

CHURCH-RELATED ORGANISATIONS AND DEVELOPMENT WORK

Assessing capacity and comparative advantage



Antje Kamminga

CHURCH-RELATED ORGANISATIONS AND DEVELOPMENT WORK

Assessing capacity and comparative advantage

Antje Kamminga
ICCO & Kerk in Actie



Master product for the Post-academic Programme
in International Development
Radboud University Nijmegen

Radboud University Nijmegen



Table of Contents

Abstract

Explanation of acronyms

List of tables, figures and boxes

1. Introduction	1
2. Theoretical Framework	3
2.1 The concept of capacity in literature	3
2.2 Organisational capacity and criteria according to ICCO and KiA	5
2.3 Different types of CROs and the sectors in which they work	7
2.4 Capacity of CROs	8
2.5 Methodology	10
3. Analysis	13
3.1 CROs: types and capacity	13
3.2 Capacity of CROs that are not separated from the religious institute	14
3.3 Capacity of CROs that are partially separated from the religious institute	16
3.4 Capacity of CROs that are totally separated from the religious institute	19
3.5 Conclusion	22
4. Conclusion	24
4.1 Addressing research questions	24
4.2 Reflection on methods and reliability	25
4.3 Recommendations	26
References	27
Annexes	28
Annex A: Definitions of used terms	28
Annex B: List of respondents	29
Annex C: Interview guide	30
Annex D: HRM, OD and ID	31
Annex E: Template project plan 'Dynamics'	32
Annex F: Sectors in which CROs are active	34

Abstract

This thesis contains an analysis of the capacity and comparative advantage of church-related organisations (CROs) in development work. This type of organisation has played a key role in poverty reduction in the last few decades and many Dutch development agencies have chosen to invest their funds in CROs. Yet, CROs invoke mixed feelings among donor organisations as they need to be dealt with in a very specific manner due to their unique character. Although there is also a lot of overlap with characteristics exhibited by secular NGOs, the capacity of CROs lies in different areas than other organisations. For example; CROs tend to be strongly rooted in the context in which they are situated and have easy access to church members through their affiliation with a religious institute. However, this affiliation also means that the hierarchical structures within the church influence the nature and effectiveness of development programmes; this could be a drawback. In this thesis, different types of CROs are distinguished and the capacity of each type is identified. This is done in an attempt to discover the comparative advantage of CROs so that they might be viewed as valuable partners by Northern donor organisations.

Explanation of acronyms

ICCO and KiA: ICCO and Kerk in Actie

CRO(s): Church-related organisation(s)

NGO: Non-governmental organisation

PCG: Presbyterian Church of Ghana

SAG: Sinode am Gereja-gereja di Sulutteng

Fusona: Fundacaun Social Naroman

RTC: Ramseyer Training Centre

PLTC: Presbyterian Lay Training Centre

FBO: Faith-based organisation

WCC: World Council of Churches

PME: Planning, monitoring and evaluation

List of tables, figures and boxes

Table 1: Characteristics of the ‘ideal’ NGO	7
Table 2: Indicators used to analyse the project plans	11-12
Table 3: Capacity of CROs	13
Table 4: Summary of analysis of case studies	23
Figure 1: Three-circles model	4
Box 1: ICCO and KiA partnership policy	6
Box 2: Strengths and weaknesses in the organisational capacity of CROs	9

1 Introduction

In 2003, about 30% of ICCO's¹ partner portfolio was made up of church-related organisations (CROs). This percentage became even higher in 2006 when ICCO & Kerk in Actie (KiA) entered into cooperation and formally became one working organisation.² CROs are important partners of ICCO & KiA considers these partners important because of the shared religious inspiration and the access to extensive networks that CROs provide. On top of this, ICCO & KiA is in a process of re-identifying itself and is thereby placing emphasis on its protestant Christian origins as a way to distinguish itself from other national development organisations.³

However, CROs struggle to meet the demands that ICCO & KiA places on organisational capacity. ICCO & KiA are faced with the dilemma of either phasing out the relationship that it has with those church-related partners that cannot meet its demands, or to invest in building the capacity of these partners. The comparative advantage that CROs possess in comparison to NGOs⁴ is often not clear. Rick James, a capacity building consultant who has worked with and researched both NGOs and CROs extensively says the following:

'While Faith-based organisations (FBOs) are inherently very different from other types of civil society organisations, they are often treated exactly the same in terms of funding and capacity building support... If FBOs are to realise their potential comparative advantages in development, we need to understand much better the unique capacity building opportunities and challenges they face and see how these can be addressed in an appropriate and effective way'.⁵

Historically, churches have played an important role in development work. Churches possess certain capacities that can contribute to the effective execution of development activities. Injustices in political and social areas have often been publicly questioned by churches. They are present in the most marginalised, isolated areas, operating in places that have not yet been reached by secular NGOs. Mostly, they have existed for a long time and are closely connected to the lives of church members and are strongly rooted in the community. Furthermore, a lot of churches have a structure whereby church members are organised into small groups. Members are used to cooperating in a group setting and striving for a commonly shared goal. Additionally, members are accustomed to providing a voluntary contribution to activities that the church organises and commit themselves to fighting poverty among church members and the surrounding community.⁶

Weak points of development programmes run by CROs lie partially in the fact that people in leadership positions often do not have a relevant education. This means that management skills and the capacity to develop a sustainable development strategy are largely lacking. The fact that staff often work on a voluntary basis is both a strength and a weakness as it makes it difficult for the (church) board to demand a high degree of expertise. Additionally, the board and staff in charge of development activities are quite

¹ Inter-church organisation for development cooperation

² ICCO ICCO was set up in 1964 when the Christian Protestant churches decided to carry out their development activities together. In recent years a cooperative relationship with the service organisation of the Protestant Churches in the Netherlands (PCN) was established and as a consequence both organisations have been located in the same building since 2004. KiA is the organisation within the PCN that is responsible for the execution of development work. In 2006, ICCO and KiA decided to formalise their cooperation.

³ IC Consult, 2004, p. 14

⁴ Non governmental organisations

⁵ James, 2005, p. 2

⁶ Personal communication

often appointed on the basis of the position that they have within the church and not according to their competence. Furthermore, churches work with hierarchical structures with a synod at the top that is comprised of members that are elected every four to five years.⁷ This can form an obstacle to the continuity of development programmes and the institutionalising of certain skills that are necessary for an organisation to function optimally. Authoritarian leadership within the board at both the synod and local church levels can be a hindrance to the carrying out of development programmes.⁸

Although CROs are significantly represented in ICCO & KiA's partner network, they have posed many challenges, especially in the last few years as demands on organisational capacity increased. Even though CROs may possess weaknesses in areas such as financial management and planning, monitoring and evaluation (PME), the question is whether ICCO & KiA are taking into consideration the comparative advantage that CROs offer to a large enough extent. The demands placed on secular NGOs may not be applicable for CROs. Therefore this thesis seeks to identify the specific capacities of CROs so that this type of organisation might be revalued by ICCO & KiA and within other national agencies that have a lot of CROs in their partner network.

The aims of this research are two-fold:

- To provide a relative comparative analysis of the development capacities of CROs
- To provide an appraisal of different types of CROs

The central research question is:

What is the development capacity of the different types of CROs in the partner portfolio of ICCO & KiA and what is their comparative advantage?

The following sub-questions contribute to addressing the central research question:

1. What is the concept of capacity put forward in literature in relation to development work and what is ICCO & KiA's view on capacity?
2. What types of church-related partner organisations does ICCO & KiA have and what is their capacity?
3. What is the comparative advantage of each type of CRO?

The design of this thesis is as follows. Chapter two contains a literature review of the concept of capacity, specifically the development capacity of CROs conducting development work. Theories put forward by James and Morgan are described. This chapter goes on to present the concept of capacity and organisational capacity demands maintained by ICCO & KiA, as it is presented in several policy documents. Chapter three provides an analysis of the different types of CROs, the sector in which they work and their development capacities and provides an answer to sub-question two. Finally, chapter four contains conclusions and recommendations and provides an answer to sub-question three.

⁷ All characteristics mentioned in this chapter refer to protestant churches. Many elements may be shared by other churches, such as the Roman Catholic church, but this is not the focus of this thesis.

⁸ Personal communication

2 Theoretical Framework

The theory presented in this chapter elaborates the concepts mentioned in the introduction and provides a framework that is used to collect and analyse the data in this research. Firstly, the concept of capacity is defined using the input of different theorists such as Morgan and James. Secondly, the interpretation of capacity that ICCO & KiA has, is explained in relation to the theories put forward in literature. Thirdly, the term CROs is defined based on a literature review and a typology put forward by James.

