Diversifying CARE International: Strategic Approaches and Actions
November 2017

Background

A central part of CARE's 2020 Vision and strategic directions is to strengthen the legitimacy and diversity of CARE's global presence and membership. The implementation of the CARE 2020 Program Strategy underscores the need for new ways of multiplying impact and deepening accountability. It is encouraging that multiple forms of presence and partnership are emerging across the CARE world, surfacing important learning about CARE's changing roles and added value[1]. In light of these changes, and in recognition of the rapidly shifting geopolitical climate and evolving donor landscape, CARE recognised the need to accelerate changes to our organisational model to accompany the advancement of the Program Strategy. In 2014 CARE committed to strengthen its efforts to diversify its membership, setting an ambitious goal to have more than half of members from the Global South by 2020, and embarked on a parallel process of governance reform. Since that time, there has been concerted organisational focus and investment behind this priority, and we have learned a lot from the work underway.

In September 2017, the CI Secretariat convened the Organisational Development & Accountability Strategic Leadership Team[2] and Directors of the 4 new Affiliates to draw on learning from the process to date, broaden our approach moving forward and define concrete next steps to advance in the next 2-3 years based on initial discussions and input held at the June CI Council meeting. In parallel, the Secretariat also convened a small task force on donor access[3] to specifically focus on reaching a breakthrough on how donors are accessed and managed amongst members and how indirect costs recovered are shared, which has been a key organisational barrier identified by current members in the Global South and new affiliates. At their November 2017 meeting in Morocco, the National Directors Committee discussed ways of taking forward the approaches and priority actions outlined to advance our diversification aspirations; advanced deliberations on ways of defining membership moving forward; and agreed to recommended changes to how members access and manage donors and share indirect cost recovery.

Drivers

Diversifying our network and broadening the definition of what it means to be part and partner of CARE is a critical dimension of maintaining and increasing our relevance, and positioning CARE for greater reputational legitimacy and impact. CARE is focusing on intentional progress in this area in recognition of the following drivers for change:

- The need to leverage and catalyse **greater diversity of perspective and participation** to better reflect the multipolar nature of our work;
- The **changing role of international civil society organisations**, which is shifting away from outdated paradigms of the transfer of resources and expertise from 'developed' to 'undeveloped' places;
- The need to demonstrate **legitimacy and accountability** in light of eroding public trust, growing resistance to 'foreign aid' models and critiques by local civil society actors;

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[1] CARE has been conducting CI Presence Reviews (CPRs) since 2011 to assess our role, relevance and impact in different countries. We have captured the learning from more than 5 years of presence reviews and the emerging implications for CARE's consideration, found in this report: CARE's Changing Presence: 5 Years on CPR Trends and Learning.
[2] Click here for the ToR, FY18/19 priorities and composition of the OD&A SLT.
[3] Members represented on the task force included CARE Australia, Canada, India, Peru, Norway and USA.

- The opportunity for stronger **active collaboration with a wide range of partners and alliances** at multiple levels to address global justice issues on climate change, global inequality and human rights and multiply our impact;
- The need to partner and **work in new ways with local civil societies** to respond to the increasing frequency and scale of rapid onset **humanitarian crises** and **conflicts,** both in places where we are established and where we do not have a traditional "presence";
- The turbulent geopolitical landscape and **global power shifts**, with declining legitimacy of traditional political actors and a range of new emerging players increasingly influencing global development and rights issues;
- The **rise of the middle-class in emerging economies**, with greater possibilities for public mobilisation, influencing and resource generation; and
- Growing demands and expectations by key stakeholders – staff around the world, partners and allies, the public – for **more direct forms of participation and engagement in organisational decision-making** as a key part of institutional accountability.

Progress and Learning

CARE is making significant progress in diversifying our membership. In 2015 we demonstrated relative organisational immaturity compared to our peers,[4] despite having initially been at the forefront in the 1990s with the Raks Thai transition. A decade later, CARE Peru and then most recently CARE India's experience surfaced new learning. In June 2017, four new affiliates were endorsed (CARE Egypt, CARE Morocco, CARE Indonesia and Chrysalis), and their perspectives (combined with the experience of CARE Peru, CARE India and Raks Thai Foundation) are already influencing considerations about member roles and categories, benefits and obligations and access to donors.

