

## RESEARCH ARTICLE

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# The Upper Middle Income Status Of Botswana Vis A Vie Gaborone's Non-Governmental Organisations' Access To International Funding.

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## Abstract

The research evaluates if the classification of Botswana as an Upper Middle Income Country (UMIC) negates Gaborone's Non Governmental Organisations (NGOs) access to financial support from international development partners. The objectives were, to establish the extent to which the UMIC status of Botswana has affected NGO access to funding from international development partners, second, to establish what other factors and to what extent such factors influence accessibility of funding from international development partners, third, to establish the strategies engaged by NGOs which are still accessing funding from international development partners and, last, to proffer methodologies that could enhance access to funding from international development partners by Botswana NGOs. A case study research design was used. The research was qualitative and employed semi structured interviews and focus group discussions. A total of fifty six (56) respondents was realized, namely through the policy makers, senior government officials and administrators, NGOs and their umbrella bodies. The research established that Botswana's UMIC status did not have a huge bearing on failure by some local NGOs in accessing financial support from international development partners. The research revealed that NGOs required more technical and strategic preparedness, a necessary pre requisite for funding.

**Keywords:** Nongovernmental organizations, upper middle income, funding, Botswana.

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## 1. INTRODUCTION

The role of NGOs in Botswana is clearly recognised by the Botswana Government in national development processes.<sup>[1]</sup> This is evidenced by the existence of an NGO Policy sponsored by the Government which is coordinated by the NGO Council and chaired by the Permanent Secretary of the Ministry of Finance and Development Planning (MFDP) (National NGO Policy, 2012). In September 2017, the Government of Botswana developed and published its own Guidelines for Funding of NGOs. Significant efforts have been made over the years by NGOs to contribute or complement Government development efforts. These have been manifested through various advocacy efforts for policy reforms, strategy development, facilitating community participation in policy development and implementation processes including implementation of various national development initiatives in partnership with Botswana Government.

Most NGOs in Botswana were established to complement government development efforts in different sectors of the economy consistent with national policy and strategic frameworks. The work of NGOs is coordinated through a voluntarily established umbrella body, namely, Botswana Council of Non Governmental Organisations (BOCONGO). BOCONGO, a voluntary umbrella body of NGOs was established in 1995 to coordinate the work of NGOs. BOCONGO is structured into four thematic groups covering the broad areas of NGO

operations in Botswana. As a result significant contributions to the implementation and achievement of national strategies and goals by NGOs have been made over the years. These observations demonstrate that NGOs have a clear role to play in the national development discourse.<sup>[2]</sup>

In 2018, Botswana's Gross Domestic Product (GDP) was pegged at US\$18.62 million which represented 0.03% of the world economy and GNI per capita of US\$18 000. As a country with an abundant source of diamonds discovered in the 1970s and an equally successful tourism industry, the country's economy gradually boomed over the decades culminating in the attainment of the qualification of an Upper Middle Income Country (UMIC) in 2007.<sup>[1]</sup> Recently, Statistics Botswana (2019) issued a report that reflected a 4.3% growth in first quarter of 2019.<sup>[3]</sup> When viewed from such economic angle, Botswana may be perceived as self sustaining in all aspects. Government however still requires NGOs' complementary role to assist in the socio-economic development processes.

In order to reduce their reliance on single sources, NGOs liaise with multiple donors. There are however, other NGOs that have survived as a result of mobilising resources from various development partners and missions such as Danish International Development Agency (DANIDA), Swedish International Development Cooperation Agency (SIDA) and United States Agency for International Development (USAID) and continue to depend on these funds.<sup>[3]</sup>

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Pfeiffer and Salancik (1978) offer contractual strategies which organisations can enact to minimize environmental dependences. These are namely mergers/vertical integration, joint ventures, partnership agreements and other inter-organisational relationships. Contemporary development discourse advocates for strategic partnerships between civil society, governments and international development partners to ensure sustainable funding and continuity of tenure for local NGOs through vehicles such as social enterprising and various forms of Public Private Partnerships (PPPs) (Perrot et al., 2004; UNDP, 2019). Currently, PPPs has been viewed as the most viable strategy in Botswana. The Government of Botswana under the guidance of United Nations Development Programme adopted a PPP Framework (Stegman et al., 2013). On a global level governments are grappling with ever growing social development costs coupled with budget constraints. Many are turning to PPPs with civil society through social contracting (Martin, 2003; PriceWaterhouseCoopers, 2007). Wallace & Porter (2013) however contend that PPPs also birth complexities as such arrangements bring together a variety of players with different and sometimes conflicting interests and objectives, working within different governance structures.<sup>[6]</sup>