2.1 The concept of capacity in literature

Capacity is a very broad concept that can be defined and interpreted in many different ways. Yet there are a number of central characteristics that can be distilled from literature. It is a process as well as a state or condition of an organisation. An organisation that has 'capacity' has the ability to make a positive contribution to public life. It means an organisation has acquired all the abilities that are necessary to achieve its objectives. An organisation with capacity is made up of individuals that are empowered and are aware of the organisational identity. People are able to act together to achieve the objectives of the organisation.⁹

Morgan, who has tracked the concept since its origins in the 1950s and 1960s, refers to capacity as the 'combination of attributes that enables a system to perform, deliver value, establish relationships and renew itself'.¹⁰ In his definition, Morgan points out that capacity can be achieved by developing certain abilities, or '*capabilities*'. The term capabilities has to do with the abilities that an organisation as a whole possesses and refers to 'the collective ability of a group or a system to do something either inside or outside the system'. According to Morgan, there are five capabilities that are important for an organisation to possess. This thesis focuses on three of these capabilities namely: the capability to act, to generate development results and the capability to relate.¹¹

The capability to act has to do with the consciousness and awareness that an organisation has of its place in the world; the ability to develop its own identity and act in accordance with it. In order to act, an organisation must possess a mixture of motivation, commitment, space, confidence, security, meaning, values and identity.¹²

The capability to generate development results is defined by some as 'delivering effective services to the greatest number of the poor at the lowest possible cost'. It is often equated with effective performance management in the form of better service delivery and improving the sustainability of development results. Therefore it is concerned with outputs and outcomes in the form of better maternal health, improved environmental protection policies or declining levels of poverty¹³. It also has to do with developing technical capabilities such as policy analysis, research methodologies or financial management.¹⁴

The capability to relate pertains to relating to other actors within the context in which the organisation functions in order to gain support and protection. Organisations need to gain legitimacy within their working space so that they can count on participation from the

⁹ Morgan, 2006, pp. 6-7

¹⁰ Morgan, 2006, p. 7

¹¹ Morgan, 2006, p. 8

¹² Morgan, 2006, p. 8

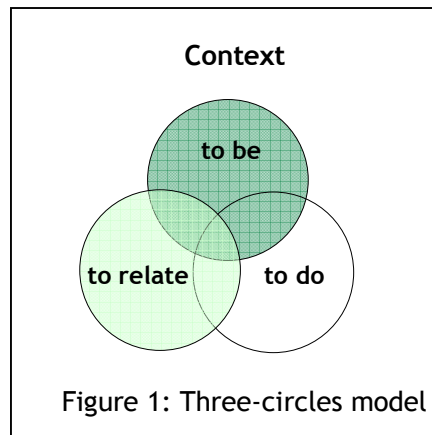
¹³ These are only a few, very concrete examples.

¹⁴ Morgan, 2006, pp. 10-11

community. Cooperation with other actors makes it easier to survive in difficult times. Alliances are necessary to secure the organisation's operating space and to manage political conflicts. Building relationships with a range of stakeholders from government to grass-roots level can possibly increase the effectiveness of development programmes.¹⁵

The three capabilities mentioned above correspond with the three-circles model shown in figure 1.¹⁶ The '*being*' circle (capability to act) includes the internal functioning of an organisation, its mission and identity, the shared values that are prevalent within the organisation and its relevance to the context in which it is working. The '*doing*' circle (capability to generate development results) relates to the programme performance of the organisation, its impact and effectiveness and its basis for existence. It includes the objectives, strategy and related activities that the organisation sets out to do and achieve.

The '*relating*' circle (capability to relate) concerns the nature of the organisation's external linkages with community leaders, other NGOs, churches, donors, government and so on. It concerns the interaction of the organisation with the environment and cooperation with other actors. Additionally, the legitimacy of the organisation in relation to stakeholders and the target group is an important component of its relating capacity.



The circles are interlocked to illustrate that a change or a problem in one circle will affect or influence the other, therefore emphasising the importance of looking at an organisation as a whole, rather than piece-meal. The model also illustrates the importance of understanding the surrounding socio-political-cultural context, which any organisation is influenced by and can have impact on.¹⁷ According to the three-circles model of capacity a healthy NGO should be functioning well in all three areas: being, doing and relating.

According to Morgan¹⁸, capacity must be seen both as an end in itself and as a means to other development objectives. The strategic mindset that treats capacity as an end in itself is a crucial component of any serious effort to improve the ability of people and organisations to do things better. A complex interrelationship exists between investing in capacity and improving development results. Mizrahi¹⁹ states that indicators of capacity enhancement can not be built in abstraction. Indicators only become operational when they are related to a particular objective (capacity for what?) and make reference to

¹⁵ Morgan, 2006, p. 13

¹⁶ Goold et al., 1998, p. 14

¹⁷ Goold et al., 1998, p. 14

¹⁸ Morgan, 2006, p. 17

¹⁹ Mizrahi, 2004, p. 2

specific actors towards which capacity enhancement projects are directed (capacity for whom?).

The following section presents the concept of capacity held by ICCO & KiA and relates it to the elements presented in this section. To start with, the vision and strategy of ICCO & KiA is provided.

2.2 Organisational capacity according to ICCO & KiA

ICCO & KiA is a CRO that has the vision of fighting injustice and working on sustainable poverty reduction based on the Biblical commission of 'Mercy, justice and wholeness of creation'. The organisation has chosen to focus its development programmes on three themes: Access to Basic Needs, Democratisation and Peace Building, and Sustainable Fair Economic Development. Three intervention strategies are being employed within these themes that also comprise the departments: influencing policy, civil society building and direct poverty reduction. The programme capacity building was set up to support the departments mentioned above during the implementation of policy. This programme focuses on the strengthening of the thinking- and learning capacity, executive capacity and institutional capacity of the own organisation and partner organisations.²⁰

The view of organisational capacity held by ICCO & KiA is presented in this section. The documents used are: the most recent business plan (2007-2010), the partnership policy document and the project administration system 'Dynamics'. The relationship that ICCO & KiA has with CROs has changed from being based on personal contacts with missionaries conducting development work with churches, to a more business-like approach with formal CROs. This means that these partners are increasingly being assessed according to the same criteria as secular organisations.²¹

The concept of capacity that is presented in the partnership policy is made operational in the business plan of ICCO & KiA 2007-2010.²² This paper states the elements that are taken into consideration when selecting partner organisations. The relationship that ICCO & KiA has with organisations that it works with is referred to as a partnership. The partnership is based on a number of elements:

- Respect and trust: willingness to be open and transparent
- Shared values: having mutual understanding of the different roles and responsibilities and accepting each other's weaknesses and strengths. Accepting the principle of self-determination and developing the skills that are necessary to achieve this.
- Shared goals: profound understanding of the overall and country-specific contexts.

The general criteria applied by ICCO & KiA when selecting partners are stated in box 1. ICCO & KiA attempts not to be too focussed on the tangible parts of the organisation and its partner's programme, such as structure, budgets, reporting and results, but tries to focus on less tangible parts: a compelling vision, a coherent strategy and legitimacy in society. The selection criteria are applied differently for a small membership organisation at a grassroots level than for a professional intermediary organisation, which has all the possibilities to work according to these criteria.²³ A major concern for ICCO is to strike a balance between the legitimate need for sound administrative and financial procedures, assessment and monitoring procedures, data collection as well as checks and balances on

²⁰ ICCO-Alliantie Bedrijfsplan 2007-2010

²¹ IC Consult, 2004, p.14

²² ICCO Partnership Policy 2003, p. 5

²³ ICCO-Alliantie Bedrijfsplan 2007-2010, p. 11

the one hand, and the actual working practice of analysing the context, facilitating development processes, dialogue and learning on the other.²⁴

General criteria applied by ICCO & KiA for selecting partners

- legitimacy in the society in which it works e.g. governing body, relationship with community groups, both formal and informal.
- driven by a sense of justice, shared values and the demands of the poor
- people as *subjects*: as agents of change with capabilities as well as vulnerabilities
- gender sensitive
- applying principles of transparency and accountability
- organisational capacity not only in terms of structures and procedures, but also in terms of sound concepts, a compelling vision, a coherent strategy and enabling culture and how this organisational capacity is put to work.
- open to co-operation (as opposed to competition) and networking
- learning capacity through a functioning PME-system, among other things

Box 1: ICCO & KiA partnership policy²⁵

The project administration system ‘Dynamics’²⁶ that ICCO & KiA uses also forms a framework that is applied by programme officers to assess the capacity of an organisation to carry out a programme. Programmes that ICCO & KiA finance should implement one of the three intervention strategies named in the ICCO business plan 2007-2010: a) Directly fighting poverty, b) civil society building and c) influencing policy. The programme should have clear objectives and intervention plan. Agreements are made with the partner concerning monitoring, evaluation, learning and improving.²⁷ This means that a certain standard of management skills, especially in the area of PME, is expected of the partner. Result agreements are formulated and stated in the contract with the partner. These are used as a standard to determine whether the project/programme was a success or not. Financial and narrative reports are to be submitted on a regular basis. On top of this, programme officers have to name the specific arguments that make the organisation of value to ICCO & KiA.

In theory, ICCO & KiA has a concept of capacity that is very closely related to the one presented in literature focussing on the aspects of being, doing and relating. The business plan and the partnership policy emphasise the fact that it is important to strike a balance between these three areas of capacity, yet in practice the focus seems to be mostly on the ‘doing’ capacity. This has to do with the fact that the criteria presented in the project administration system mainly relate to programme performance. However, since the policy documents also stress the elements of being and relating, the analytical framework that is used in this thesis includes these areas as well. Table 1 presents the characteristics of the ‘ideal NGO’ in the areas of being, doing and relating that are put forward by INTRAC, an NGO that conducts a lot of training and research in the area of organisational capacity. These characteristics are very closely related to the aspects of capacity considered important by ICCO & KiA. Therefore the elements presented in this table are used as an analytical framework to assess the capacity of the CROs that form case studies in this thesis.

²⁴ ICCO-Alliantie Bedrijfsplan 2007-2010, p. 12

²⁵ ICCO Partnership Policy, 2003, p.11

²⁶ Annex E contains a template project plan

²⁷ ICCO-Alliantie Bedrijfsplan 2007-2010, p. 26

Being	<ul style="list-style-type: none"> - Clearly defined and shared vision and values - Driven by a sense of justice and demands of the poor - Strategic competence - Appropriate structures and systems - Learning culture - Sound financial and physical resource base - Skills and expertise - Competent leadership and management - Applying principles of transparency and accountability - Coherent strategy
Doing	<ul style="list-style-type: none"> - Effective service delivery - Large poverty reach - High degree of participation - Group capacity-building and sustainability - Spreads new ideas/methods - Influences macro-policy - Functioning PME system
Relating	<ul style="list-style-type: none"> - Strategic alliances and working relationships within the sector and with other sectors - Cooperation with donors - Cooperation with community leaders - Legitimacy in the society in which it works

Table 1: Characteristics of the 'ideal' NGO²⁸

2.3 Different types of CROs and sectors in which they work

This section presents a typology of CROs that is put forward in literature and expands on the sectors in which these CROs play a role. As the world of CROs is so diverse, it is necessary to differentiate between the different types that exist and to identify in which areas they function. According to James, the main difference between a CRO and other organisations involved in development work is its relationship with a religious institution. Being part of a faith structure gives CROs comparative advantages in development work, such as an extensive community reach and influence on peoples' behaviour through their legitimacy and constituency. The link with the religious institution is more obvious in some cases than in others. The relationship can be identified by looking at the legal governance structure of the development department.²⁹

James³⁰ presents the following categories concerning the relationship between CROs and the religious institution they are affiliated with:

- Development work within the religious institution. No separate legal registration operating as a development department.

