

ACFID Think Piece: “Sustained Relational Collaborations”

According to some reports there are a mind-boggling 600,000 NGOs in Australia, with 60,000 being registered with the Australian Charities and Not-for-Profits Commission.¹ Many of these operate in the international development space, although exactly how many is unknown.

While the desire of Australians to influence the world in positive ways is commendable, the duplication, confusion and dilution of impact that goes with the plethora of NGOs is regrettable. At the same time, competition for private funding in the not-for-profit space is intense, and government austerity programs are squeezing many larger organisations and some smaller ones too.

Accepting as a given that there are many organisations that do similar work in similar ways in similar places for similar reasons, there is one obvious implication. Does this convergence of interest build a case for working together more often? And does it call for more effective models of doing so? Some typical responses are outlined below.

Opportunistic consortia

In the international development sector, it has long been recognised that different organisations may have complementary expertise and networks.² When combined, the whole may be greater than the sum of the parts. Governments and donors have appreciated the benefits of synergistic alliances, and sometimes explicitly require this before they are willing to fund programs.

This has given birth to opportunistic consortia. These are free-forming coalitions that come together as a tactical response to funding criteria. They do not often crystallise out of long term collaborative structures, and they dissolve when the presenting opportunity has passed. Each member has particular skills and relationships that they bring to the table, and each has made the calculation that their own interests are best served by being part of the broader group.

¹ <https://www.ongood.ngo/portal/facts-and-stats-about-ngos-worldwide>. Accessed 4 August, 2016.

² For example, there are organisations which have specific geographic or sectoral expertise, or process specialisations such as DM&E or project management.

Most organisations have a preference for whom they deal with, but the fundamental driver of opportunistic consortia is organisational self-interest.

Many competitive bids proceed in this way. Some readers may be familiar with the scramble to identify and lock-in the most compelling combination of partners. I use the word 'partners' in a qualified way; while consortia relationships are professional, they are essentially transactional. There are frequently debates about who should be the lead agency, and sometimes strongly contested positions about the value that each party brings, as well as in the negotiation of fees and administration charges. The point is that these arrangements are short-term, funding orientated, and instigated by competitive pressures.

I hasten to add that it is logical and rational in a strictly commercial sense for agencies to want to enhance their competitive position by joining with others. In the long run no agency can be sustainable or effective without access to resources.

Mergers

Another approach to addressing the concern of the multiplicity of agencies, which sits at the other end of the spectrum, is formal legal merger. This occurs where the commonality of interests is so compelling that separate organisations decide to combine.

While mergers may sound attractive in theory, in practice they are notoriously difficult to achieve. There are all sorts of reasons for this. Typical roadblocks include constitutional and regulatory requirements, anxieties about loss of control, the destabilising effect on staff, the distraction from core business, and various forms of stakeholder objection. It appears it is far easier to create new NGOs than to rationalise existing ones.

While nearly a third of Australia's not-for-profits have discussed mergers in the past year it is unlikely that many will actually come to pass.³ Very often, the incentives through savings are just not there on closer analysis. It has been reported that "savings in the back office have been quite small and do not necessarily add enough value to justify the effort and costs. NFPs are typically very lean already and the biggest cost of operating – people – cannot easily be

³ Australian Institute of Company Directors, Media release, 24 November 2015

rationalised without compromising service quality.”⁴ That being the case, are there other ways of coordinating and consolidating effort by NGOs?

Another way?

There are many other ways of organisational co-operation. This paper is concerned only with programmatic collaboration and it argues that more attention should be given to what I am calling *sustained relational collaborations*. Commentators have pointed out that structural integration is very difficult to achieve while at the same time affirming that greater collaboration is an attractive way of capturing many of the benefits without the attendant risks of merger.⁵

Sustained relational collaborations sit somewhere in between full-blown merger and more opportunistic consortia of the kind described above. They are always relationally-focused, and are underpinned by an established platform for ongoing co-operation. It is not possible for this type of relationship to emerge from a vacuum.

