure local NGO continuity and their ability to provide the services for the most vulnerable groups.

## **DONOR MANAGEMENT: SOURCES AND RELATIONS**



Donor relationship management with international and local donors is critical to assist NGOs with the much-needed finances to fulfil their mandate. Detiger notes, “donor relationship management is a comprehensive approach that considers a lot of factors; this facilitates long term donor engagement leading to sustainable resources and funding opportunities.”<sup>10</sup> Batti confirms that “organisations without a strong sustainability culture will not grow, a good sustainability culture exists when all staff respects their donors and want to understand and meet their needs.”<sup>11</sup>

The research study indicated that many of the NGOs had a great appreciation for this reality. They understand that maintaining these relationships increases donor engagement and make the donors feel appreciated. Donor relationship management allows regular funding opportunities for the NGOs that continue to strengthen relationships through consistent interactions with previous donors.

The participating NGOs engaged in various donor management strategies such as distributing brochures, outreach programmes, annual meetings, press releases, website posts, and formal reports. Furthermore, most of these Barbadian NGOs should be applauded for committing to

<sup>10</sup> Detiger, E. (n.d.). Donor Relation Management: Building long term relation with Donors. <https://proposalsforngos.com/donor-relation-management-building-long-term-relation-with-donors/>

<sup>11</sup> Batti, R. C. (2014). Challenges facing local NGOs in resource mobilization. *Humanities and Social Sciences*, 2(3), 57-64. <https://doi.org/10.11648/j.hss.20140203.12>

communicate with their donors throughout the project cycle. This dedication ensures that NGOs are well-positioned to obtain funding from donors, both individuals and organisations. However, the absence of the donor database highlights a resource gap that the NGOs need to close. NGOs should utilise a donor database to access and maintain relationships.

Additionally, too many organisations are without a donor database, and they should explore creating and maintaining a database of local sources. An individualised donor database will assist the NGOs in mapping potential resources, both in-kind and financial. Contemporarily, donors are becoming increasingly reluctant to fund multiple initiatives. Maintaining the database with the thematic interests of the potential donor pool will identify sources for the fundraising team to maintain contact and work with to ensure the provision of services to society's vulnerable groups. Strengthening donor management relations could improve the chances of survival and the sustainability of the local NGOs.

In Barbados, the NGO sector acknowledges the financial support from local donors. However, at this time, the majority of the financial support comes from international donors. There is a space and urgency for an increase in support from local donors. Higher levels of support from indigenous sources of funding can further aid in the process of partnership building between the NGO sector and the local donor community. This would augur well for national development between two partners who have a mutual understanding of the local cultural issues and the operating legal and policy framework.

## RESOURCE MOBILISATION STRATEGIES



There is a need to sharpen NGOs' strategic capability, utilising a greater awareness of the local opportunities to mobilise resources. While most NGOs noted that they were aware of grant opportunities, there is a need to amplify the opportunities represented by local donors.

Oliver opines, “NGOs are not just passive recipients of donor funding and influence; they are adaptive agents able to implement several strategies to safeguard their autonomy and survival when confronted with uncertainty.”<sup>12</sup> Therefore, the NGOs should not just rely on a singular funding method but must broaden their horizons to incorporate innovative strategies that permit them to successfully carry out their mandates. The local NGOs will benefit from developing a holistic strategic approach incorporating many tactics aimed at enhancing their capacity to source funding and in-kind support in Barbados.

The study revealed that the Barbadian NGO sector does not benefit from strategic approaches based on long-term thinking. Rather a majority do not have written resource mobilisation procedure manuals. Kumi postulates that resource mobilisation strategies diminish the uncertainty around fundraising and resource diversification.<sup>13</sup> The NGOs attempt to compensate for this absence by using unwritten resource mobilisation strategies, but this does not promote sustainability within their organisations. The ad hoc method does not address gaps such as ensuring that donor management and resource mobilisation actions are executed in a timely and consistent manner in alignment with international standards. NGOs could draw on in-kind technical support from capacity-building NGOs or experienced individuals who could help them develop a written resource mobilisation procedure manual.