²⁸ INTRAC 2003 and ICCO & KiA Partnership Policy, 2003

²⁹ James, 2005, p. 4

³⁰ James, 2005, p. 5

- Development work partially within religious institution. Some level of independence of governance. May have own legal registration under religious institution.
- Development work outside of religious institution. Registered as an independent legal entity, like an NGO. It may be linked to a number of religious institutions.

The agency responsible for development work within a church shows different degrees of affiliation with the religious institute. The development department can be completely incorporated in the regular church structure or could be a totally independent development organisation. An inter-mediate form could be a semi-autonomous organ whereby the church might participate in the board.³¹ Goold et al. state that some churches may have well-established development departments with programmes and funding that function quite independently of the church board. Other churches have a 'pre-development department' where co-ordination or promotion of development activities may be the responsibility of a church worker or pastor in an organisational set-up with very limited resources. In this case decision making and allocation of funds is directly in the hands of the church board.³²

CROs often have a holistic view on development, seeking to target all aspects of the individual. Development objectives are often formulated using holistic terms. Therefore a church may have multiple objectives, desiring to impact spiritual, intellectual, physical, social, economic and cultural aspects of the community. As a consequence, the strategy of CROs tends to be multi-sectoral which has both positive and negative aspects. This way they can provide many different kinds of services at the same time and fulfil roles such as providing emergency relief, healthcare, counselling and advocacy. CROs target both the poor and the rich, sometimes conducting activities focussed on strengthening the economic position of poor church members. They attach a lot of importance to awareness raising activities and non-formal education in the area of social and economic rights. On top of this, churches focus on providing both formal and non-formal education on Biblical teachings and theology.³³

Historically, religious organisations have been at the forefront of service delivery in education and health and have often been the catalyst for liberation movements and advocacy work.³⁴ James states that churches broaden our understanding of development, bringing the focus back on human development, not merely income, GDP and economic development. Churches also place an emphasis on concepts such as compassion and service and justice and reconciliation in their development programmes.³⁵ In conclusion, it can be said that CROs carry out many different types of development work, from meeting the basic needs of the surrounding community, primary and adult education to lobby and advocacy activities.

2.4 Capacity of CROs

The following section provides an overview of key strengths and weaknesses in the area of development capacity faced by CROs. Goold et al. base their findings on an analysis of two case studies of organisation development interventions with the development departments of two churches in Africa. The examples in the paper are reinforced by practical examples from the authors' own experience of working in and with churches involved in development. All learnings are based on thorough reflection on actual experience, rather

³¹ IC Consult, 2004, p. 12

³² Goold et al., 1998, p. 6

³³ IC Consult, 2004, p. 20, 30

³⁴ James, 2005, p. 2

³⁵ James, 2005, p. 3

than simply theoretical concepts.³⁶ According to Goold³⁷ churches have many potential capacities that can be drawn on. On top of this they also face a number of weaknesses in organisational capacity. These include:

Being

Strengths

- A long and established history in development work and will probably exist for many years to come
- A strong value base of concern for poor and marginalised groups
- A culture of giving in money, kind, skills and time and an ability to mobilise local resources and often a pool of voluntary lay professional expertise that they can draw from

Weaknesses

- Vision statement for the department is extremely broad
- Strategies not apparent
- A number of different development approaches being followed
- Christian identity of the development department not clear
- Structural tensions between the development department and the church; danger of distancing it from the very body that gave it legitimacy.
- Complacency arising from successes in past times
- Little governance structure

Doing

Strengths

- Regular meetings of membership often with its own physical meeting place
- A broad village-based presence even in hostile or remote rural areas where many other NGOs are unable to operate

Weaknesses

- Sustainability of programmes not clear
- Few mechanisms in place to reflect and learn from practice
- Limited impact on the lives of rural communities

Relating

Strengths

- Being a rooted and legitimate part of civil society as they have a voluntary membership from the local population
- A strong network of women's groups which can be an important catalyst for change in church and community life, despite the male domination in formal decision-making mechanisms
- Being part of a wider institutional structure with extensive external linkages and opportunities to meet at international level
- An autonomy from government
- Having become largely indigenous

Box 2: Strengths and weaknesses in organisational capacity of CROs³⁸

³⁶ Goold et al., 1998, p. 6

³⁷ Goold et al., 1998, pp. 9-13

³⁸ Goold, 1998, pp. 9-13

Despite the importance of values and beliefs in churches, such values are often not explicit in terms of how they affect development, and if they are explicitly they are often communicated in a language that many find difficult to understand, inside and outside the church. This makes it difficult for CROs to define ‘capacity for what?’ and ‘capacity for whom?’ mentioned by Mizrahi in section 2.1. Development work conducted by CROs is often carried out without a clear identity in relation to the church of which it is a part and there is a danger that the development department is seen as just another service deliverer without clearly established objectives that define ‘capacity for what?’. While many churches do not consider themselves as an ordinary NGO, they are not always very clear at stating what makes them distinctive. The ‘capacity for whom?’ is often also not very obvious, as churches are heterogeneous and made up of many different groups, such as the local elite and marginalised groups. Churches need to analyse the community in which they work so that the type of development work that is undertaken becomes relevant.³⁹

2.5 Methodology

This section provides an overview of the different methods and selection criteria that were used to gather data in order to answer the sub-questions and central research question. A combination of methods were used to collect data: desk study, semi-structured interviews and case studies.

A desk study involves the assessment of existing data. A literature study and file study were conducted to answer the first sub-question: *What is the concept of capacity put forward in literature in relation to development work?* A literature study provided information and an analytical framework on the capacities of CROs. Policy papers of ICCO & KiA provided insight into the concept of capacity that it holds and the demands that it places on the capacity of its partner organisations, answering sub-question two: *What concept of capacity does ICCO & KiA hold and what demands does it place on the development capacity of partner organisations?*

A number of different methods were used to answer sub-question three: *What types of church-related partner organisations does ICCO & KiA have, in what development sectors are these different types active and how do type and sector relate to their development capacities?* A typology of the partner CROs of ICCO & KiA was made to gain an overview of their characteristics and capacity. Table 3 is the result of an analysis of a sample of 28 CROs from the partner portfolio of ICCO & KiA. The sample was taken from a list of 112 CROs that are being funded by ICCO & KiA using the systematic sampling method. This method involves selecting a random starting point in the list and then applying a sampling interval for the selection of the cases. In this research, every fourth CRO in the list of 112 CROs, known as a ‘sampling frame’, was selected as a case. Systematic sampling is a reliable method as every organisation in the list has an equal chance of being chosen. After applying this method, a list of 28 CROs remained and was analysed.

The analysis is based on information found in the project administration system ‘Dynamics’ which contains project plans of each programme that ICCO & KiA is funding. The project plans contain a short characterization of the organisation, the intervention strategy maintained by the CRO, planned activities, and the motivation for financially supporting the partner. See Annex D for a template project plan.

The 28 CROs that were selected for the analysis, were first of all categorized according to their affiliation with a religious institute. The categories put forward by James: ‘no

³⁹ Morgan, 2006, pp. 17-18

separation’, ‘partial separation’ and ‘total separation’, were applied. The degree of affiliation with the religious institution was determined on the basis of the organisational profile found in the project plan of the CRO. Secondly, the capacity of each CRO in the areas of being, doing and relating, was determined. This analysis was once again based on the information found in the project plans of the CROs. Table xx shows which indicators were used to analyse the capacity of the CROs and is based on table 2 in section 2.1. Table 2 also indicates which sections of the ‘Dynamics’ project plans contained the data on a certain capacity area.

Three church-related partner organisations of ICCO & KiA are used as case studies to describe the three different types of CROs that stand central in this research and were used as illustrations in answering sub-question three and four. Desk study as well as multiple semi-structured interviews were conducted to gather information on these three organisations. In total, 10 interviews were held with capacity building staff members, programme officers and programme specialists. Annex B contains a list of respondents and Annex C contains the interview guide that was used in this thesis.

Three CROs stood central in this research and provided the information for the case studies. Each CRO represents one of the types put forward by James, namely: ‘no separation’, ‘partial separation’ and ‘total separation’. The CROs were chosen for a number of reasons. Firstly, there was a lot of information available in the form of files and digital documents. Secondly, there was the possibility of interviewing one or more capacity building staff members who had spent several years working within these CROs. Thirdly, all three of these CROs have been funded by ICCO & KiA for quite a long time, and there is an established relationship with them. All three have received some form of capacity building support from ICCO & KiA whether it be in the form of sending a staff member, or organising capacity building workshops.

The first case study is the SAG; a consortium of 12 churches involved in development programmes on Sulawesi, Indonesia. The second case study is the Presbyterian Church of Ghana (PCG) which is involved in many types of development work including healthcare, agriculture, education, human resource development and organisational capacity building. The third case study is Fusona, the development organisation of the IPTL, a small protestant church on East Timor involved in health care and agriculture.