We now have taken the opportunity to step back and reflect on the changes made in the past 2 years, capture key learning and adapt the process as we go. The initial focus was primarily on transitioning existing country offices (COs) to national NGOs that pursue membership in CI. We have learned that the uni-directional track to membership with a set of technical transition steps must shift to be a more dynamic, evolving and creative process of change – first and foremost guided by the most relevant role for CARE to play in any given context. In addition, we have recognized that diversifying CARE through a track to membership alone is a step forward but not sufficient. The evolving external and internal context demands a more holistic, multi-dimensional approach to diversification. CARE must do more than work with existing COs to transition to become CI members; it must also find ways to engage external groups and actors (not only through membership/affiliation but also through alliances and other mechanisms) who can bring new perspectives, opportunities and positioning to CARE. Perhaps most critically, purposeful effort must also be focused on creating the broader organisational conditions, context and culture to truly leverage our current diversity and pave the way for deepening and expanding it for the future.

Based on this learning, CARE has agreed on a set of strategic approaches and actions to collectively advance over the next 2-3 years, building on existing progress and testing new business models and forms of presence. In parallel, we will be applying an intentional monitoring and learning approach, including a 3 year longitudinal study on changing dimensions of Power, Influence, Accountability, Legitimacy and Impact. This will bring rigour to the process, helping us test our approaches, reflect and adjust as needed, and will bring important organisational learning about changing roles of international organisations both for CARE and our peers, several of whom are closely tracking and potentially joining up with the study.   The steps we take now are helping lay the groundwork and test ideas about moving into a more networked, open organisational model, with diverse ways of belonging and contributing.

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[4] While the number of members from the Global South is a simplistic measure to assess legitimacy, it is a useful proxy for organisational intent and membership diversity. As of 2015, of the large INGOs with global brands only Plan International had less members or affiliates from the Global South than CARE.

Strategic Approaches and Priority Actions

Below is a summary of the strategic approaches to diversification for CARE to advance, including priority actions for the next 2-3 years.

Strategic Approach #1: Deepen and expand membership diversity. CARE's commitment to become a diverse confederation, whose membership/affiliations are predominantly from the Global South, remains vitally important. Having a seat and a vote at the highest level of CI's governance translates into a share in the ownership of CI. Without a diversification of ownership, a commitment to diversify the CI network would ring hollow. We must continue to expand membership through CO transitions and existing local organizations joining. Engaging strong external organisations is particularly important both for diversifying our global outlook and grounding CARE more deeply in civil societies.

Priority Actions

1. Strengthen current affiliates, accompanying and investing in organisational development priorities identified: good organizational governance and accountability, positioning/ communicating impact on program niche, humanitarian capacity, and fundraising/income generation (including new market investment opportunities where relevant); and concurrently strengthening the broader organisational enabling environment.
2. Support existing COs who are evolving their forms of presence to become national NGOs, and support assessments of potential membership, affiliation or other forms of association.
3. Enable external organisations with strong track records and reputations to join the CI network. These could be a) organisations with a strong existing national identity in a country of strategic importance where we do not have a presence or where our current presence is not well positioned, or b) organisations with deep thematic expertise (i.e. a think tank, a digital mobilisation network, an NGO focused on urban poverty).

Strategic Approach #2: Broaden diversity through strategic alliances. To be agile and innovative, CARE must be able to tap a diversity of high quality expertise and experience. Rather than solely focusing on expanding its in-house capabilities and footprint, we should develop strategic global alliances with institutions, actors and movements that have expertise/perspectives that CARE can both draw from and add to (while maintaining independence of governance). CARE should create multiple entry points for actors to engage with and influence our decisions and priorities, and should also focus on ways to join up with others.

