

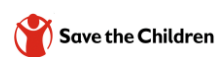


CBO Sustainability tool

September

2017

The CBO sustainability tool & guidelines has been prepared by Voluntary Health Services under the Multi-country South Asia HIV Programme – Project DIVA implemented under the Global Fund for AIDS, TB and Malaria - Round 9 Programme with PR Agency - Save the Children International, Nepal. This tool is meant to serve as a guideline for CBOs who are looking to evaluate their long-term sustainability strategy, identify areas of weakness and subsequently make necessary changes.





From the Hon.Secretary's desk...

The Voluntary Health Services (VHS), founded in 1958 by the illustrious Dr.K.S.Sanjivi, right from inception, has stood with marginalized communities and vulnerable population. The history of VHS Projects involvement over the past three decades has resulted in numerous partnerships with civil society and community based groups and others. The perpetual question is to find resources to match community needs which are often forgotten. Therefore the issue of sustainability is the key component in our continued service to the society as we look to examine this issue.

Sustainability can be defined as the practice of maintaining processes of productivity indefinitely – natural or human made – by replacing resources used with resources of equal or greater value without degrading or endangering natural basic systems. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The vision of sustainability must take into consideration the social, environmental and economic dimensions of the society.

In this CBO sustainability tool, all the above factors are taken into consideration as “Pillars of Sustainability” and it has been made self-explanatory and easy for the community organisations, to refer and adept.

We from the Voluntary Health Services are happy to deliver the CBO sustainability tool under the Multi-country South Asia grant and we wish the CBOs to utilize the simplified tool towards self-sustenance.

With regards,

A handwritten signature in blue ink, appearing to read 'S. Suresh', with a stylized flourish at the end.

Prof.S.Suresh,
Honorary Secretary,
The Voluntary Health Services



MESSAGE

The CBO sustainability tool & guidelines has been prepared by Voluntary Health Services under the Multi-country South Asia HIV Programme – Project DIVA implemented under the Global Fund for AIDS, TB and Malaria - Round 9 Programme with PR Agency - Save the Children International, Nepal. This tool is meant to serve as a guideline for CBOs who are looking to evaluate their long-term sustainability strategy, identify areas of weakness and subsequently make necessary changes.

We would like to extend our sincere thanks to Mr.Arvind Bogavaram Ramesh, a graduate from the Nanyang Technological University, Singapore who has volunteered himself, placed the thoughts in preparing such a simplified and unique tool benefitting the Community Based Organisations (CBOs). We thank the CBO-Sahodaran who have piloted it and found it useful. We acknowledge with thanks the efforts taken by Dr.A.Vijayaraman - Deputy Director, Mr.I.Johnson - Regional Manager & Ms.K.Priya - Senior Manager – Knowledge Management in conceptualizing, facilitating and editing the tool.

We sincerely hope that many CBOs would get benefitted out of the CBO sustainability tool.

With regards,

Dr.Joseph D Williams,
Director – Projects,
Voluntary Health Services



PREFACE

Community based organisations (CBOs) are emerging in recent times in the development sector. The CBOs are organisations led by community representatives which are meant to be benefitting their communities.

In the true sense, CBOs sustainability is a challenging task. Many of the CBOs lack knowledge on the why and what does sustainability mean. Even when they are aware of sustainability, they lack the knowledge to evaluate their own CBOs and arrive at strategies for sustainability.

VHS-MSA DIVA Project has come forward with a simple tool helpful for the CBOs to evaluate their sustainability strategy. Such a tool will help the CBOs to find out where they stand at present and where do they want to go in the near future.

I owe my sincere thanks to the Director – Projects, VHS Management and the PR agency – Save the Children International, Nepal for their continuous motivation and support for conceptualizing this task and bringing out a simple, useful tool for the CBOs.

I hope the manual will be of use to the CBOs in identifying their needs and addressing them.

A handwritten signature in black ink, appearing to read 'Dr. A. Vijayaraman'.

Dr.A.Vijayaraman
Deputy Director, VHS-MSA DIVA Project, Voluntary Health Services



FOREWORD

Development interventions are experimentation and replication of target community specific sustainable strategies that enable the communities to attain their rights and lead a life with dignity, irrespective of their socio-economic, cultural, family and sexual orientations. The process of strengthening the communities to articulate their needs and attain their rights certainly calls for appropriate forums and linkages that are evolved around the uniqueness of the community.