	Indicators	Dynamics project plan
Being	<ul style="list-style-type: none"> - Clearly defined vision and values - Driven by a sense of justice and demands of the poor - Competent financial management 	<ul style="list-style-type: none"> - Sections ‘Profile’⁴⁰ and ‘Financial considerations’⁴¹

⁴⁰ This is referred to as ‘Kenschets’ in the project plan

⁴¹ This is referred to as ‘Afweging financieel’ in the project plan

Doing	<ul style="list-style-type: none"> - Types of services and activities - Effective service delivery - Capacity building and sustainability - Functioning PME system - Effective financial management 	<ul style="list-style-type: none"> - Sections 'Basic information'⁴², 'Intervention'⁴³ and 'Motivation'⁴⁴ - Section 'financial considerations'
Relating	<ul style="list-style-type: none"> - Working relationships within the sector 	<ul style="list-style-type: none"> - Section 'Profile'

Table 2: Indicators used to analyse project plans

⁴² This is referred to as 'Basis informatie' in the project plan

⁴³ This is referred to as 'Interventie' in the project plan

⁴⁴ This is referred to as 'Afweging inhoudelijk' in the project plan

3 Analysis

The aim of this chapter is to present an analysis of different types of CROs and their capacity for development work. First of all the analysis of the capacity of a sample of 28 CROs is provided in the form of a table and general analysis is given. Thirdly, each type of CRO is expanded on and illustrated with a case study. Lastly, a figure is presented in which the types of CROs are linked to the sectors in which they work. In this section, the relationship between the capacity of each type of CRO and the sector in which it is active, is discussed.

3.1 CROs: Types and capacity

Table 3 contains the results of an analysis of a sample of 28 CROs.⁴⁵ Eight of the CROs showed little or no separation of the development work with the religious institute. Another eight showed partial separation and in 12 cases there was total separation of the development work from the other work conducted by the church. The three types of CROs that are presented in table 3 are one way of categorising the sample. Many of the CROs did not clearly fit into one category, but as it is impossible to list all the types that exist, these three types were chosen to provide a rough guideline.

Type Capacity	No Separation (8)	Partial Separation (8)	Total Separation (12)
Being	-	+ / -	+
Doing	-	+ / -	+
Relating	+	+	+

Table 3: Capacity of CROs

The first obvious remark that can be made about the capacity of CROs, is that all three types are strong in relating. The type 'no separation' is the weakest type of CRO. It is weak in both being and doing. Although a CRO that is so closely linked to the religious institute has a very clear vision on what the role of the church should be in society, the being capacity in relation to development work has usually not been well developed. The weakness in the area of being, influences programme performance and therefore leads to a weak doing capacity. The type 'partial separation' is relatively strong in being and doing, but needs external capacity building interventions in order to function optimally in

⁴⁵ 28 project plans that have been entered into the project administration system 'Dynamics' were analysed. The information that is presented in the project plans is subject to the interpretation of the programme officer who analyses the project and budget proposals sent by partner organisations. The information presented is therefore affected by the view that the programme officer has of organisational capacity, the relationship that he/she has with the CRO and the analytical skills of this individual. Some project plans presented a more complete picture of the CRO than others. Some were focussed more on the being capacity, others more on doing and relating. Even though the set-up of the project plan is such that doing capacity is the focus, programme officers also took into consideration the aspects of being and relating.

these areas. Lastly, the type ‘total separation’ has the strongest capacity in all three areas. On the whole, this type of organisations has a clear vision, mission and strategy, a relatively high level of programme performance and an effective network of actors that support it.

3.2 Capacity of CROs that are not separated from the religious institute

The type ‘no separation’ indicates that the church board is directly responsible for the development work that is conducted by the church. As can be seen in table 3, this type is not very strong in the area of being. The vision of the church concerning development work is often quite clear, with a focus on decreasing social injustice. A development strategy, however, is regularly lacking, making it difficult to invest funds in an effective manner. These CROs tends to have a low management capacity and level of transparency. Staff mainly have a theological background and do not have sufficient management skills. Donor funds are sent to the church board that is then accountable for spending the money. As the church board usually manages many different types of activities, not only development programmes, funds may easily be spent on these other activities which may lead to incorrect financial reporting and activities and decreased transparency. Capacity building in the form of staff training in PME and management skills may take place, but this is usually donor driven.

In the area of doing, the capacity of this type of CRO is also quite low. There is a lot of donor dependency as there is no clear funding strategy. The sustainability of the development programme tends to be low considering the lack of planning skills and long term strategy.

A positive aspect this type of CRO in the area of relating is that they are usually active on grass roots level and relate very closely to the target group. This means the legitimacy of the church in conducting these activities is quite high among the beneficiaries and they are willing to participate and invest time and energy in coordinating the programmes. In addition to this, cooperation with NGOs sometimes takes place so that the church can make use of their expertise to deliver higher quality services.

SAG: Case study of a CRO that is not separated from the religious institute

The SAG is a council of churches on Sulawesi, Indonesia that has taken over a number of coordinating tasks on behalf of ICCO & KiA since 2003.⁴⁶ It is responsible for gathering project proposals of its 13 member churches⁴⁷ and sending them to ICCO & KiA. On top of this, it is responsible for monitoring the development programmes and conducting capacity building activities. The different member churches each have their own governance structure, usually steered by a synod office and divided into different districts. The synod is made up of a number of representatives within a church. The chairmen of each synod board meet on a yearly basis to discuss priorities for development programmes and allocate funds among the churches. In the case of smaller churches, the development programme is sometimes in the hands of the synod, which is also responsible for the execution of the project. In larger churches, a development department is responsible for

⁴⁶ This case study is based on desk study and several interviews with a programme officer. On top of this, a meeting took place with two staff members of Mission 21, a Swiss CRO that also has a funding relationship with SAG. During this meeting a SWOT analysis of the SAG that had been conducted by one of the staff members, was discussed.

⁴⁷ The 13 member churches have around 1,500,000 members in total.

the programme and projects are conducted in cooperation with one or several congregations.

The member churches represent different denominations and each has its own governing structure. Officially, each church has its own 'service department', but within a lot of churches this department is no longer functioning and this means that the development programme is often managed and directed by the synod. Local congregations are responsible for the execution of the programmes. Synod members are also responsible for choosing the priorities in the development programme each year and select the areas where the programmes will be carried out.

Being

The member churches feel the responsibility to keep their church functioning and meet the social and economic needs of their church members. Often, the wider community is not included in the programmes that are conducted. It is difficult for these churches to effectively carry out development activities as they receive very little money from their own church members and lack the capacity needed to run development programmes. Therefore they are very donor dependent, financially as well as for capacity building. On top of this, there is often no clear development strategy although the programmes are adapted to the needs of church members. Staff responsible for PME of the programmes are mostly theologically trained and lack management skills in necessary for development work.

Staff often have an important position within the church as well as being involved in the development programme, mostly on a voluntary or low-salary basis. This may lead to a lack of time and energy and a mingling of interests. The financial-administrative systems are quite weak as is the mastery of the English language in writing proposals. Leadership is often authoritarian leaving little room for the contribution of youth and women. Decision-making is usually not very transparent. On the whole, the churches have an enthusiastic attitude towards carrying out development work, but lack the skills to do so effectively. Additionally, the hierarchical structure of the churches makes it difficult for ordinary church members to voice their needs and forms an obstacle to efficient and transparent decision-making.

Doing

Churches tend to be involved in many different activities, catering to the need for dialogue with Muslims, workshops on peace building and the position of women in the church and small-scale economic development. A few churches have managed to execute sustainable programmes and form an example for other churches. On the whole, however, there is a lack of a clear focus and long term sustainability plan. Several capacity building interventions have taken place at the request of donors, but these were sporadic and the synod was often not very supportive of these interventions. Additionally, these interventions were focussed solely on the doing capacity, and not on being and relating. This one-sided approach was detrimental to the sustainability of the capacity building interventions that took place. Also, due to a high turnover in staff, the skills and knowledge attained by a few individuals through these interventions, was not institutionalised among the executive staff.

Relating

The 13 member churches have been brought together by the SAG who coordinates the development programmes of the churches together with ICCO & KiA. This means that cooperation among the churches is necessary. Up till now communication between the churches has been minimal as they are confronted with large geographical distances and are pre-occupied with solving problems within their own church. Additionally, churches

were often formed along ethnic lines and this sometimes makes it difficult to cooperate. Working together with NGOs sometimes takes place, as in the case of a micro-credit scheme conducted by one church. Potentially, the churches have access to an enormous network of dedicated church members to carry out effective development programmes, however, the capacity needed to conduct development programmes is lacking. The next section presents an analysis of the CRO type ‘partial separation’.

3.3 Capacity of CROs that are partially separated from the religious institute

The type ‘partial separation’ indicates that the church conducts its work through different departments. The departments are legally still connected to the church and the church board is still mainly responsible for everything that takes place. In the area of being, this type of CRO often adopts a holistic approach to development by focussing on both the spiritual and material development needs of the target group. This means that activities such as theological education and micro-credit schemes may be offered. Staff are usually selected on the basis of possessing relevant skills so that the department is able to design a long term development strategy and better able to manage the programmes. The strategy of such a development department sometimes tends to be overly ambitious as it tries to meet the whole scale of needs of the church members and even the wider community. Internal capacity building programmes to improve the management skills of the staff are often present and are demand driven indicating that there is a will to professionalize. A drawback of partial separation as opposed to total separation from the church is that funds might be received by the church board and are then passed on to the development department. This decreases transparency and may lead to mismanagement by the church board.

In the area of doing, an increasing analysis of the needs of the context takes place. This type of CRO contributes largely to civil society building through capacity building activities and lobby on district and government level. As the development strategy is more clearly defined and PME systems are better in place, the sustainability of programmes is higher than the previous type of CRO.