Priority Actions

4. Forge global alliances on mutual strategic aims linked to the CI Program Strategy. CARE has a number of strategic alliances in place, but primarily at national and increasingly sub/regional level. Defining 1-2 alliances at the global level, potentially to fill or expand areas of expertise and deepen credibility on those topics, will bring important organisational learning about ways CARE needs to evolve to become more open, networked and 'permeable.'
5. Identify ways to genuinely open CARE up to experts, activists and leaders to engage with and influence our decision making in an ongoing basis. This must go beyond obtaining input and feedback from partner and community stakeholders (where there is a one-way financial flow) or asking for one-off input during strategic planning and presence review processes. As a starting point identify trials to test and learn from (e.g. asking feminist organisations to observe/ 'audit' CARE's global governance; experts, academics and activists to serve on advisory committees in COs, on regional teams, and member/affiliate boards; etc.)

Strategic Approach #3: Develop an organisational context that leverages diversity for impact. Bringing diverse organizations and actors into the CI network and its decision-making processes is a necessary step to position CARE to be effective and relevant in a changing world. It is essential that CARE ensures that its organisational model, governance arrangements and decision making processes are sufficiently inclusive and positioned to leverage that diversity.

Priority Actions

6. Develop a practice of inclusive governance that taps into the diversity within and beyond CARE. Suggestions to explore include: give staff representation drawn from country offices a seat on the CI Council; adjusting current 'technical expertise in the Global North' model to invest in leadership/co-leadership by Members/Affiliates/actors in the Global South; establish a Country Directors body to provide input into global decision making; invite outside experts to serve on Strategic Leadership Teams; explore women's rights organization alliances to act as a 'critical friend' to CARE's global strategy and priorities; and evolve Boards to be more inclusive and diverse.
7. Make decisions on critical organisational changes required to better leverage current membership diversity, ensuring members and affiliates from the Global South equally access, participate, and contribute to CI and laying the groundwork for approaching external organisations. This includes defining options for membership, affiliation and association with CI (and relevant benefits and obligations), modifying donor access and management agreements and investing in more diverse leadership of program teams and expertise.
8. Define and optimise CARE's value proposition, clarifying what we are seeking and specifically what we can offer - mining CARE assets and defining attractive avenues for diverse actors to engage and amplify their work: avenues to influence CARE's programming and strategy, access and contribute to resources ($, knowledge), influence policy, and other means of engaging with an open network.

Priorities for FY18/FY19

To drive these forward in FY18 and FY19, areas of focus are as follows:

1. <u>Supporting the 4 new affiliates in their various stages of transition</u>. This includes three key priorities for collective engagement, exchange and capacity building: focused support on governance and board management; further defining and building capacity on fundraising approaches, with market specific strategies and support from current members to begin building relationships with key donors and positioning for the future; and ensuring humanitarian approaches and preparedness are in place to enable fulfilment of CARE's humanitarian mandate. It also includes cross-learning exchanges and peer support on key elements of organisational development, change management and monitoring and learning.

2. <u>Exploring potential future affiliates</u>. This entails working with both existing COs exploring transitions, as well as exploring potential external organisations to join. At least 2 business planning processes for transitions to local NGO status will be conducted in 2018 (Bangladesh, Caucuses), as well as assessments conducted and recommendations made about potential future opportunities for affiliation in some form with existing national organisations in the Philippines and South Africa.

3. <u>Laying the groundwork for broader alliances and positioning for a true network model</u>. Initially we are focusing on facilitating broader discussions with staff (fundraising, advocacy, program teams, regional teams) on opportunities to proactively identify and join up with alliances, as well as learning from experiences already underway at sub/regional level, such as the domestic workers association in Latin America and a pilot in Asia to define ways of bringing together members and affiliates in the region for broader influencing and mobilization. This will also feed into ongoing thinking about future network models and an organisational set-up that enables a wide range of diverse alliances to engage and contribute to greater impact.