Part of the NGOs' current strategies is to use marketing tools that help raise awareness of their work and needs. Often, the NGOs execute fundraising activities to expand their donor pools, leading to greater appreciation by the general population and public and private sector organisations, which enhances philanthropic giving. This could be further enhanced through the use of NGO Ambassadors who could coordinate the outreach activities at events where potential donors could be met. Prominent inspirational public figures could share testimonies on how working with the NGO benefited them and their community. While traditional media is a useful medium, NGOs should complement it with the use of social media. As part of the marketing strategy, social media may be used to highlight past and current projects and allow for prospective donors to gain a first-hand look at the work being done. The use of social media allows for partnership with other NGOs, local or international, which may result in a wider outreach for the programmes.

Another strategy used by the NGOs was networking—the pooling of resources and collaborating to undertake projects. This approach is often applauded and encouraged by donors. This type of collaboration assists in securing large grant programmes and gathering in-kind support. Networking in the NGO sector provides the collaborating organisations with the ability to flourish while learning and benefiting from other more capable organisations. In domestic resource mobilisation, networking enhances the ability of Barbadian NGOs to perform services, do information sharing, and achieve the organisation's mandate through collaborative efforts. In these efforts, organisations with similar thematic focuses can enrich programmes and the overall impact through effective pooling of resources. “One fundamental advantage of networks is that they allow organisations with issues of growth to grow without upsetting formal structure

12 Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145-179. <https://doi.org/10.5465/amr.1991.4279002>

13 Kumi, E. (2017). Domestic resource mobilisation strategies of national non-governmental development organisations in Ghana. *Bath Papers in International Development and Wellbeing*, No: 52/2017. <https://ssrn.com/abstract=3001390>

and individual weaknesses can be overcome in the networking process.”<sup>14</sup> When organisations work in tandem, they can create synergies with other projects rather than duplications of similar efforts. Networking in domestic resource mobilisation also fosters credibility and enhances development efforts substantially.

NGOs covet in-kind support in the form of volunteering as they are often understaffed. Batti notes, “there is a significant capacity limitation among NGOs in terms of human resource and due to having insufficient staff then to pursuing appropriate funding or resources remains elusive to many.”<sup>15</sup> In Barbados, the lack of human resources impacts NGOs tremendously, as most of them cannot allocate individuals to fundraising teams directly. The main aim of these fundraising teams is to develop different activities and strategic plans to mobilise resources. The allocation of staff members to a specific team would encourage organisational specialities that can foster better domestic resource mobilisation skills and tactical awareness. In creating these teams, organisations must strive for a balance between the Executive Director, Board Members, and staff to ensure the capture of the necessary experience. The incorporation of new staff members and volunteers could give fresh perspectives, innovative ideas, and enhance the process of sourcing funding.

Volunteer support enhances the stability of the organisations and enables them to provide the necessary services better. NGOs are often understaffed, and volunteers could help to bridge this resource gap. However, there has been a decline in volunteer partnerships. The NGOs should seek innovative ways to recruit volunteers, including partnering with learning institutions such as universities. NGOs should publicise the various opportunities available within the organisation. While NGOs may not be able to offer financial remuneration, there can be other incentives offered, such as remote access internships, flexi-time arrangements, reference letters, or first preference when a permanent job becomes available. The issuing of Certificates of Experience as a means of crediting volunteers’ work can prove to be innovative and attractive.

Another strategy that the NGOs can focus on to remove the sole reliance on donors is exploring social entrepreneurship. Evert-jan Quak postulates, “the social entrepreneurship model promotes self-reliance, allowing NGOs to generate their income while the overall social mission of reducing poverty and fighting injustice and inequality remains the same.”<sup>16</sup> The merger of business and social activities provides NGOs with the freedom to earn much-needed support to maintain operations and the funds accumulated. The income gained does not distract from the social mission.