In the area of relating, this type of CRO starts to lose its connection with church members as it becomes more focussed on the wider community. However, it has very good knowledge of the structures that guide decision making within the church and is very capable of manoeuvring within the field of church politics.

PCG: Case study of a CRO that is partially separated from the religious institute

The PCG is a large church in Ghana, with around 450,000 members, that is represented throughout the country.⁴⁸ It originated in the nineteenth century when the first Swiss missionaries entered the country. It has a governance structure whereby the country is divided into 14 ‘presbyteries’. The presbyteries are offices that are responsible and formulate policy for the congregations that fall within their geographic range. The chairmen of all the different presbyteries meet on a regular basis and form a ‘General Assembly’ that is chaired by the clerk. Policy decisions are made during this Assembly, and it is the most important governing organ within the church. The head office of the church is located in the capital city, Accra, and accommodates the different service departments

⁴⁸ This analysis is based on desk study and several interviews with (former) programme officers, capacity building staff members and the director of the department ‘Ecumenical and social relations’ at the head office of the PCG.

of the church: Ecumenical and social relations, administration and human resources, church life and nurture, development and social services, finance, mission and evangelism and education.

ICCO & KiA have had a relationship with PCG for a long time and are funding a healthcare, agricultural and lay training programmes. The healthcare programme is very extensive; PCG has several hospitals and many healthcare centres. On top of this, there is an agricultural programme supporting small farmers' groups. The focus of this research is the lay-training programme, specifically two lay-training centres - one in the North of Ghana and one in the South. The choice to focus on these training centres was made because they are involved in building the capacity of church members. Capacity building conducted on such a large scale and in such a structural manner, is something that makes CROs unique in the field of development work. Church members receive training in different subjects that are relevant for the churches they work in and the problems encountered by the community such as HIV/Aids, poverty and dealing with other religions. Additionally, many of the participants are trained in becoming official church leaders.

The PCG is a large church and is made up of different organisations concerned with development work and capacity building of church members. There are three lay training centres and there are organisations concerned with health, agriculture and education. Each of these organisations are connected to the church in some manner; the degree of affiliation varies. This research will focus on describing the capacities of two different lay training centres: Presbyterian Lay Training Centre (PLTC) and Ramseyer Training Centre (RTC).

The PLTC falls under the responsibility of the Northern Presbytery. It designs its own policy and activities and contacts the presbytery for matters that extend beyond the centre. In 2004, the head office decided to invest funds in PLTC to build its capacity as it had become a run-down centre. Officially, the department of church life and nurture of the PCG is responsible for the lay training centres. However, there is not much contact between PLTC and the head office. The RTC falls under the direct responsibility of the head office in Accra, therefore decision-making concerning its strategy takes place here. In 2001, the head office decided that RTC would write manuals for the courses that could be used by all the lay training centres. Decisions are sometimes made at a national level, and sometimes at a district level.

Being

The organisational culture of the PCG is hard to define as it consists of many separate entities. However, a few general remarks can be made about the culture within the head office of the PCG. The directors of the different departments are mainly ordained ministers⁴⁹ within the PCG and have a degree in theology and a management-related study. This means that generally, the capacity to work with both church-related and development related issues, is present. A lot of policy is developed within the departments at the head office, and yet it is hard to see concrete results of this policy. The head office is referred to by one respondent as an 'ivory tower' as it is hard for ordinary members of the church to gain insight into the plans that are being developed at this level.

The lay training centres of the PCG were set up to build the capacity of all church members. They attempt to respond to the needs that have been identified by members such as lack of trained leadership within churches. The vision of the PCG concerning the lay training centres, is that everyone who has a specific position within the church receives a training; ministers, youth leaders and counsellors⁵⁰; both young and old. The PCG expects

⁴⁹ See Annex A for a definition of this term

⁵⁰ See Annex A for a definition of these terms

that its members actively contribute to the functioning of the church. Although this vision is made practical by the lay training centres, it is not necessarily shared at all levels of the PCG. Respondents mentioned that the head office seems to place the ideal of becoming larger and maintaining the stability of the institution above that of catering to the needs of church members. This means that often large scale projects such as setting up a university or a hospital are sometimes favoured above internal capacity building programmes.

The directors of RTC and PLTC are dedicated men. Both share the vision of training members of the church to create better leadership. As a director of one of these centres, it is important to maintain a good relationship with the head office whilst being able to design a clear strategy and motivating staff to follow this strategy. One of the directors is a very visionary man, with qualities in the areas of management, networking, fundraising and lobbying with the head office. This makes it possible for the centre to follow its own strategy, aside from fulfilling the tasks that it has been appointed to do by the head office. The other director, although motivated, lacks a clear long term vision and sufficient management skills to run the centre. This means that the centre relies on external capacity building interventions to compensate the skills that are not present. Overall staff are sufficiently qualified, usually in possession of a master's degree in theology and some other study and having experience in teaching. The staff at the lay training centres receive the same salary, regardless of their position. The motivation of staff at both centres is quite low and there is a high turnover rate among staff at both RTC and PLTC; the reasons being the relatively low salaries and the fact that staff are placed somewhere by the PCG without being able to influence this decision.

Doing

As mentioned above, the PCG is focussed on strengthening the leadership capacity of its church members. It does this by training so-called 'catechists' or 'care-takers' at RTC and PLTC. These are both men and women who assist the minister in his tasks of leading and coordinating a church service, visiting church members and educating youth. As the number of ordained ministers is quite low, churches are often led by untrained people. They are often seen as natural leaders in their community and have a high level of responsibility. The PCG has trained 3000 catechists at the training centres within the past 40 years. On top of this the centres also offer micro-credit schemes for widows and computer courses for all participants. Income generating programmes such as the renting of buildings for events such as conferences, also take place. This contributes to the financial sustainability of the centres.

The centres try to meet the needs of the students by offering courses that are relevant to the context in which they are working. This means that the programme at PLTC is very different from that at RTC. PLTC is situated in the Northern part of Ghana where most people are involved in subsistence farming. Courses are mainly given in the dry season when there is little to do on the fields. As the level of English reading and writing is low, students are trained in English grammar and report writing. On top of this there is a course on Old Testament, New Testament and pastorate⁵¹ so that by the end of the training, students have more thorough Bible knowledge and are more capable of counselling church members. Additionally, social awareness programmes focus on the responsibility of the church for society. Themes such as disaster management in case of floods and tribal fights are discussed. In an informal setting, many discussions with students revolve around Muslim versus Christian traditions such as polygamy and monogamy. Courses on location are offered to those that live in marginalised areas or are not able to leave their farms.

⁵¹ See Annex A for a definition of this term

At RTC, many of the same courses are given as at PLTC. Additional courses cover themes such as youth training, visiting prisoners, liturgy⁵² and counselling for issues such as HIV/AIDS. Some ministers are trained to become trainers of trainers so that they can reach people in the more marginalised areas. The Southern part of Ghana is more prosperous than the North, and the population has a higher level of education. Still, most of the students do not have good reading and studying skills. These skills, as well as voicing opinions, are learnt during the courses.

The continuity and quality of the programmes at both centres is quite high. Partially due to the fact that manuals for both training centres are being written at RTC. PLTC then adapts them so that themes are relevant to the context in which the students are living. At the moment there is external capacity building staff at both centres assisting in the areas for which there is no capacity. The future of the centres is largely dependent on the skills and qualities of the directors.

Relating

The PCG offers access to a large network of local congregations, northern donor organisations and local NGOs. As it is a very large church active in many sectors of development work, it has established many donor relations both inside and outside of Ghana. This means it has access to many funds and is actively maintaining relationships with donors. A Human resource development programme funded by ICCO & KiA is being executed in cooperation with a large CRO of the Assemblies of God.

Although there is a certain amount of dialogue with other churches, there is very little cooperation on programme level. Churches tend to be respectful towards each other, but are cautious to cooperate too intensely as each has an extensive donor network that it does not want to lose.

3.4 Capacity of CROs that are totally separated⁵³ from the religious institute

The type 'total separation' indicates that the development department of the church has become legally independent of the church. The church may still be involved in choosing members of the board of the development organisation, but funds are received directly by the CRO and decision making is largely independent.

In the area of being, this type of CRO has a clear vision, mission and strategy. Its strategy is focussed on sustainable poverty reduction using innovative methods. The strategy usually aims at providing specialised services and is not overly ambitious. Staff are well trained and internal capacity building takes place to adapt to changing strategies and needs of the context. The programmes are targeted at the whole community, whether or not they are members of the church.

In the area of doing, there is a broad range of activities conducted ranging from lobby and advocacy to basic needs. The outreach is large, and special effort is taken to target marginalised groups. Therefore this type of CRO is strong in relating.

⁵² See Annex A for a definition of this term

⁵³ The term 'totally separated' should be understood in its context. The typology that is maintained throughout this thesis contains very distinct categories, and in order to differentiate between different types it is necessary to use extreme categories such as 'no separation' and 'total separation'. As this thesis is focussed on organisations that are somehow related to a church (religious institute), all the cases that are analysed are affiliated with a church to some extent. Therefore, none of the CROs are completely separated from the church in practice, although legally they might (almost) be a separate entity. Often the church board is still involved in appointing the board members of the CRO, as is illustrated in this case study.

Fusona: Case study of a CRO that is totally separated from the religious institute

The third case study is Fusona, located on East Timor and is the development organisation of a small protestant church with around 20,000 members; IPTL.⁵⁴ It is registered as a development organisation but is linked to the church as members of the governing board are chosen by the synod. The board is comprised of members of the IPTL. Fusona was set up in 1983 as an organisation focussed on emergency relief and after a number of years starting focussing more on delivering structural development aid. It has a number of different programmes in the areas of healthcare and agriculture. Until the beginning of 2008, it also executed education programmes. This is now the responsibility of another foundation. Its projects are spread out all over the country, especially in more marginalised areas. Most of the staff members of the organisation are members of the IPTL. Fusona operates in a context that is far from stable as East Timor became independent in 2002 and is at the beginning of a process of democratisation. Once again, the so-called 'East-West conflict' caused a big crisis in 2006.