Without wishing to be overly prescriptive, some likely features of sustained relational collaborations are:

- Strong prior relationships.
- Shared goals, values, priorities and expectations.
- A high-level of trust and established goodwill, which is supported by frequent and honest communication.
- A range of drivers that move beyond competitive considerations. These factors may include philosophical or ideological convictions, the desire to share learnings, and the recognition that co-operation is a moral and social good in and of itself.
- A willingness to accept new risks, including by opening up captive networks to others.
- Primacy being given to the collective good. It follows that these relationships prioritise overall social returns and joint achievements over the interest of any one member.
- A commitment to shared learning and mutual capacity building as part of the fabric of co-operation.

⁴ Duncan Peppercorn, ‘To merge or not to merge’ Company Director Magazine, Australian Institute of Company Directors, 1 May, 2014

⁵ Peppercorn, *ibid*

- An understanding that bigger players will not choose to abuse their size and influence, while smaller ones will not promote an unrealistic view of their capabilities, nor lean too heavily on others
- A willingness of members to commit their own resources in cash or in kind to pursue collaborative goals. In this way all organisations have skin in the game and place their own scarce resources at risk.

A current example of sustained relational collaborations

For more than 10 years an organised group of Australian Council for International Development members has existed called the Church Agencies Network (CAN). This is the association of 11 Australian aid and development organisations that are affiliated with different church denominations. The smallest is Quaker Relief Services and the largest, Caritas. The major denominations in Australia are represented. The extent of shared values in this network are quite remarkable, specifically, the implications of the Christian faith for the common good and social justice.

The CEOs of these organisations have been meeting for more than 10 years on matters of mutual interest. In more recent years, as relationships among the group have grown stronger, key personnel from member organisations have also been meeting around areas of shared interest such as programming, financial management, and advocacy. A culture of shared learning has been encouraged at all levels, and over time has fomented the desire to work together programmatically.

Additionally, some organisations have had the opportunity to work together through DFAT's Church Partnership Program in PNG and Vanuatu, and others through humanitarian networks in which they participate.

The CAN DO collaboration

Towards the end of 2015, personnel from different CAN agencies started to meet with a dedicated focus on humanitarian response and disaster mitigation. Over time this meeting evolved into a dedicated sub-group of CAN. Later, a formal collaboration of eight of the 11 members of CAN was formed with a particular focus on disaster risk reduction and emergency response work, especially in the Pacific. This group is now called CAN DO (reflecting enthusiasm rather than hubris!). The 'DO' stands for Disaster Operations.

An early task was mapping and sharing each member's experience directly and through in-country partners. At some stage, the prospect of DFAT funding came into view as a new Humanitarian Partnerships funding window opened. However, this was never the driver. Members of the CAN DO collaboration have agreed to pursue their goals irrespective of the outcome of any bid. Without wishing to labour the point, the CAN DO collaboration had a life before the prospect of government funding, and will continue whether or not it is successful in obtaining those funds. At the date of writing, no outcome is known.

While the relationship is plainly less than a merger, it is equally more than an opportunistic consortium. In an overall context where additional value is demanded from every dollar spent, it is important to unpack the particular advantages this type of relationship can offer. This may inspire a third way of co-operation for other groups.

The value-add of sustained relational collaborations

A recent Australian study⁶ has noted that “For NFPs, there is nothing more important than using their capital and resources as efficiently as possible” and that “...greater collaboration among related organisations will ensure NFPs have more options to use resources in areas where they are needed most.” The CAN DO collaboration provides examples of how additional value can be added in program delivery and in other ways.

An emphasis of CAN DO from the beginning was to enhance disaster preparedness and community resilience across the Pacific. This is an inherently ambitious undertaking. The Pacific region includes many disaster-prone island nations in which churches are an especially important part of their civil society. These churches are geographically dispersed, an authoritative (though not always unified) voice, and provide critical infrastructure in times of disaster. Different church denominations are represented across the islands of the Pacific.