The majority of the Barbadian NGO sector has not prioritised social entrepreneurship. Those who utilise it largely focus on the sales of various items to the public as a route to becoming a self-sustainable organisation capable of providing for beneficiaries and promoting proper growth. Pineland Creative Workshop credits its innovations and determination for the success with its social entrepreneurship programme, Pinelands Bicycle Initiative. The bicycle initiative (**Figure 31**) directly funds their youth programmes and interventions aimed at low-income groups. The NGOs that have opted out of social entrepreneurship initiatives have experienced challenges such as competing priorities and insufficient human resources.

14 Holmén, H. (2002). NGOs, networking, and problems of representation. No. 33-2002. ICER-International Centre for Economic Research. <https://core.ac.uk/download/pdf/6929112.pdf>

15 Batti, R. C. (2014). Challenges facing local NGOs in resource mobilization. *Humanities and Social Sciences*, 2(3), 57-64. <https://doi.org/10.11648/j.hss.20140203.12>

16 Quak, E.-j. & Khien, S. (2013). Balancing social and entrepreneurial values: NGOs embracing social entrepreneurship. *The Broker*, October 24. <https://www.thebrokeronline.eu/balancing-social-and-entrepreneurial-values-d26/>



The sector can no longer rely solely on external forces to provide funding for its operational needs. There is an increased need for innovation and greater participation by the local individual donors and the private sector to maintain the sustainability of NGOs in the country. One method that could be incorporated is social contracting, where NGOs go from a broad dependency on international donor agencies and focus on receiving government funding to carry out their mandates and other initiatives. Two drawbacks to this social contracting approach are: 1) it does not remove but switches dependency from international donors to governments, and 2) there is the difficulty of limited human resources to provide these services.

Overall, these strategies have been left largely unexplored because of the NGOs' inability to secure qualified and sufficient human resources.



Figure 31: Pinelands Creative Workshop (Youth Outreach)

### **DOMESTIC RESOURCE MOBILISATION TRENDS**

Successfully mobilising resources in Barbados is increasingly difficult. There is a reluctance for donors to provide the requisite support NGOs need, beyond the basic financial support, which can sustain human resources and operational and overhead costs. Over the past two decades, CPDC has seen a change in donor policy to support small scale short-term project actions rather than longer-term programmatic funding. This change in the planning horizon has added greater pressures for NGOs to cover their overheads and operating costs as project funding is characterised by limited support for operational costs. In some cases, no overhead costs are supported. Due to such restrictions, NGOs can no longer rely on donors to fund operational costs. Rather, they must seek to incorporate new alternative strategies to remain sustainable.

The organisations identified both positive and negative trends of resource mobilisation. Negative trends include a lack of funding opportunities and a greater reluctance to provide funding to the organisations. Consequently, NGOs have been adversely impacted due to limited human resources which directly limits the sector's ability to carry out their mandate and creates greater

dependence on volunteerism. The dependence comes at a time where it was also reported that fewer persons were willing to volunteer.

The Barbadian NGO sector is struggling due to a smaller pool of resources. This reduction in the NGOs' pool of resources limits their capabilities to provide services to assist the marginalised social sectors. These negative trends also affect the beneficiaries as these financial challenges can lead to reduced service provision, high staff turnover rates, limited long-term goals for the NGO sector, and the restricted deployment of resources because of the inability to predict the next funding opportunity.

However, one positive is the organisations have experienced a greater willingness by donors to provide in-kind support. In-kind support allows organisations to provide services, time, and goods for a reduced amount or free. These contributions allow NGOs to undertake projects and reduce consultants' fees and other required services without depleting financial resources.

Even though donors have shifted away from programmatic funding, certain thematic areas receive a higher concentration of funding. This represents a different challenge. Thomas Parks noted, "that an NGO (can) faced shortfalls when the major bilateral donors were shifting priorities towards economic development and others outside the traditional scope of the organisation."<sup>17</sup> Therefore, NGOs should carefully navigate the funding requirements to ensure that they do not engage in mission drift. This could occur when the NGO starts to divert from the aims it outlined in its mission statement. This can happen when NGOs apply for funds in thematic areas, which are not their main focus.