Community based organisations (CBOs) are one of the most accepted tools of social change, if led by the community itself with certain degree of clarity, capacity and coherence. A few socially recognized and affluent communities may form their own structures to advocate for themselves. But for most of the marginalized and vulnerable communities, due to their inherent inabilities, they need external inputs till they reach a marked degree of maturity to be self-reliant. Documented evidences suggest that the Non-governmental Organisation (NGO) initiatives have long lasting impacts on the CBOs. Nevertheless it is a challenging task as the NGOs need to adopt multiple strategies from forming to strengthening and sustaining the CBOs with an underlying goal in mind.

Over the years, Voluntary Health Services (VHS) has demonstrated it is possible to facilitate evolution of sustainable CBOs that has inner energy and systems to manage themselves through their representatives. VHS-MSA DIVA Project with the support of Save the Children International, Nepal has come forward with a simple tool helpful for the CBOs to evaluate their sustainability strategies. Such a tool will help the CBOs to find out where they stand at present and where they want rather need to go in the near future with farsightedness. This tool will not only help the CBOs to assess themselves but also help VHS to assess the real impact of their decade long determined interventions to empower the marginalised communities.

Having associated with VHS in developing a module for Capacity Building of CBOs and undertaking An Impact Assessment of CBOs, I personally understood the constant and continuous efforts put in by VHS for the cause. At this juncture, I congratulate VHS-MSA DIVA Project for conceptualizing this task and bringing out a simple, useful tool for the CBOs, which is yet another shining star in their crown.

With best wishes,

DR. S. JOHNSON RAJ,
Executive Director,
PRO-VISION

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Introduction

The United Nations in 1955 considered Community organisations as complementary to community development. Murray G.Ross, (1955) defined community organisations as a process by which community identifies its needs or objectives, orders (or ranks) these needs or objectives, finds the resources (internal and / or external) to deal with these needs or objectives, takes action in respect to them and in so doing, extends and develops cooperative and collaborative attitudes and practices in the community. Community based organisations are important for developments in the socio-economic, health sectors in particular, the HIV/AIDS sector.

The name sustainability is derived from the Latin word Sustain which means “maintain”, “support” or “endure”. Thus sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

In the context of CBOs, sustainability refers to a CBO that is capable of running its day-to-day operations over the long term, regardless of the state of external factors such as donor funding, support from government officials, etc. It is important that a CBO lays out a structured sustainability plan that not only addresses how it can finance its day-to-day operations during times of financial stress, but also looks at what steps the CBO can take to make itself attractive to donors again.

To assist with this, a sustainability tool has been developed, which is given as Annexure 1. This tool is meant to serve as a guideline for Community Based Organisations (CBOs) who are looking to evaluate their long-term sustainability strategy, identify areas of weakness and subsequently make necessary changes. The tool has been designed in a simple way wherein the CBOs can maintain them electronically in Ms-Excel sheet or in print form, as well. Additionally, guidelines for its correct usage have been provided below.

CBO Sustainability Tool

The CBO Sustainability tool is meant to allow CBOs to evaluate their sustainability plan, as well as identify some of its weaknesses and areas for improvement. The premise behind the working of the tool is that the sustainability of a CBO is not dependent only on the strength of its financial systems, but also other factors, collectively known as the “Pillars of Sustainability”. The four pillars are Institutional, Programmatic, Financial and Environmental/External factors, all of which need to be examined and strengthened to ensure the survival of the CBO over the long-term.

Methodology

In order to develop the tool, several members of Voluntary Health Services, Chennai with more than two decades of experience working with CBOs and who actively facilitated / strengthened CBOs across the country (except North East) were actively engaged in

discussions so as to determine what were the main components that determined CBO sustainability. VHS had explored various options through its CBOs for sustainability with various indicators and based on its learnings has come out, with this refined simple tool that can be used by the CBOs. Additionally, staff members of Sahodaran, a CBO assisted in the efforts by providing inputs related to their core activities, as well as income generation techniques.