Fusona was set up as a development department of the IPTL and is legally a separate entity. Yet, it is not completely independent from the church. The synod nominates the five Fusona board members and appoints the director on nomination of the board. The synod takes the freedom to interfere in Fusona's board matters although guidelines have been set up in which roles and responsibilities are defined. Even though Fusona is a separate legal entity, the synod involves itself in financial and programme matters. A reason for interference is the leadership style within the synod. If the chairman is authoritarian, he will be more likely to involve himself in matters concerning the development department and will have a stronger voice in who the new director of Fusona is.

Respondents mentioned that the connection of Fusona to the church also has benefits if the relationship with the synod is positive. The synod can fulfil a watchdog function as it can provide feedback on the policy that is formulated by Fusona. On top of this, the synod has the task of articulating the vision of the church and ensuring that this vision is made operational within its departments. The synod also has the responsibility of making known to the outside world what the objectives are of Fusona; it should take on the role of an ambassador. This is something that staff of Fusona would appreciate as it creates an atmosphere of support and trust and gives a sense of direction.

Being

The staff is now more qualified than they were in the past when the selection procedure was not so strict. In the past, the possession of an academic education was enough to qualify a person for a position within the organisation. Now staff are selected on the basis of possession of specific skills such as accounting, management and development studies. As mentioned above, the director is chosen by the synod. Sometimes a director with a theological background, often a pastor, is appointed meaning that his management skills may not be sufficient. The assumption is that someone with a theological background automatically is able to manage development programmes. Therefore the functioning of Fusona is largely dependent on the type of person that the synod appoints as the director. Sometimes this decision is influenced by ethnic background, limiting the choice of the director to someone of the 'right' ethnicity in the eyes of the synod. A respondent mentioned that it is very important that the director is able to distance himself from any

⁵⁴ This case study is based on desk study and interviews with a former programme officer and a capacity building staff member.

ethnic rivalry otherwise he/she will let this influence decision-making. The composition of the synod is consequently very important, as a balanced mix of ethnic backgrounds leads to more objective choices of a director for Fusona.

The control systems between the synod and Fusona board are not in place. The synod has been functioning weakly since the political unrest in 2006 and no longer reads the reports and policy documents written by the Fusona board. Financial control is also not taking place by the synod. Another reason for this hesitance to intervene in these areas is the presence of the capacity building staff member from the Netherlands. The external staff member was appointed for a period of four years to build the organisational capacity of Fusona as it was weak in PME, proposal and report writing and financial management. In dialogue with KiA⁵⁵ a staff member was sent to Fusona to coach, advise and train staff members.

The organisational culture of Fusona is such that although the synod may try to interfere, staff have a lot of room to manoeuvre and may choose not to listen to the directions given by the synod. The executive power lies in the hands of the staff, and this enables them to implement the strategy of the organisation in a concise manner. The organisation is focussed on delivering basic needs and is professional in doing so. It continues to do this even while synod fluctuates in its degree of support of the programmes. The support of the synod is a factor that affects the functioning of Fusona, but is not a crucial element as the development programmes are well established and the strategy of the organisation is clear. Capacity building is necessary in certain areas, but the sustainability of the organisation lies in the hands of the executive staff. As long as they have relevant skills to conduct development work, the activities will be carried out.

Doing

All the programmes are functioning relatively well, but not optimally. The staff are too easily satisfied. The health programme is functioning well, but the agricultural programme could be improved. The production could be increased and the quality of the storage rooms could be improved. The staff find it hard to think far ahead and plan for the long term. This makes it difficult to write a three year plan.

Due to the intervention of the capacity building staff member, there is now a better organisational structure than a few years ago. This type of intervention seems to be quite effective in increasing the capacity of CROs as all areas of capacity are tackled simultaneously. Planning, setting up a budget and monitoring and reporting skills have improved. Reports were becoming much clearer and more readable. Writing reports in English was becoming an easier task. Yet some external guidance remains necessary. The sustainability of external interventions is always difficult to predict. It takes a long time for new skills to become institutionalised within an organisation and to be passed on from one person to the next, especially in a context where people are not used to receiving training in a group setting. In addition to this, certain skills and methods such as discussing project proposals with the complete staff, may be culturally inappropriate. Therefore, certain skills will be adopted more quickly than others.

Relating

The local churches provide an entrance for setting up health and agricultural programmes. There are churches in most of the 13 districts. In the marginalised areas there are relatively few NGOs, but Fusona is usually present in these areas. The fact that Fusona is linked to a church means that the access to the target group is quite easy and consists of a network that other secular NGOs often do not have. However, Fusona is not making

⁵⁵ Before 2006 ICCO & KiA were two separate organisations

optimal use of its network according to a respondent. It could do more to contact local congregations that are spread out across the whole country and start programmes in areas that are not yet being served by NGOs.

There is cooperation with NGOs on several programmes; especially those with a specific expertise such as seed distribution or setting up fish ponds. Fusona has some contact with the government, but this could be developed further.

3.5 Conclusion

Table 4 presents a summary of the elements of being, doing and relating that came forward in each case study. Each case has its own strengths and weaknesses in the areas of being, doing and relating. Although the SAG ('no separation') seems to be the weakest organisation in the three capacity areas, it has certain strengths that are not as obvious as in the other two cases. In the area of being, the SAG is weak in areas considered important by ICCO & KiA. However, as mentioned in box 2, it has a strong value base of concern for poor and marginalised groups and feels highly responsible for poverty reduction among its membership. Although the development strategy is not clear, there is a large amount of enthusiasm to be involved in development work and there is a large pool of volunteers that can be drawn on to carry out this work. In the area of relating, the SAG⁵⁶ is active on a grass-root level and has a high level of legitimacy among its members. This means the development work will probably exist for many years to come.

The PCG ('partial separation') has strengths in many areas. It maintains a clear vision and strategy and has a strong focus on creating dedicated and qualified leaders within its church that are able to meet the demands of church members and can analyse problems in the context. Staff often have an effective combination of a theological and management background which makes cooperation with donors run more smoothly. In its development strategy, the PCG tries to meet different needs of its church members by offering courses focussed on increasing Biblical knowledge and empowering participants to be able to deal with their context of poverty, HIV/Aids and Islam in a more effective manner. Income generating activities are also part of the strategy so that financial sustainability of the training centres is ensured. Weaknesses lie in the area of the hierarchical structure of the church which makes it difficult for staff to influence policy and decision-making that takes place at the head office. This sometimes leads to conflicting priorities between the head office and executing organisations of the PCG.

Fusona ('total separation') is a strong organisation in the sense that it has a well established vision, mission and strategy, is able to carry out effective development programmes and has an extensive network of donors. Demands of the context are analysed and met in a sustainable manner. Financial management and PME are considered very important within the organisation and effort is being made to improve these elements of doing. The only drawback of this type of organisation is that the relationship with church members, its constituency, may become less as it is becoming more of a separate entity. This of course also depends on the attitude of the church board; whether it chooses to support the CRO or not. The church board can play an important monitoring and guiding role in relation to the CRO. The CRO needs enough room to manoeuvre so that it can set out an effective development strategy with qualified staff, but must also feel it is being supported by the religious institute.

⁵⁶ Refers to the development activities conducted by the member churches

	No separation <i>SAG</i>	Partial Separation <i>PCG</i>	Total Separation <i>Fusona</i>
Being	<p>Development strategy not clear Lack of financial resources Staff lack management skills PME is weak Authoritarian leadership Hierarchical structures and decision-making</p>	<p>Clear vision and strategy: creating strong leadership through capacity building Low level of transparency in decision-making Competent staff: theological and management background Mixture of visionary and compliant leadership Church-related priorities sometimes in conflict with development priorities Systems sometimes counteract the quality and sustainability of development programmes</p>	<p>Clear mission and strategy: poverty reduction Staff with relevant qualifications Weak control systems Learning culture PME becoming stronger Leadership style varies between authoritarian and democratic</p>
Doing	<p><i>Programmes:</i> Inter-religious dialogue, internal capacity building (donor-driven) and small-scale economic development Low effectiveness and sustainability of programmes PME system not functioning well High degree of participation</p>	<p><i>Courses:</i> English reading & writing, Old & New Testament, counselling, social awareness, disaster management, pastorate Income generating activities High sustainability and impact of programmes Focus on internal capacity building Spread of new ideas: development of course manual High degree of participation</p>	<p><i>Programmes:</i> health and agriculture High sustainability and effectiveness of programmes PME is functioning relatively effectively</p>
Relating	<p>Focus on church members Strong presence at grass root level Present in marginalised areas Little cooperation between member churches A lot of potential that is not being used</p>	<p>Present in marginalised areas Large network of congregations, donors and local NGOs Little cooperation with other churches</p>	<p>Present in marginalised areas Large network of local congregations Cooperation with other NGOs</p>

Table 4: Summary of analysis of case studies

4 Conclusions and recommendations

This chapter provides conclusions about the theory and data analysis that is presented in this thesis. First of all, the sub-questions and central research question are addressed. Secondly, a reflection on the methods that were used and reliability of the results is given. Thirdly, recommendations for future research and policy development are presented.

4.1 Addressing research questions

The central research question in this thesis is: *What is the development capacity of the different types of CROs in the partner portfolio of ICCO & KiA and what is their comparative advantage?* Several sub-questions were formulated in order to answer this question. The first sub-question is: *What is the concept of capacity put forward in literature in relation to development work and what is ICCO & KiA's view on capacity?* In literature, the 'three-circles' model of organisational capacity is often used to analyse the capacity of development organisations. Therefore, indicators in each of the areas 'being', 'doing' and 'relating' were established to provide an analytical framework to measure the capacity of CROs. The inter-relatedness of these three-circles means that the capacity in one area, affects the capacity in another area. The capacity 'for what' and 'for whom' is another concept that was very important in this thesis.