NGOs believed that donors were cautious of supporting issues that may be controversial in society. In such circumstances, NGOs were less likely to receive support publicly from donors because of fear they may receive adverse publicity to their brand. However, one respondent noted that publicly providing financial and vocal support to these initiatives would promote more equality amongst the most vulnerable groups which acts as a strong indicator of the importance of NGOs and the work undertaken.

There is a need for NGOs to ensure that their donors are kept aware of the needs on the ground. This will allow for responsive funding based on greater awareness of the poignant social problems faced in the various thematic areas.

### **GOOD GOVERNANCE PRACTICES**

According to La Peza, "good governance in CSOs is the exercise of power and authority based on the established values of the organisation, to achieve the mission and make proper use of resources."<sup>18</sup> Good governance policies ensure that NGOs are running with integrity and transparency to eradicate the misappropriation of funds and bad practices. When good governance principles are present, breaching policies causes individuals to be held accountable, and the correct steps are taken to rectify discrepancies.

<sup>17</sup> Parks, T. (2008). The rise and fall of donor funding for advocacy NGOs: Understanding the impact. *Development in Practice*, 18(2), 213-222.

<sup>18</sup> Management Sciences for Health. (2009). Good governance in civil society organisations. *The eManager*, No. 2. [https://www.msh.org/sites/default/files/emanager\\_2009-no2\\_governance-english\\_0.pdf](https://www.msh.org/sites/default/files/emanager_2009-no2_governance-english_0.pdf)

The research study indicated that 100% of Barbados NGOs all have some clear organisational structural mandate that can be easily communicated to board members, staff, and volunteers. The existence of an organisational structure assists with building a good reputation for NGOs. Good governance structures aid with making NGOs more attractive to international and local development agencies and donors. Pettey supports this, stating, "a good reputation is linked with integrity, and the reputation of an organisation and its players are its most valuable assets and its highest risk."<sup>19</sup> Therefore, if organisations find themselves lacking organisational structures and have a reputation for not spending funds appropriately or achieving project targets, resource mobilisation will become extremely difficult as donors will be unlikely to provide support based on the level of uncertainty and lack of trust. Batti notes, "organisations that have a good track record can easily access resources, cases of funds or resource embezzlements are very serious, and donors talk on who has done what and a good track record is important."<sup>20</sup>

To properly maintain good governance policies, organisations must go beyond organisational structures and include institutional structures. Institutional structures are internal policies, guidelines, and procedures to ensure transparency in the decision-making process. These internal policies will also be the main way to regulate the procurement of goods and services. The inability to provide internal control on the purchases of goods and services can lead to overspending and the misuse of funds. Procurement policies for NGOs reiterate, "the aim of the internal control system for the supply of goods and services is to ensure NGOs get the best deals and that they do not exceed the budget."<sup>21</sup> The importance of procurement plans and policies for NGOs should not be understated. These policies ensure that transparent and accountable protocols are utilised to ensure a competitive process to obtain a high quality of goods and services.

This is balanced by the NGOs in this study, reporting that they have financial management systems to guide project expenditure. The checks and balances, such as double signature cheques and regular monthly and quarterly financial statements to track the organisations' spending, are present. The management of project expenditure on a case by case basis is of great quality. Still, to maintain best-practice principles, it is suggested that there is great benefit in the proper regulation of the organisation's procedures. The implementation of good governance policies ensures that funds are not being misappropriated and eradicates fraudulent activities.

The NGOs also adopt the use of providing annual expenditure reports, which include expenses, assets, liabilities, and other operational costs over the financial year. Providing these different reports ensures that the NGOs remain accountable to donors, partners, and board members. These reports are also integral for the planning cycle for new financial years, assessing where they can potentially save money or utilise resources better for the organisation's sustainability. When these reports are formulated, they act as transparent records, proving that the funds are being utilised effectively by the organisation. Batti states, "NGOs have been constantly accused of excessive or improper compensation of major executives amongst other accusations, the accusations bring suspicions on the transparency of NGOs, and stringent measures are imposed that make it even more difficult to get resources."<sup>22</sup> Updating donors on the progress of projects through narrative and financial reports are essential. Donors appreciate reports on the utilisation of funds and the