Four Pillars

The four pillars have been explained in further detail in the following paragraphs:

- **Institutional:** This pillar refers to the strength of the CBO as an institution. Some of the components tested under this pillar include the presence of a well-defined policies (such as HR policy, finance/admin policy, M&E policy, etc.) for the CBO, active engagement of the board of directors, presence of a democratic election process, and more. It is important for a CBO to be strong as an institution in order for its staff to be held accountable for their actions, and to ensure the smooth running of its various systems.
- **Programmatic:** This refers to the ability of a CBO to successfully plan and execute the programs it undertakes. The programs that a CBO undertakes may range from an exhaustive list that includes a wide variety of sectors including socio-economic development, health sector, environmental sector, etc. Some of the components tested include checking whether staff members have the necessary experience and knowledge to carry out their duties, whether there are established methods to evaluate the performance of a specific program, and more. Additionally, another component includes checking whether a CBO has a sustainability plan in place, which outlines the core activities that it can pursue under different income levels.
- **Financial:** The Financial pillar of sustainability not only refers to the CBO's ability to handle its finances well, but also its ability to generate income internally and through external funding. Some of the other components that are tested under this pillar include checking to see whether the CBO successfully keeps track of its financial performance, whether the financial managers in the CBO have sufficient experience, and more. This is one of the most important pillars of sustainability since it is essential for a CBO to have a healthy financial system in order to survive over the long-term.
- **Environmental/External:** This final pillar refers to the steps a CBO can undertake to ensure that it has external support, be it from government officials, lawmakers, donors or even the general public. Some of the components tested include checking whether the CBO spends any time and effort in outreach programs to spread awareness, in lobbying with officials to get a political standing, and more.

How to use the tool and interpret its results

In order for the tool to be effective in helping a CBO assess its sustainability plan, it is advised that it is used by an independent third party, not reporting to management of the CBO, but rather to the board of directors. Additionally, in order to prevent any form of bias affecting the results obtained by the tool, the evaluator must ideally be a person not previously affiliated with the CBO. For these reasons, this tool is perfectly suitable for conducting Due Diligence on a target organization.

The tool itself is very simple to use, and simply requires the evaluator to look at each sub-component, and answer the question in a Yes/No format by selecting from a dropdown menu. Each component of a pillar has been assigned a specific “importance”, and based on the number of “Yes” replies to each of its sub-components, it gets assigned a score. Once all the subcomponents have been evaluated, the total score for each pillar gets calculated, and this value can be used to determine which pillars are strong in the CBO, and which pillars can use some improvement.

Although this tool is not meant to contain an exhaustive list of factors that contribute to the sustainability of a CBO, it is useful since it provides a starting framework from which CBOs can get an idea of where their weaknesses lie and helps them to move from strength to strength.

Core Activity Evaluator Tool

An important aspect of a CBO’s sustainability plan should be to identify its core activities and the necessary level of income required for it to sustain these activities. This is so that in times of financial distress, a CBO can focus on its core activities rather than unimportant activities, so that it can get back to good financial health. In order for a CBO to identify its core activities, a list of prioritization factors have been identified and listed in the “Activity Evaluation Tool” sheet in Annexure 2. Once the core activities have been identified and prioritized, CBOs can get a better idea of what activity they can perform at each different level of income. Two examples of such activities have been provided in the Excel sheet, and more can be filled in accordingly.