ICCO & KiA's view on capacity is very similar to the concepts presented in literature, although the doing circle is emphasised more than the other two circles. In the partnership policy and business plan, all three areas are emphasised to the same extent, but in the project administration system, more weight is placed on doing. This means that financial management, intervention strategy, PME, planned activities and achieving planned results are elements that receive a lot of attention in the project plans.

The second sub-question is: *What types of church-related partner organisations does ICCO & KiA have and what is their capacity?* The three types of CROs that are identified in this thesis each have their own specific capacity. An overall conclusion is that all three types are strong in relating. They have a high amount of legitimacy in the areas that they work, a high degree of participation of church members in development programmes and they easily cooperate with NGOs in executing programmes. Another conclusion is that close affiliation with the religious institute is a drawback for doing capacity. CROs of the type 'no separation' are quite weak in this aspect whereas CROs that are totally separated from the religious institute have a much larger doing capacity.

The CROs that are not separated from the religious institute are involved in many different types of activities including: small scale economic development, capacity building activities, theological education and lobby and human rights. Although this type of CRO is weak in being and doing when looked at from a development perspective, it is strong in these areas when viewed from a theological and church-related perspective. Much of the content of theological education overlaps with the themes found to be important in development work. In this sense, the content of programmes may be of quite high quality and very relevant for achieving development goals. However, as PME and financial management are weak such a CRO is unattractive to northern donors. Furthermore, even though sustainability is not high on the agenda of this type of CRO, this does not mean that programmes are unsustainable by definition. As church members attach a lot of worth to the programmes that are offered and show a high degree of participation, much of what is being taught in capacity building programmes and human rights awareness sessions could be institutionalised within the church. This has to do with a strong relating capacity.

CROs that are partially separated from the religious institute are involved in many different types of development programmes, but focus on capacity building and theological education. The case study presented a CRO that is extremely focussed on creating capable leadership among its members. It does so by offering training in many different areas such as Biblical knowledge, social awareness, counselling of HIV/AIDS patients and interaction with other religions. The areas of being and doing are not very strong, but on the whole PME and financial management is stronger than is the case for the CRO type 'no separation'. The main advantage of this type of CRO is that staff are trained both theologically as well as in management skills. This makes them capable of functioning well in an environment governed by church systems and structures as well as northern donor demands. Sustainability of programmes is quite high as the focus is on building the capacity of human beings to become more effective in tackling the problems that are present in the context.

CROs that are totally separated from the religious institute execute all kinds of programmes from lobby and human rights to basic needs and emergency relief. The focus of this type of organisation is on meeting the basic- and emergency needs of the surrounding community. To achieve this objective, these CROs have set up sustainable activities, with a well-functioning PME system and sound financial management. Meeting donor demands is a high priority. The only thing that distinguishes this type of CRO from any other NGO is that there is often a church board that attempts to interfere, positively or negatively, in its affairs. The control function that a church board can fulfil is potentially quite positive, as it can motivate a CRO to keep its mission in mind and monitor the financial affairs of the CRO. This type of CRO needs to ensure that it maintains its relationship with church members. As it is legally a separate entity, it may be a difficult task to hold on to a large component in its relating capacity.

The third sub-question is: *What is the comparative advantage of each type of CRO?* The type 'no separation' is strong in organising small scale programmes in the areas of human rights awareness raising, inter-religious dialogue and theological education. It is able to make use of the many networks of people within the congregations to set up these programmes and there are high levels of participation. The type 'partial separation' offers an advantage in the area of doing, specifically, capacity building. This type of NGO is capable of training its members in a sustainable manner and is open to creating leaders that are capable of working in a church-related and an NGO context. It is also strong in identifying innovative methods to achieve its objectives. As it has connections in both the donor as well as the church world, it has access to a very large network and this contributes to the effectiveness of its programmes. The type 'total separation' has the comparative advantage that it has access to church members, and is popular among northern donors due to its clear strategy, well functioning PME systems and good financial management. As it is strong in being, it automatically is able to carry out effective development programmes and finds it relatively easy to raise funds.

4.2 Reflection on methods and reliability

The methods used to collect data for this thesis were varied and had a qualitative character. The case study method was used to give the reader an in-depth view of how a CRO functions. A sample of 28 CROs was taken to provide a more general picture and to be able to generalise results to a greater extent. However, in order to legitimately generalise the results that are put forward in this thesis, a much larger sample would have to be taken. It would mean taking a sample not only from ICCO & KiA's partner portfolio, but also from other Dutch CROs. ICCO & KiA works largely with main-line, traditional protestant churches. Other Dutch NGOs work with Roman Catholic churches or Pentecostal

churches. These CROs probably exhibit a range of other capacities and offer comparative advantages in other areas.

The time allocated for this research meant that data was gathered without actually visiting the CROs that are used as case studies. Therefore data could not be verified and placed in context. An attempt was made to interview respondents that had spent time in the field; this was definitely valuable.

Further research could delve more deeply into the issue of how to conduct capacity building among CROs and how to decide which CROs are worth the investment, and which are not.

4.3 Recommendations

As the relating capacity of all types of CROs is very strong, it is recommendable that ICCO & KiA invests in strengthening and using this capacity even more. This can be done by starting new partnerships with CROs that are present in marginalised areas conducting basic needs programmes. On top of this, CROs should be brought to the attention of NGOs so that more partnerships can be created. In this way, they can make use of each others capacities. The NGOs can profit from the extensive network that the CRO has, and the CRO can make use of the expertise that the NGO offers.

CROs of the type ‘total separation’ could be motivated to use their skills to involve themselves more in structural development programmes focussed on lobby and human rights. As they possess the skills to make a programme sustainable and can set up a clear strategy, it would be very effective to broaden their mission to activities within the intervention strategy ‘influencing policy’.

ICCO & KiA policy tends to downplay the being and relating aspects of CROs. Taking into account these aspects could definitely create advantages. CROs possess the advantage of being able to combine Christianity with development. They show that there is a lot of overlap between objectives that a church has, and goals that an NGO has. Being strongly rooted in society, churches have a lot of legitimacy in their context and therefore development programmes can be very effective.⁵⁷ CROs take on a holistic approach by meeting the spiritual and development needs of the individual and this is a very desired approach as ICCO & KiA’s partners are located in parts of the world where religion, and more specifically Christianity, is interwoven in people’s lives. A recommendation towards ICCO & KiA is therefore that further research should be conducted as to how the aspects being and relating can be given more attention in the project administration system so that the unique character of CROs is taken into consideration.

⁵⁷ This legitimacy can be a lot less or even absent in conflict situations where a CRO is involved in the conflict and a division along religious lines starts to exist.

References

ICCO. (2006). *ICCO-Alliantie. Bedrijfsplan 2007-2010*.

ICCO Partnership Policy. (2003). *ICCO Policy Paper - April 2003*, ICCO policy department.

IC Consult. (2004). *Kerkelijke Ontwikkelingsorganisaties: Kenmerken en dilemma's in relatie tot Onderwijs en Gezondheidszorg, Economische Activiteiten en Democratisering en Conflict*, pp. 42.

Goold, L. Ogara W., & James, R. (1998). *Churches and organisation development in Africa: Directions and Dilemmas for Northern NGOs*. Joint publication of INTRAC & CORAT, with support of Bilance, pp. 65.

James, R. (2005). *What is different about faith-based organisation development? Reflections on experience in Malawi*. INTRAC, pp. 14.

Mizrahi, Y. (2004). *Capacity Enhancement Indicators - Review of literature*. World Bank Institute Working Papers, World Bank, Washington, Stock No. 37232, pp. 30.

Morgan, P. (2006). *The Concept of Capacity. Study on Capacity, Change and Performance*, European Centre for Development Policy Management, pp. 19.

Organisational Approaches to Capacity Building: Tools for Organisational Assessment, 2003, INTRAC.

Annex A: Definitions of used terms

Church: The different denominations of protestant churches operate at a national level through general synods and general assemblies. Many different models are active at this level. The different development departments such as health, education and emergency relief, are formed at this level. Both policy development and execution of development activities take place at this level. These activities are in the areas of lobby/advocacy, facilitation and capacity building.

Synod: This refers to the governing board of a church at national level. Members of this board are usually involved in appointing the board of a CRO and may be involved in policy making and monitoring of development programmes. Sometimes they are responsible for the execution of development activities.

Council of churches: At the international level there are several world-wide councils of which the World Council of Churches is the most important for the protestant churches. Policy for all member churches is formulated at this level. At the national level there are networks of churches normally referred to as councils of churches. Protestant and Roman Catholic churches sometimes work together in these networks. These councils are also mainly involved in policy-making, although they are also known to be involved in civil society building.

Congregation: At district level churches are made up of congregations. This is the most concrete form of a church, referring to a gathering of people in one building. Congregations may be involved in implementing development programmes at grass-root level and are usually well organised in small groups and networks such as men, women and youth groups.

Youth leaders: Those people within a church that are in charge of leading meetings with the youth of the church in which time is spent on informal education about the relevance of the Bible for day to day life. Youth meetings also include recreational activities.

Counsellors: Usually refers to counselling of HIV/Aids affected people and their care takers. This involves social, economic and spiritual aspects.

Ministers: Official church leaders who possess a degree in theology and have been appointed by the church during an official ceremony (ordination).

Pastorate: The tasks of a minister or pastor next to preaching such as: visiting and counselling church members, coaching church members, leading meetings and developing the vision of the church.

Liturgy: Refers to a set of words, music and action that is used during church services.