19 Pettey, J. (2008). *Ethical fundraising: A guide for nonprofit boards and fundraisers*. Hoboken NJ: Wiley.

20 Batti, R. C. (2014). Challenges facing local NGOs in resource mobilization. *Humanities and Social Sciences*, 2(3), 57-64. <https://doi.org/10.11648/j.hss.20140203.12>

21 <https://www.fundsforngos.org/ngo-operational-policies/4-procurement-policy-for-ngos/>

22 Batti, R. C. (2014). Challenges facing local NGOs in resource mobilization. *Humanities and Social Sciences*, 2(3), 57-64. <https://doi.org/10.11648/j.hss.20140203.12>

work being done to develop trust. This method of reporting is a strategic approach where donors gain a high degree of confidence in the project implementation process.

The Barbadian NGO sector has implemented many good governance policies. The fact that most of the NGOs in the study utilise institutional structures indicates a good level of organisational capacity. However, one of the shortcomings is the inability of some organisations to implement institutional structures to ensure adequate levels of transparency. If NGOs lack transparency and accountability, this directly affects their ability to mobilise resources. Development agencies prefer to work with a well-established organisation that follows basic good governance principles to ensure their money is going to the right causes and that the chances of fraud and other unfavourable activities are eliminated.

### **ENABLING FUNDING ENVIRONMENT BY THE GOVERNMENT**



Over the last two decades, the Government has acknowledged that NGOs have contributed nation-wide to marginalised beneficiaries by introducing a suite of concessions that target incentives for donors. In Barbados, considerations provided include ad hoc duty-free concessions for the importation of in-kind donations, tax exemptions from income tax, tax breaks, and income tax deductions on charitable donations. However, little fiscal mechanisms were provided to support the internal operations of NGOs themselves. This may explain the nature of the sector's responses, which focused on concessions for their operational needs.

NGOs believe that tax incentives should be offered that will enable support of their operational sustainability. Consideration for removing the VAT on the operations of NGOs is one such proposal, given this tax is placed on every aspect of expenditure.

Sound knowledge of the fiscal environment that supports resource mobilisation is an important aspect and can lead to providing for individuals' and companies' added reasons to donate. This information should be documented for use in crafting resource mobilisation strategies directed to indigenous donors. Documentation will fill a gap in the knowledge base and act as an easily accessible reference for the applicable tax incentives available to the NGO sector and facilitate a more strategic resource mobilisation approach.

One NGO noted that increasing advocacy initiatives on this matter is a necessity, as this will place the issue at the forefront of the policy dialogue and may serve to influence policymakers to enhance the tax incentives regime.

## CAPACITY BUILDING



Based on the assessment, domestic resource mobilisation is the NGO sector's main priority to maintain sustainability. NGOs identified the need for interventions through several recommendations that serve to enhance their technical capacity to mobilise resources. The main tactics proposed by the sector include training workshops, technical assistance consultations, online courses and toolkits. The sector believed utilising the above-mentioned tactics can lead to improved skillsets and success rate for mobilising resources and implementing NGO mandates. The organisations identified many capacity-building areas within which they required interventions; these were proposal writing, conducting online fundraising campaigns, donor outreach, and drafting funding letters. These methods allow NGOs to provide donors with their plans for project implementation, create petitions on issues, raise awareness and communication intensity, therefore improving capabilities in these facets will allow NGOs to compete better. Providing training on these specific methods can enhance the organisations' institutional capacity and make resource mobilisation a well-planned, structured process. It was envisaged that NGOs would have the capacity to effectively engage donors and build a reputation for strong institutional capacity over a medium-term period of training and technical assistance actions.

# CONCLUSION



There are several actors in the resource mobilisation process; each requires attention to achieve the ultimate goal of sustainable domestic resource mobilisation. These actors are the donors in their diverse forms (private sector, individuals, private foundations, trusts, public authorities), the NGO sector, and governments and policymakers. This study has sought to focus on the NGO sector with the view that there must be an initial internal retrospection of how their business is done to improve how NGOs may approach a key task for their sustainability—resource mobilisation.