The World Bank (2012) observes that donors have changed perspectives as to regards to funding. Previously, most donors held the view that funding should be vested in Government as the primary service provider in social development. However, inefficiencies frustrated the process leading to the favour of the free market as the ultimate source of efficient, effective service. This led to the funding of NGOs directly and private companies that delivered services to the vulnerable (ibid). This led to a growth of the international NGO community as well as the growth of techniques such as social marketing that uses private-for-profit companies to achieve social goals.<sup>[7]</sup> Today, donors understand the strengths and limitations of the private and public sectors, and thus have shifted to a sector-wide approach in which both private and public sector have an important role to play.<sup>[8]</sup> Somolekae (2008) observes that continuous reliance on funding from Government highly compromises NGO integrity and the dominant values they represent, for example, being the conscience of society, voice of voiceless and alternative voice of reason and justice.<sup>[9]</sup> The EU/Government of Botswana (2012) suggests that it is time that NGOs explore and establish innovative strategies for funding their programmes. NGOs should continuously evolve and focus on creating solutions for global challenges to attract partnerships for robust programming (ibid).<sup>[10]</sup> In recent years, the participation and contribution of NGOs in Botswana has significantly dwindled. Annual reports of BOCONGO and thematic groups have repeatedly reported a gradual decline of NGO participation.<sup>[2]</sup> Local NGOs have largely attributed this reality to the formal declaration of Botswana as an UMIC by the World Bank in 2009. The situation has not improved as international development partners carry the assumption that this classification means Botswana should be able to sustain its own philanthropic work.<sup>[11]</sup> The research ascertains this.

Research on international NGOs demonstrates that even in countries of higher international ranking by the World Bank, particularly the North, there are many thriving NGOs receiving funding from various international development partners. Moreover, there are a sizeable number of Botswana NGOs still

funded by international development partners through different facilities such as PPPs, social contracting and social enterprising. The research sought to investigate the claim that poor access to funding by Botswana NGOs, more particularly those in Gaborone, was indeed a result of the country's UMI status. In light of the unqualified nature of staff normatively employed in NGOs, more particularly in Botswana's instance, civil society has realised that most NGOs fail to innovate and evolve ideas/concepts for value addition to attract partnerships and funding from international development partners who present fast changing agendas. This situation is further exacerbated by a Government that, with all good intentions, takes the leading role in addressing the country's development cancers and fails from overburdening itself despite the size of its population (ibid). Reports by the NGO Council reveal that there existed challenges repeatedly documented, including, amongst others poor governance and accountability by NGOs within their own establishments, weak sustainability planning processes and operating in comfort zones where impact is difficult to demonstrate. Government has in several instances been accused of creating an unhealthy dependence by NGOs on its funding, thus strategically crippling the third sector's roles of advocacy and watchdog for the citizenry (Wallace & Porter, 2013). NGOs have become weakened to the extent of parroting government's mantra of Botswana attaining the classification "UMIC" and thus being viewed as extension arms of Government or Governmental Non Governmental Organisations (GONGOs). The research was guided by the following research objectives:

## 2. Research Objectives

1. To establish the extent to which the UMI status of Botswana has affected NGO access to funding from international development partners.
2. To establish what other factors and to what extent such factors influence accessibility of funding from international development partners.
3. To establish the strategies engaged by NGOs which are still accessing funding from international development partners.
4. To proffer methodologies that could enhance access to funding from international development partners by Botswana NGOs

## 3. MATERIALS AND METHODS

The theoretical frameworks which informed the research were the Resource Dependency Theory, Stakeholder Theory and the Stewardship Theory. The research engaged the interpretivist paradigm. The two most commonly used types of research paradigms are positivist and interpretivist. The positivist paradigm is based on firm rules of logic and measurement, truth, absolute doctrine and prediction whereas the interpretivist paradigm supports the view that there are many truths and multiple realities, (Field, 2005). The interpretivist paradigm was therefore more relevant to the research. The interpretivist paradigm posits that researchers' values are inherent in all phases of the research process and truth is negotiated through dialogue.<sup>[12]</sup> The research findings were fostered through dialogue. It is through this dialectical process that a more informed and sophisticated understanding of the social world can be constructed.<sup>[13]</sup> The total respondents were fifty six (56). The research employed purposive sampling which, is normatively used when there is a strong assumption that such a problem or issue exists, but

there is limited or no research that currently supports such any assumption.<sup>[14]</sup> This tied in with the research.