Annexure 1 – CBO Sustainability Tool

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5)	Importance (1-3)	Total S x I
Institutional	Clear Mission, Vision and Values defined, and understood across the organization	Mission, Vision and Values of CBO explicitly defined and mentioned in by-laws			No	2	0
		CBO's Mission, Vision and Values taught during training sessions and meetings			No		
		Posters/flyers containing CBO's Mission, Vision, Values distributed or pasted on walls of offices			No		
	Active engagement of Board of Directors who provide overall direction	Board of Directors hold a meeting at least once every 6 months			No	3	0
		Board meetings are transparent (meeting minutes are recorded and published)			No		
		Board actively evaluates existing policies (HR, Finance etc.) and re-formulates them when necessary			No		
		Board examines performance over the previous period, and recommends changes where and if necessary			No		
	Presence of strong and well-defined internal controls and policies eg. HR Policy, Ethics Policy, Finance Policy etc	Basic policies required for running the CBO have been defined in its by-laws			No	2	0
		Terms of each policy constantly examined (to determine coverage, strength and relevance) and changes made if necessary			No		
		Policies well understood and followed by concerned individuals			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5) S	Importance (1-3) I	Total S x I
	Clearly defined organizational structure with a clear chain of command and hierarchy. Should exhibit democratic election process where all levels of management are held accountable for their actions	Multi-Layered organizational structure has been defined and is followed			No	3	0
		Each layer has defined responsibilities and duties to perform, with a clear chain of command			No		
		A democratic election process is followed to select members to hold leadership positions in the CBO			No		
		Members at each level of hierarchy are held accountable for their actions and are not considered "above the law"			No		
	Employees receive regular performance assessments by their supervisors, to identify areas of growth, and areas where improvement might be needed	Employees at all levels have performance reviews or feedback sessions			No	1	0
		Performance reviews are held at least once every year			No		
		Upward feedback takes place (subordinates provide constructive feedback to their supervisors on areas of improvement)			No		
	Strong leadership and management to ensure day-to-day operations support mission, vision and values and connect with the beneficiaries and larger community	Democratic decision making process is followed, i.e. multiple people are involved in making a decision rather than an individual			No	3	0
		Members holding higher positions of leadership have a formal college education			No		
		Members holding positions of leadership have sufficient experience to perform duties satisfactorily (at least 3 years of experience at each prior level of hierarchy is the norm)			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5)	Importance (1-3)	Total S x I
		Decisions are made with the Mission, Vision and Values of the CBO kept in mind			No		
						Max: 70	Total: 0 (0%)
Programmatic	A strategic plan that outlines core activities to be pursued at different levels of income, which ensures sustainability regardless of donor funding	Core activities performed by the CBO have been identified and prioritized based on a variety of factors (see "Activity Evaluation Tool" for a suggested list of prioritization factors)			No	3	0
		Approximate Revenue and Cost values have been determined for each activity based on past events and estimation. The net income has been listed along with each activity in the prioritization list			No		
		Required income generation methods in order to pursue core activities have been identified			No		
	Established methods, procedures and indicators to monitor and evaluate program performance	Designated person assigned to assess program performance, compare with past results and provide feedback on how to improve			No	2	0
		Rules regarding Monitoring and Evaluation of programs well established, and ideally written in the CBO's by-laws			No		
		Monitoring and Evaluation should be carried out as part of the Internal Audit process			No		
		Relevant indicators used to quantitatively determine program performance. Indicators should measure Financial, Outreach,			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5) S	Importance (1-3) I	Total S x I
		Attendance and other relevant parameters					
	Staff Knowledge and experience present to successfully carry out Programs. Training and capacity building programs held in case of lack of expertise	Staff members holding leadership positions for each program have the necessary Knowledge and Experience to carry out the program			No	3	0
		There is a culture of mentorship within the CBO, where senior staff in a program guide junior staff, and provide feedback on a constant basis			No		
		New staff in a program have been provided with appropriate training to provide them with knowledge required to carry out their role in the program			No		
		Training material has been created and distributed in the case of programs with complex job duties (such as hosting a fundraising event)			No		
	Activities undertaken align with the interests of the majority of donors, as well as the organization's Mission, Vision and Values	List of common Donor requirements have been identified by staff members who are in charge of fund raising and donor communication			No	2	0
		Core activities performed are in line with what donors look for (typically donors look for activities with high outreach, and impact on community members and general public)			No		
		Activities performed align with the CBO's Mission, Vision and Values			No		
						Max: 50	Total: 0 (0%)