Recently, NGOs are unable to rely solely on support from international organisations and have been forced to incorporate more locally based initiatives. There is a smaller pool of donors; therefore, funding opportunities have become extremely competitive and sometimes out of reach for inexperienced organisations. To promote good resource mobilisation strategies to enhance their sustainability, organisations need to be innovative. The most notable strategies highlighted to improve the sector includes fundraising teams, social contracting with governments and development agencies, social entrepreneurship, and the development and use of written strategic plans.

Traditionally, NGOs have always represented the needs of the marginalised social sectors of our society. The NGOs require Government intervention to provide tax breaks and concessions, which will aid philanthropic giving. Networking and relationship building with donors will enhance the NGO sector's sustainability through access to more funding opportunities.

To conclude, every sector plays a critical role in domestic resource mobilisation. Local donors have a major role in broadening the thematic areas they support and should be encouraged to explore other thematic areas of work based on the need from vulnerable groups within the island. The Governments' role is to create the enabling environment for the sector, given its invaluable contribution to socio-economic development on the island, particularly in addressing the plight of vulnerable groups. There is a need for NGOs themselves to adopt innovative and flexible strategies in their domestic resource mobilisation. This change in fundraising methodology must be made to ensure the NGO sector's sustainability for years to come.

# RECOMMENDATIONS



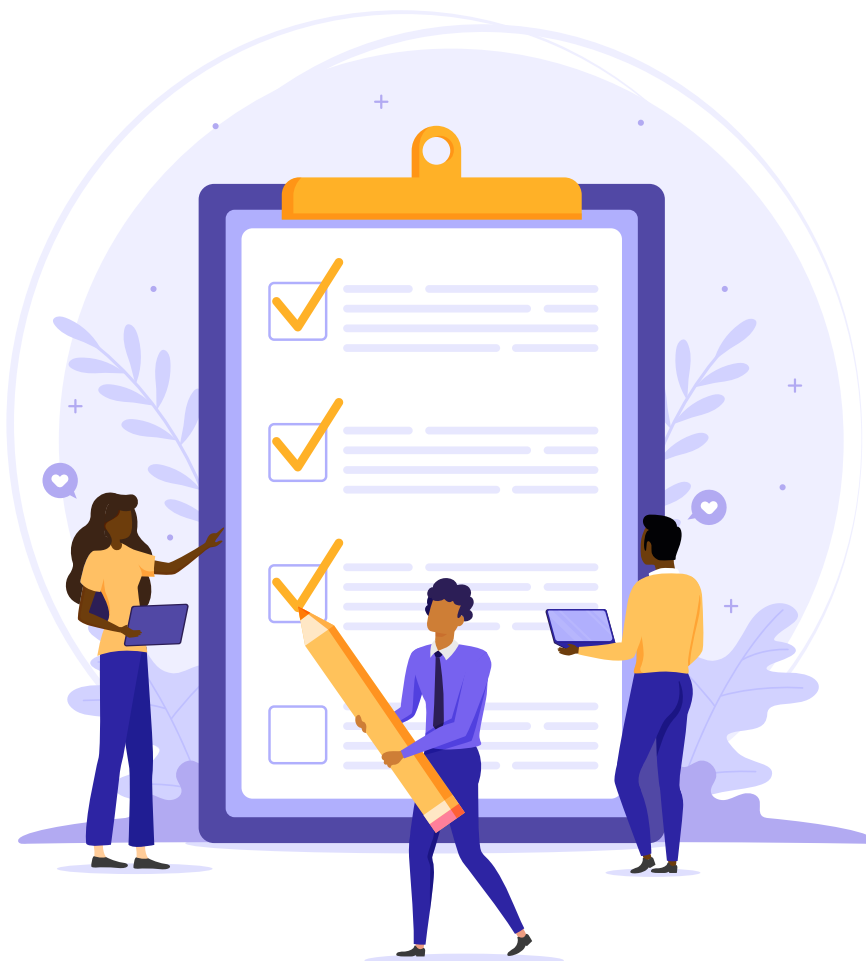
NGOs in the study believed that the first step towards successful resource mobilisation was collective awareness building of the importance of the sector's work and contribution to national development. It was felt that this would enhance the sector's image from primarily being seen as charitable entities to being positioned as organisations that make significant contributions to national development. This exposure will allow NGOs to engage the public and donors who already have a common shared understanding of the sector's important role. Presently, NGOs do not prioritise showcasing their work to the public due to their limited human resource capacity and the pressures to meet ongoing operational needs.