#### 4.RESULTS AND DISCUSSION

The interview demography consisted of senior management of NGOs and their representatives in Gaborone. The researcher presided over four FGDs which comprised the following participants/officials from namely the Ministry of Finance and Development Planning, the National NGO Council, and BOCONGO.

#### 5.THE FOCUS GROUP DISCUSSIONS

The National NGO Council argued that funding for NGOs was short term and can therefore not be largely affected by the UMIC status. The Council acknowledged UMIIC statues led to some international partners withdrawing from the country. It argued that NGO funding was usually project oriented as opposed to programme focus. This limited the impact of NGO activities.<sup>[15]</sup> The research argues that innovation is paramount as the evolution of funding organisations requires NGOs to also evolve from their fixed and traditional approaches to resource mobilisation. Poor funding was unearthed as the key issue/problem. The causes/drivers of poor funding were as below.

#### 6.Lack of Technical Skills

The lack of technical skills and knowledge of NGOs was cited as the major challenge in securing funding and support from international development partners.<sup>[16,17,18]</sup> At times the local NGOs failed to meet the technical specifications needed to prepare sellable and bankable grant proposals that may satisfy the international development partners.

#### 7.Lack of Niche Orientation

International development partners normatively grant resources to NGOs whose core vision and mission conform to their agenda and that of the local country's development plans.<sup>[19]</sup> The research noted that several other NGOs found it difficult to mobilise resources due to misalignment and lack of awareness and innovation towards government priorities.<sup>[20]</sup>

#### 8.Lack of Capacity

The regulatory and representative authorities of the NGOs in Botswana indicated that some of the NGOs are not fully identified as operating organisations.<sup>[21]</sup> The majority of participants identified such NGOs as 'portfolio organisations' of no fixed abode. This classification disqualified such NGOs as lacking capacity to carry out charity work.<sup>[22]</sup>

#### 9.Planning and programming

The research revealed that some NGOs stumble through their programming which greatly affected funding opportunities.

#### 10.Structural Issues

The NGOs suffered from common structural matters that affect commercial organisations. These were primarily issues of corporate governance issues. Poor board composition, accountability and transparency were highlighted as major concerns.

## 11.THE INTERVIEWS

The 2009 UMIC declaration resulted in immediate significant changes in the access to funding from international development partners. BOCONGO's Chief Executive Director noted that by mid-2010, 80% of the local NGOs had their income sources negated. This was primarily due to the withdrawal of the international partners; for instance, USAID reduced their developmental funding by 18% within 180 days of Botswana's UM status declaration. The research realised that to some extent, funding withdrawal was justified by the UMIC status. However by 2012, international development partners, including DANIDA and SIDA had re-established ties with the local NGOs. The MFDPA reported that international partners had shifted their perception of the UMIC and were still committed to supporting the local NGOs based on the assessments and evaluations of grant proposals which indicated the need for their support. The sentiments from the individual NGO participants was that the UMIC ranking blocked support from development partners due to its "misinterpretation" by various players of the factual position on the ground. However umbrella bodies such as BOCONGO and BONASO argued that the categorization's impact was short term. Access to funding and support from international support (or lack thereof) was more inclined to individual NGO compliance with procedural issues outlined in the National NGO Policy. Government and international donors were known to reject applications for resources from NGOs that exhibited poor governance and poor strategies due to misalignment of missions to the country's national strategic and policy development plans. There exists a critical dependency syndrome between Government and some NGOs, particularly those that receive full government grants for operation. This relationship translates into some form of master-servant dimension making it difficult, if not impossible for NGOs to question some policy and legal frameworks provided by Government in fear of losing operational support.

## CONCLUSION

The UMIC status had mixed consequences on NGO funding prospects. Individual organisations generally believed that the classification thwarted their chances for adequate resource mobilisation while on the other, regulatory bodies and the Ministry share the perception that there were immediate negative, albeit short lived consequences of the UMIC status. Some NGOs have no resource mobilisation strategy in place, incapable of designing one due to lack of capacity. There are a number of NGO constraints. These include poor internal governance structures, strategies and lack of capacity to write competitive proposals for resource mobilisation. Good strategic governance is a critical enabler for resource mobilisation. It creates an enabling environment.

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