Annex B: List of respondents

- Lin Tjeng, programme officer for SAG
- Cokkie van't Leven, programme officer for PCG (RTC and PLTC)
- Annelien Noë, programme officer for PCG (healthcare programme)
- Gonda de Haan, former programme officer for PCG
- Albert en Dineke Ferwerda, fraternal workers (capacity building staff member) at RTC (PCG)
- Aad van der Maas, fraternal worker at PLTC (PCG)
- Christa Reinhoudt, former fraternal worker at Presbyterian Women's Centre, Abokobi (PCG)
- Rev. Dr. Samuel Ayete-Nyampong, director of ecumenical and social relations; head office PCG
- Feije Duim, former programme officer for Fusona
- Geert Klaassen, former capacity building staff member for Fusona
- Christina de Vries, Medical Advisor IC Consult; experience with consulting CROs and wrote a report about the health programme of Fusona.

Annex C: Interview guide

<p>1. Formation and structure of CRO; affiliation with religious institute</p>	<ul style="list-style-type: none"> • History • Vision/mission • Composition of board • Leadership style • Relationship between church board (synod), CRO board and staff • Decision-making procedures • Process of gaining autonomy • Added value of being connected to religious institute
<p>2. Being</p>	<ul style="list-style-type: none"> • Strategy • Activities • Transparency and accountability • Skills of board members and staff • Target group • Awareness of demands of target group • Complementarity of activities • Organisational culture
<p>3. Doing</p>	<ul style="list-style-type: none"> • Types of activities • Objectives of activities • PME • Financial management • Impact • Sustainability • Coherence of strategy • Capacity building interventions • Best practices
<p>4. Relating</p>	<ul style="list-style-type: none"> • Legitimacy/relevance in society • Cooperation with other actors • Communication with donors
<p>5. Future</p>	<ul style="list-style-type: none"> • Needs of CROs • Role that ICCO & KiA can play in meeting needs • Comparative advantage CROs

Annex D: HRM, OD and ID

	HRM Human resource development	OD Organisational development	ID Institutional development
Thinking and learning capacity	Content and individual knowledge	Strategic repositioning of individual organisations	Connecting knowledge to development
Executive capacity	Skills	Programme execution	Influencing policy
Supporting structures, systems and cultures	Attitudes	Effective organisational structure and systems	Building networks
Positioning and relating capacity	Attitudes	Strategic cooperation in programmes	Networks as a method

Source: Capacity Building, ICCO-Alliantie Bedrijfsplan 2007-2010

The table above expands on the view of capacity held by ICCO & KiA, introducing the elements of human resource development (HRD), organisational development (OD) and institutional development (ID) as three different levels at which capacity building can take place. The table shows that HRD is concerned with developing the knowledge, skills and attitudes of individuals that are necessary to enhance the different areas of capacity. OD means that vision, systems, structures, strategy and programmes are tackled. ID refers to influencing governmental, district or church-wide policy and building networks so that obstacles to achieving organisational capacity, are removed.

Annex E: Template project plan 'Dynamics'

Project Plan

Basisinformatie

<i>Projectnummer</i>			
<i>Naam Project</i>			
<i>Naam Partnerorganisatie</i>			
<i>Naam Programma</i>			
<i>Land van uitvoering</i>			
<i>Plaats/district/regio</i>			
<i>Type organisatie</i>			
<i>Signatuur</i>			
<i>Gepland bereik (m/v)</i>			
<i>Schaal/Niveau van de activiteiten</i>			
<i>Situering van de doelgroep</i>			
<i>Periode project</i>			
<i>Sector</i>			
<i>Millenniumdoelen</i>			
<i>Hoofd/Deelprogramma</i>			
<i>Interventiestrategieën</i>			
<i>Betrokken alliantieleden</i>			
<i>Kerk in Actie doel</i>			
<i>Datum eerste contract</i>			
<i>Co-financiering</i>			
<i>Totale begroting (€)</i>			
<i>Financieringsbedrag (€)</i>			
<i>Bedrag per (sub)fonds (€)</i>			
<i>Lokale bijdrage (€)</i>			
<i>Bijdrage andere Noordelijke organisaties (€)</i>			

Kenschets Project

Interventie

Organisatie ontwikkeling

Vragenset Score Nul Opmerkingen Nul Score Wens Opmerkingen Wens

Doelstellingen en Resultaten

Sleutelindicatoren en Streefwaarden (intern)

Doelstelling Output S.W. Output Partner: S.W. Outcome: S.W.

Alliantie: Proj Sleutelindicator Proj Sleutelindicator Proj
Sleutelindicator

Resultaatafspraken Output , Outcome en Duurzaamheid

Output Partner:

1.

Outcome Targetgroep:

1.

Duurzaamheid:

1.

Financieel:

1.

Afweging Inhoudelijk

Afweging Financieel

Risico en veiligheid

Evaluatie

Overige Voorwaarden en Afspraken

Monotoringpunt:

1.

Dialogopunt:

1.

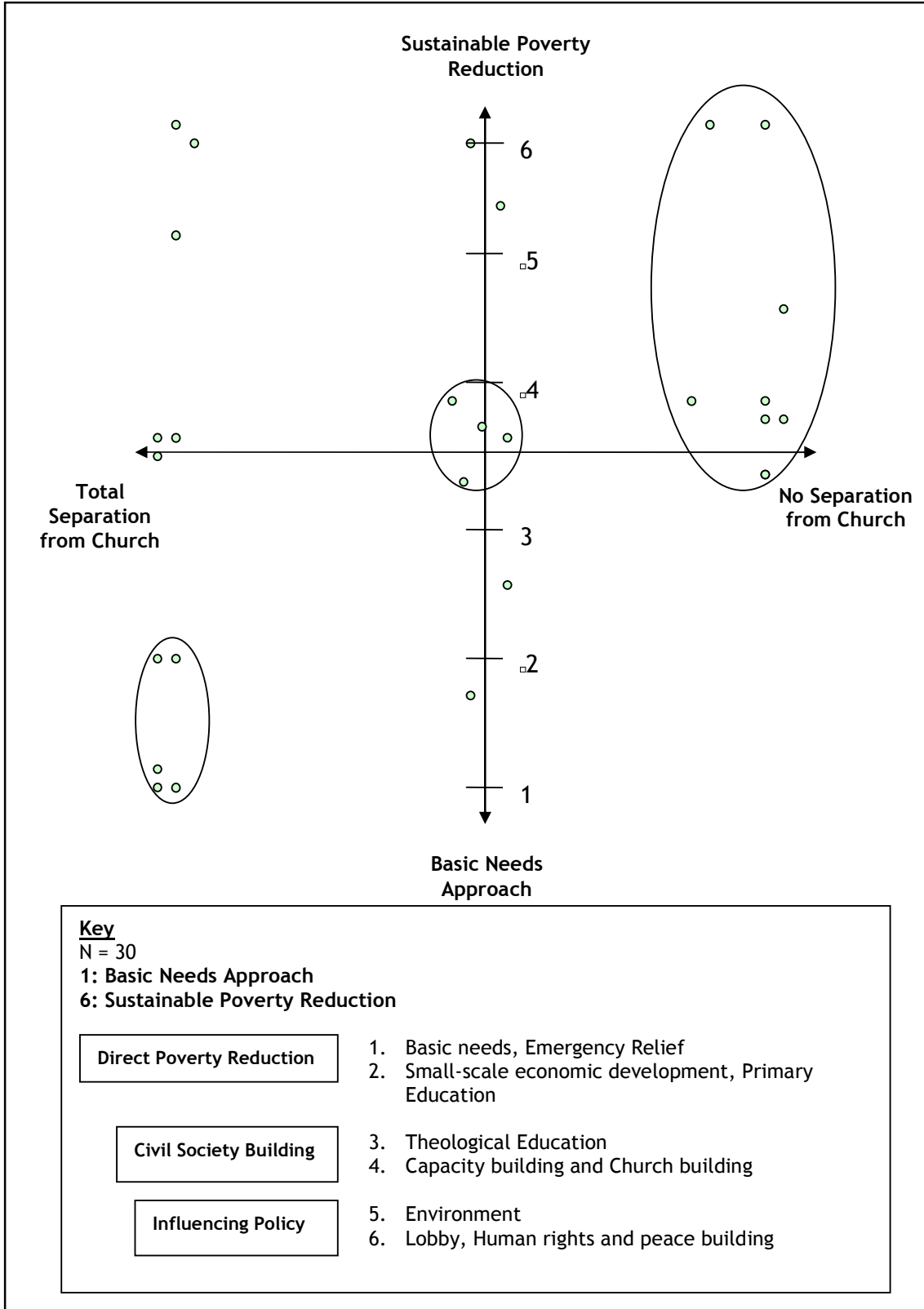
Overige Voorwaarde:

1.

2.

Goedkeuring Projectplan

Annex F: Sectors in which CROs are active



The figure shows the sectors that the different types of CROs are involved in. The sectors have been categorized from 'most structural (sustainable) development work' to 'least structural development work'. Most structural is lobby, human rights and peace building (no. 6) and least structural is basic needs and emergency relief (no. 1). The six different sectors that are mentioned can also be divided into the three intervention strategies maintained by ICCO & Kia: Influencing policy, Civil society building and direct poverty reduction.

The CROs that are separated from the church are mainly involved in capacity building and theological education, lobby and human rights programmes; these are very structural activities. The CROs that are partially separated from the church are involved in capacity building and theological education. To a lesser extent, they are also involved in basic needs and lobby and human rights programmes. The CROs that are totally separated from the church are involved in all sectors to an equal extent, although the focus is a bit more on small-scale economic development and basic needs. It seems that the more a CRO is connected to a religious institute, the less it is focussed on providing basic needs. This might be linked to the fact that these types of CROs are less involved in analysing the needs of the context and are more concerned with creating capable leadership for the church. There is more of an inward focus.