The use of technology could strengthen NGOs' resource mobilisation capacity, such as the use of an application such as GoFundMe and other philanthropic giving software to expand the potential donor pool. This recommendation would enable the NGOs to reach beyond their borders and obtain support from the diaspora in many western countries where philanthropic giving is a cultural norm. Within the island, philanthropic giving is yet to reach a stage where many individuals and actors readily participate and contribute to the development efforts of the non-profit sector.

Improvements in NGO networking and communication efforts can be the catalyst for positive change to the benefit of the NGO sector. Mitigating the issues faced by small organisations that suffer from limited human resources and the inability to apply for large grants is an important step to increasing the resource mobilisation opportunities for NGOs. Partnerships based on mutual trust, transparency, and clear lines of responsibilities can go a long way to open up opportunities for relatively larger projects that each NGO can use to provide services and representation to their beneficiaries.

Other recommendations include:

1. Clear adherence to good governance practices to facilitate accountability and transparency, making it a more viable environment to mobilise funds.
2. Donors should consider financial support for a wider range of development issues to facilitate the support of many different initiatives rather than creating trends of philanthropic giving to specific thematic areas.
3. NGOs must maintain good working relationships with donors through regular communication and updates about past and present projects; these relationships will create more funding opportunities.
4. The implementation of comprehensive and/or innovative strategies by NGOs such as the development of social entrepreneurship programmes and the implementation of fundraising plans for domestic resource mobilisation. The incorporation of these strategies will enable NGOs to better mobilise resource via online technology, social contracts and social enterprise amongst others.
5. Governments should be lobbied for the creation of an enabling environment for NGOs. This action would be essential as the sector could benefit significantly from non-financial support from the government through concessions, supportive regulations, and other initiatives to facilitate partnerships between local donors and NGOs.





# ANNEX

## LIST OF NGOS WHO PARTICIPATED IN THE RESEARCH STUDY

### Advocates Against Domestic Abuse

<https://www.facebook.com/Advocates-Against-Domestic-Abuse-2433320490025979/>

### Barbados Association of Muslim Ladies

<https://www.bamlbb.org/>

### Barbados Association of Endometriosis and PCOS

<http://endoandpcosbb.com/>

### Barbados Family Planning Association

<https://www.bfpaonline.com/>

### Barbados Youth Business Trust

<https://www.youthbusiness.bb/>

### Barnod Inc

<https://www.facebook.com/BarnodIncBarbados/>

### Caribbean Centre of Excellence for Sustainable Livelihoods (COESL)

<https://www.facebook.com/COESL/>

### Caribbean Youth Environment Network (CYEN)

<http://www.climatenetwork.org/profile/member/caribbean-youth-environment-network-cyen>

### Counselling Addiction Support Alternatives

<https://casa.bb/>

### Diabetes Association of Barbados

<https://www.diabetes.bb/>

### Empower Youth International

<https://empoweryouthint.org/>

### Equals

<https://equalsbarbados.com/>

### Ichiruganaia Council for the Advancement of Rastafari

### Internet Society, Barbados Chapter

<https://www.facebook.com/ISOCBB/>

### Operation Triple Threat

<http://www.operationtriplethreat.com/>

### Pinelands Creative Workshop

<https://www.pinelandscreativeworkshop.org/>

### Soroptimist International of Barbados

<https://www.facebook.com/SIBarbados/>

### The Duke of Edinburgh's International Award Barbados

<https://www.theawardbarbados.com/doing-your-award>

### The Sojourner Foundation

<http://sojournerfoundation.org/>

### United Youth Leaders of Barbados

<https://uylbarbados.wixsite.com/uylbarbados-1>

### Variety the Children's Charity of Barbados Inc

<https://www.varietybarbados.org/>



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