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5) S	Importance (1-3) I	Total S x I
Financial	Established methods, procedures and controls to gather, record, classify, analyze, interpret and present accurate and timely financial data	Financial Statements Audit carried out regularly by an independent third party to ensure integrity of the CBO's financial management			No	2	0
		List of material transactions maintained in a ledger, and reconciled with Income statement during the Audit process			No		
		Financial managers have necessary knowledge and experience to gather, record and analyze the CBO's finances			No		
		The financial performance of the organization is reviewed internally on a periodic basis, and suggestions for improvement are provided by financial managers			No		
		The financial controls of the CBO have been listed in the by-laws of the organization			No		
	Wealthy members of the Board are able to provide resources for running day-to-day operations during times of financial stress	Some members of the board are wealthy (i.e can afford to easily donate resources to the CBO during times of stress)			No	3	0
		Aforementioned members of the board are closely involved with the CBO (attend board meetings regularly, have closely aligned interests with the CBO and have been part of the board for a long time)			No		
		Board members are capable of easily mobilizing resources in times of need (either by raising funds from their connections, or drawing bank loans)			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5)	Importance (1-3)	Total S x I
	Mix of funding sources, for example, donations from community supporters, national or international grant(s), and income-generating projects	CBO has funding from national grants (eg. NACP) or international grants			No	1	0
		CBO has financial support from community members/supporters			No		
		CBO has its own income generating programs and activities			No		
		CBO has financial support from board members			No		
		CBO has financial support from other NGOs			No		
	Ability to generate income on their own through self-fundraising programs, creating/selling a product or hosting events showcasing talents	CBO holds fundraising events (income generated through ticket sales, booth leasing, and event donations)			No	3	0
		Members of the CBO have marketable skills, which are then leveraged to generate income (creating paintings, dancing, etc)			No		
		The CBO creates and sells its own products (Example of the Annual calendar sold by Sahodaran CBO)			No		
		Leaders in the CBO generate income by giving talks and speeches in colleges and institutions			No		
		The CBO has a website and social media page, where people can donate money to them online			No		
	Ability to attract foreign and domestic external funding and gather new donors	The CBO has filed the necessary forms to be registered as a trust and to be tax exempt to donors (forms 80G and 12A)			No	3	0
		The CBO's Activities and Mission, Vision and Values aligns with the requirements of			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5)	Importance (1-3)	Total S x I
		donors					
		The CBO has a track record of successfully performing activities as per the mandate, and using financial resources wisely			No		
		The CBO has been running for several years (more than 5 years since registration), and has a good reputation			No		
		Members of the CBO as well as board members have the ability and connections to influence donors to support them			No		
	Financial managers who are experienced and can develop and monitor budgets that include all relevant costs	Certified financial manager employed by the CBO, with experience in matters regarding bookkeeping, budgeting and accounting			No	2	0
		Financial manager does not directly report to management, but is independent and reports only to members of the board			No		
						Max: 70	Total: 0 (0%)
Environmental /External	Good awareness and reputation of the organization among key external stakeholders such as policy makers, law enforcers, government officials, etc.	The CBO has been running for several years (more than 5 years since registration), and has a good reputation			No	3	0
		The CBO regularly holds awareness and outreach programs to external stakeholders such as policement, government officials, etc.			No		
		The CBO has staff or members of the board who are well-known or seen often in public light			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5) S	Importance (1-3) I	Total S x I
		The CBO has maintained a track record of integrity in carrying out its programs and maintaining finances			No		
	Partnerships with sister CBOs to allow different groups to work towards a shared goal by coordinating strategies and pooling resources.	The CBO holds at least one event a year where it partners with a sister CBO to achieve a common cause			No	1	0
		the CBO often collaborates with sister CBOs to lobby to either share or receive advice regarding organizational strategy			No		
		Members holding positions of leadership at the CBO have personal or business connections with other similar members of sister CBOs			No		
	Laws and regulations set in place that define, encourage and protect CBOs	The CBO often involves itself in lobbying activities with government officials in order to influence laws that support the MVV of the CBO			No	2	0
		CBO has completed necessary procedures (such as registration, and filing for tax concessions) in order to benefit from laws set in place to assist it			No		
	Awareness of the CBO among members of the General Public	The CBO often hosts outreach events for members of the general public to sensitize them to their cause, as well as spread awareness about the organization itself (eg. Talks in colleges, dances in weddings, etc.)			No	1	0
		The events held by the CBO receives at least 10% attendance on average comprising of members of the General Public			No		

Pillar	Component	Sub-Components	Current Status	Recommendations	Score (max: 5) S	Importance (1-3) I	Total S x I
		The CBO has its own website and social media page through which members of the general population are able to learn more about the organization			No		
		The CBO has been in public light recently through media such as television or radio			No		
						Max: 35	Total: 0 (0%)

Annexure 2 – Activity Evaluator Tool

*Activity Name	Activity Description	Type (discrete or continuous)	Profits from Activity (incl. fundraising proceeds)	Number of members of community reached (yearly basis for continuous)	Number of members of General Public/ Govt officials/ Lawmakers reached	Alignment with Mission & Vision	Attractiveness to potential Donors
<i>Annual Fundraising event</i>	<i>A cultural show held annually to showcase talents of staff. Primary income through ticket sales</i>	<i>Discrete</i>	<i>1,50,000</i>	<i>150</i>	<i>50</i>	<i>Medium</i>	<i>Low</i>
<i>CBO Drop-In Centre</i>	<i>A Location where members of the community are welcome to stop by for company, problem resolution and basic health services</i>	<i>Continuous</i>	<i>-50,000</i>	<i>1500</i>	<i>100</i>	<i>High</i>	<i>High</i>

* Other activities include but not limited to Membership fee, Donation box, Service charge collection, Income-generation programmes, micro-finance activities, Sponsorship, etc.