4. Advancing changes in CARE's organisational context. CARE acknowledges the power and financial imbalances in the global development system, and that our organisational model is a product of this system. We will only be able to truly become a diverse, dynamic global network by changing aspects of our current organisational culture and set-up. Immediate priorities to advance include:
   - <u>Leveraging our existing diversity in global governance</u>, including recommending staff representation drawn from country offices/regions be formally incorporated into the CI Council and strengthening the role of current Global South members and affiliates and their Boards to influence CARE's future direction;
   - Defining <u>CARE's value proposition</u>, clarifying what we have to offer to those interested in joining to position for a more outward facing approach for the future, and working with external actors to refine and shape this offer;
   - <u>Finalising definitions and distinguishing factors between members, transitioning members and affiliates</u>, to be built into the updated CI Code Internal Agreements put forward for endorsement by the Supervisory Board in April 2018 and the CI Council in June 2018; and
   - <u>Finalising the endorsed principles and protocol for member donor access and management</u>[5], to be implemented by all members as of July 1 2018, and supporting the changes this will bring to some of the members, monitoring progress and adapting and improving as we go.

Future Implications for CARE

It is important to consider the implications of CARE's diversification agenda for the future. To do so, it is helpful to imagine a hypothetical future in 2030. Imagine there are 24 entities that make up the CI confederation - 18 are members, 6 are independently affiliated, and 3 are alliances[6]. 15 do emergency

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[5] For the full paper submitted to the NDC on recommended changes to donor access and management, click here.

[6] Note that the place of country offices and sub/regional hubs is not unpacked in this piece, but raises further considerations about the role of members who manage branch offices - how many will have closed, become members, spun off into social enterprises, shifted to programming through partners via a regional hub, etc.

response and programming in their own countries and the other 9 are smaller offices focused on fundraising, citizen mobilisation and policy influencing[7]. Of the 3 alliances in place, one has deepened CARE's expertise and legitimacy as a women's rights organisation, one has brought a global portfolio of urban programming and one has transformed our capacity for campaigning and is negotiating a merger with CARE. Beyond this, a range of at least 25 social enterprises have spun off from CARE and become their own independent organisations, but maintain strategic links and contribute to global impact figures.

This scenario raises a number of implications. This might demand that the confederation model be revisited in favour of a model more suited to a larger, more diverse membership: this could be a federation model or a looser network structure. Clear, decentralised organizing platforms through which mutually beneficial value is delivered must be in place to enable CARE's knowledge, expertise and operations to be accessed in an easy, effective way. Even as the network becomes more decentralized, all entities and strategic allies should be able to interface seamlessly with "one CARE." As the organizational architecture evolves, so would governance arrangements. Larger membership would require governance arrangements that rely less on one-to-one representation of members, and more on more flexible and representative mechanisms for participation, influence and decision making. With significantly more members that have various intensities of engagement in CI, the establishment of a strong norm of mutual accountability and trust would be critical.

With a greater number of members accessing donors directly, members currently set up to link to national institutional donors will need to develop a value proposition that relies less on exclusive access to a "home donor" and more on specialized expertise, advocacy and citizen engagement. They would need to explicitly demonstrate how they would either lead or contribute to the collective, global strategies in place. Many new members will require investment and accompaniment over the medium-to-long term, and a new financial model will need to be developed to underpin a new organisational model. While diversification and member growth in federations like World Vision and Save the Children have been accompanied by significant income growth, that path is by no means guaranteed for CARE particularly in light of localisation commitments. CARE should also consider scenarios in which aggregate income decreases (or stays flat), and consider how, in that context, impact can still be multiplied with a diverse range of member types leading or contributing to collective global aspirations.

Driving toward a model that enables multiple 'ways of belonging' moves CI in the direction of a more decentralized, diverse network with multiple poles of expertise to contribute to the larger whole – which is still an aspiration that CARE has only notionally begun to develop. It will be important to determining how to advance this concept in line with strategy considerations for the future, drawing on learning from networked, movement based, knowledge oriented organisations.

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[7] It is assumed that in the future Members in all 'poles' (South, East, West and North) may play in country programming/response roles (including current Members in the Global North) and/or 'income and influence' roles (including new Members/Affiliates in the East, South etc.).