One advantage of the CAN DO relationship is greater field coverage. Reaching communities across the Pacific by using grassroots partner churches is a great strategy. It has been observed that: “the language of faith, the religious idiom,

⁶ Vanessa Nolan-Woods, General Manager Not-for-Profit Sector Banking at Commonwealth Bank, quoted in ‘Not for profit sector considers mergers and seeks certainty in government policy’ AICD Media Release, Oct 23 2014

frequently better reflects the cultural norms in which the poor and marginalised operate. They are better able to draw such individuals and communities into global discourse of social justice, rights and development, without recourse to the often distancing language of secular development discourse.”⁷ However, to be truly effective on a regional basis requires a broad denominational spread. The fact that a diverse coalition of church denominations is involved in CAN DO provides that necessary bandwidth.

Another advantage is critical mass. Smaller agencies may not have the depth of capacity to develop the kinds of tools and resources needed to adequately prepare communities for disasters. By joining together, a robust emergency preparedness and response planning is achievable. The costs of that development work, which might be prohibitive for a small agency, can be spread across the larger group.

A third advantage is ensuring consistency of message across communities. The general social reinforcement by working across multiple churches is expected to be helpful.

In theory, the costs for all participants in the CAN DO collaboration should be kept down. This is because each agency has chosen to make its affiliated partner network available to the group, meaning that time and money is not wasted in replicating communication channels in-country. The plain fact is that it would be difficult to reach most Pacific communities unless church networks were opened up across the board. In this way, the consortium extends beyond the 11 CAN agencies to a wider global community of committed actors.

The kind of relational consortia described is conducive to shared learnings. Organisations are exposed to the personnel, experience, in-country partners, knowledge, resources, and methodologies of others. Complementary skills across different agencies can be deployed in a way that is enriching for all.

Overarching these points is a more subtle consideration. This sustained relational collaboration sends out important messages about sharing, cooperation and goodwill. It is historically significant that eight church-based agencies in Australia have been able to cast their theological differences aside to come together to address important humanitarian issues of mutual concern. This collaboration will also have a symbolic importance in-country helping to

⁷ Clarke, G & Jennings, M 2008, *Development, civil society and faith-based organizations: bridging the sacred and the secular*, Macmillan, Basingstoke, p16

transcend theological and sectarian divisions for the greater good. A practical and generous ecumenism is the lifeblood of this particular association, and CAN DO models this in a compelling way.

Goodwill is the glue

It is not my intention to put forward an idealised view of sustained relational collaborations. There are significant risks in any form of collective activity, and groups sometimes fracture.

The most important ingredient is trust. This can only be generated through ongoing relationship. For that reason, a sustained relational collaboration is something which grows out of shared experience, and is not simply 'put together'.

Lessons and opportunities?

The CAN DO example may be seen to be confined to a very particular set of circumstances; however, there are many organisations engaged in development and humanitarian work that regularly come together out of some special interest, be it geography, sector, a cross-cutting theme, or a shared ethos. Do these existing platforms provide a basis for sustained relational collaborations at a programmatic level?

The kind of undertaking I'm talking about is one where the overall social return is maximized. With sustained relationship collaborations, agencies walk together even when their individual benefit is less clear. To think about maximizing social benefit in that broader sense requires a fundamentally different approach by the organisations involved. It will ask 'what could a collaboration achieve?' rather than 'what is the easiest way to secure my own interest?' (with that 'interest' being narrowly conceived). I'm not advocating that any organisation abandon its proper sense of financial responsibility, but simply that consideration be given to whether an even greater social good can be captured through ongoing collaboration.

It is trite that all not-for-profits exist to pursue social objectives. Strangely, this is sometimes forgotten in practice. A sustained relational collaboration will put overall social returns ahead of narrow institutional self-interest. In my opinion, it is not about training up potential competitors, giving up a hard-earned market position, or taking organisational collegiality to an extreme. On the contrary, it is about remembering the noble social purposes for which NFPs are

formed, and disabusing some aspects of corporate thinking that belong more appropriately in the commercial sphere.

The question to emerge is whether other organisations could form sustained relational coalitions of this nature, based on the platforms of their special interest groups? In the end the returns being sought by all are fundamentally social. Sustained relational collaborations may provide a new opportunity to enhance them.

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