**Common Problems of third world NGOs**

Although there are eight major issues to third world NGOs issues:

1. Lack of Long-Term Strategic Planning

Our NGOs appear to be incapable of predicting what they will do even in one or two months. Most of their activities look like one time shots. However, a single event is not enough to change the attitude towards some problem. In part, it happens because the activists are trying to diversify their activities, organize events of different kinds and in different areas so that they do not let themselves drown in monotony. Yet, this only blurs the public role of an NGO. Obviously, civic activists should start learning how to do a long-term planning and develop their strategy.

2. Poor Cooperation with Mass Media

Most of our NGOs rely on journalists when organizing an event: they expect they would come and cover everything. When nobody shows up for their event, firstly, they accuse journalists of conspiracy and declare a crisis in mass media and, secondly, they do nothing to spread the word about the event themselves.

Every NGO, regardless how small or poor it is, should have its own PR manager (or press secretary). The audience which gets to know about the event through media (e.g., newspapers and posters for the older generation, and social networks for youth) is always bigger than the audience of the event itself. No matter how hungry, tired or sleepy an activist is, he or she must write a press release about the event. In general, if nobody mentions your event in media, one can say that there was no event or any work done at all. Ideally, cooperation with mass media should be a part of NGO’s the long-term strategy.

3. Lack of Commitment

In developing countries, one can see birth and death of NGOs, easily. This turnover is a normal process. However, they often disappear because their members were not persistent enough in what they were doing or they got dragged into another field of work. Such “movements” are not something unusual. Indeed, the experience of working in NGOs can be a good start for your future carrier. The conclusion is obvious. NGOs should always keep in mind staff turnover and ensure that they should not get held “hostage” by any single person.

4. Lack of Feedback and Social Support Suppresses Enthusiasm

Our society is only slightly involved in community life. There is a lot of heterogeneity in why people get engaged in NGOs. However, whatever their motivation is, when people cannot get that sense of belonging to their community and do not have their contribution appreciated, soon they give up and quit NGOs. It is very sad to know that many of these people are not even supported by their families. The problem is not so much in negligence of authorities. The real issue is the indifference of majority of population. Everyone talks about the necessity to control authorities, but nobody is eager to spend their own time and money to take care of it.

5. Unwillingness to Cooperate with Each Other

It may sound banal but activists appear to create their NGOs as some “closed world”. It is seen when organizations doing the same kind of work were not willing to cooperate on any joint projects. Our NGOs still perceive themselves as small “principalities with egocentric members”. A striking example of this failure is public councils where conflicts between the activists brew all the time.

6. Politicization of NGOs

Firstly, some organizations register as NGOs and then “suddenly” become political platforms. Secondly, some NGOs announce about their support of a particular candidate, although it is not their job, in fact. Finally, candidates often use activists as some sort of “weapon” against their political or business opponents. Undoubtedly, it is a good chance for activists to earn some money, though it leads to a moral bankruptcy of NGOs that take this route.

7. Lack of Professional Experience of Working in a Particular Area

This one is mainly a concern for new organization. Everyone shouts about the struggle against corruption. NGOs talk actively how to eradicate corruption. It is popular idea to control the authorities. Somebody mentions it somewhere and almost immediately activists are right there. Usually amateurs do all this fuss. Very often young people get excited with such ideas. They have much enthusiasm but they lack experience and professional skills. The paradox is that these people do not want to learn and attend professional trainings and workshops.

8. Fear of Grants and International Cooperation

It is a real problem to find a NGO in developing countries willing to work with foreign partners rather than simply be a mass-media star. With enough persistence, we can solve all these problems. This is not going to happen all at once, but by learning and gaining experience we can neutralize all these issues.

Points to remember

1. Our NGOs are often powered by enthusiasm of young people but enthusiasm is an unsteady emotion.
2. Without public support, NGOs gradually lose their enthusiasm.
3. NGOs often become a political platform that makes public doubt about their real purpose.
4. Members of NGO should be professionals in the area they work.
5. Lifelong learning should be a personal motto of each activists of NGO.

**Relations of NGOs with Banks**

To get a better deal from their bank, nongovernmental organizations need to be proactive. This means staying on top of what’s out there, learning how to negotiate and seeking strength in numbers.

We spoke with bank officials and the directors and chief financial officers of some NGOs to get the lowdown and gleaned these six pieces of advice:

**1. It’s a relationship — make it work for you.**

You are a customer and your relationship manager is there to serve you — or at least that’s what the bank told you when it signed you up. So remember that and make full use of them.

“It’s like with any service provider — you’ve got to manage the relationship,” Dougal Freeman, chief financial officer at the [Global Alliance for Improved Nutrition](https://www.devex.com/en/organizations/gain-health?utm_source=website&utm_medium=text&utm_campaign=linking_strategy), said. “You have to regularly meet with the manager, regularly set out your concerns.”

If possible, sit down with them, or at least call them on the phone, every six months to discuss your evolving banking needs and what they can do for you.

**2. Push for better solutions.**

Don’t assume that your current way of transacting is the cheapest or fastest way possible.

There tends to be a loose pattern with most NGOs in terms of where they send money and how often. And if your relationship manager gave your account their undivided attention, they could probably pick up on that and seek out cheaper, faster or more efficient ways for those transactions to take place, according to Tim Boyes-Watson, director at [Mango](https://www.devex.com/en/organizations/gain-health?utm_source=website&utm_medium=text&utm_campaign=linking_strategy), an NGO that trains other nonprofits on financial management and accountability around the world.

“You may think it’s a good idea to send your country office 30,000 pounds ($46,300) every month in sterling. But perhaps using a different currency or routing it in a different way would provide better value,” he explained.

However, they “won’t tell you unless they’re asked,” especially if you’re a small organization, he said. The onus is therefore on you.

“NGOs need to be more demanding,” stressed Boyes-Watson, who through his experience of working with NGOs has encountered “no real proactivity about what [banks] were doing for you as a customer.”

[International Alert](https://www.devex.com/en/organizations/international-alert?utm_source=website&utm_medium=text&utm_campaign=linking_strategy) switched several years ago to a multicurrency account that has saved it a lot of money. It wasn’t the bank however that flagged this option up to it — the charity’s own finance team had to work it out themselves, CFO Mohsin Baluch said. IA now meets with its bank once or twice a year and says this has helped dramatically improve the service it receives.

**3. Negotiate a cheaper deal.**

NGOs can get a worse deal than corporates in terms of bank charges and services.

This is partly understandable. The volumes for many charities are smaller and their transactions more complex than for similar-sized corporates, meaning banks can’t earn the same margin without charging more.

What should NGOs and charities consider when choosing who to bank with? We spoke with bank officials and organizations' chief financial officers to find out.

There is, however, more wiggle room here than some organizations realize.

“People don’t know how to negotiate,” Freeman at GAIN said. “Even if you’re smaller and you have lower transactions, you can always squeeze a little bit. You can always pick up one or two cents on a foreign exchange deal.”

“You have to push — you have to really ask for it,” he continued.

So try asking your bank to trim slightly the amount it charges for overseas or other transactions. Even a small reduction on regular transactions can mean more money for your mission.

**4. Hire financial experts or invite them onto your board.**

To negotiate the best deal and manage its banking relationship proactively, an NGO needs access to financial expertise and plenty of man-hours.

While big organizations can afford to employ dedicated finance staff who understand financial management, are experienced at working with banks and know how to deal with currencies in country, many small and midsize charities don’t, Michael Wright, director of communications and membership at [Bond](https://www.devex.com/en/organizations/bond?utm_source=website&utm_medium=text&utm_campaign=linking_strategy), noted.

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In this case, try to attract bankers or accountants onto your board, advised Peter Kelley, business development and marketing manager at Unity Trust.

“The financial services sector provide a lot of volunteering support for boards, which I think is very valuable,” he said.

The Charity Commission can help put NGOs in touch with financially savvy board members and advisors, noted Roy Wilson, CFO at CDP.

“There is plenty of opportunity out there to access commercial expertise, even for the smallest of charities,” he explained.

**5. Seek strength in numbers**

Maintaining a strong relationship with other NGOs can give you more leverage in your banking relationships.

Mango would like to see NGOs’ networking efforts regarding banking evolve into a solid collaboration.

“Is there more we can do to combine our purchasing power, to put more pressure on the banks? Because overall, the sector spends a lot of money,” Boyes-Watson said. “We should demand more effort from them.”

Foreign exchange is one product where charities could have collective clout. There are challenges, however, not least the fact that a single legal entity would need to be created to conduct any transaction, he said.

There would also be less to gain in such a setup for bigger charities, whose participation would be essential to achieve the kind of volumes required for collective transactions to make sense.

In the meantime, however, loose collaborations can also be helpful. So build relationships with fellow NGOs to find out which banks have proved most flexible and responsive for them.

And keep in touch with any umbrella organization you are a member of to share your banking experiences with fellow charities and potentially contribute to any lobbying on behalf of the sector.

**6. Forget monogamy.**

Although international banks promise seamless service across the world, NGOs operating in multiple locations will realistically need more than one bank to meet all their needs.

With operations in more than 90 countries, GAIN maintains relationships with a number of banks.

“I know from experience that there’s no bank that can provide a global solution,” Freeman said. “You have to have a portfolio.”

Engaging in multiple relationships also gives a charity more clout when negotiating for a better deal — as does a willingness to leave if the service it receives falls short.

“I’m in a fortunate position to sit with a lot of donor money that’s prepaid,” Freeman explained. “So I can say ‘I’ll take my business elsewhere.’”

Even if you are a smaller charity, holding accounts with two or three banks can strengthen your hand, as can shopping around regularly, letting your relationship manager know immediately when you stumble upon a better deal and asking him to match it.

Bear in mind, however, that running accounts with more than one bank will increase the administrative costs — both in terms of man-hours and potential fees — that a smaller organization has to absorb.

But at least remain open to relationships with other banks — and make your current bank aware of where it stands.