

Centre for environmental policy and advocacy (CEPA)

About the assessment

Institutional assessments (IA) are carried out by the Development Fund as a mutual learning exercise with one of its partners. The purpose of a DF institutional assessment is to determine the capacity of an institution to implement activities in collaboration with DF and to what extent they fulfill DF criteria for handling funds. Furthermore, in relevant cases, the IA will constitute a baseline for institutional developmental collaboration between DF and the institution.

This assessment is based on interviews and discussions with core staff and one Board member in Blantyre on April 26 and 27, 2007, documents provided by CEPA including its Strategic Plan and Constitution, and audit reports for DF- and Swedbio-funded projects over the past three years.

It is also informed by a 2006 external evaluation of the *Biodiversity, modern biotechnologies lobbying and networking initiative at national and sub-regional (SADC) level* project. As this project has been at the core of CEPA's activities in the initial phase of the organisation, the evaluation of the project goes a long way in identifying challenges and opportunities for CEPA as an organisation and provides substantially more detailed analysis than this assessment does. Findings in this IA are in line with the recommendations in the 2006 evaluation.

I was given full access to everything I asked for, and CEPA staff went out of their way to answer all my questions.

May 8, 2007, Oslo, Christoffer Ringnes Klyve

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Introduction and summary

CEPA was registered as a not-for-profit company limited by guarantee¹, with registration number 6019, on April 3, 2002. It is based in Blantyre, Malawi. Its main purpose is to carry out evidence-based advocacy work on environmental issues.

The main finding of this assessment is that CEPA is a healthy and strong organisation, which has achieved impressive results during its short life. There is significant potential in the organisation, which is currently not being utilised fully.

At the same time, significant challenges remain for CEPA. In order for the organisation to grow further and increase its impact, it needs to pay particular attention to the following points:

- **Governance and functioning of the Board.** The Board is currently not providing the type of oversight required of a well-governed organisation, and strategic planning and implementation seems to suffer as a result.
- **Financial management.** CEPA does not currently maintain a budget and expenditure report for the organisation as a whole, only for projects. While projects are accounted for satisfactorily, having an overall budget and expenditure report is crucial for sound financial management and strategic planning.

Further recommendations, both for CEPA and its donor partners, are given at the end of the document.

¹ For NGOs, the alternative is to register as a trust, which is more complicated and time-consuming

Brief history

CEPA was founded in 2002 by its current Executive Director, Gracian Banda. Having worked as a commercial lawyer in Malawi since the 1990s and as a regional environmental lawyer based in Harare since 2000, Banda had established a broad experience in the field, as well as contacts and networks both in Malawi and the region.

In the early phase CEPA's work was done out of Banda's law firm, but since 2005, CEPA has been established in its own offices in Blantyre. Organisationally, too, CEPA is now fully independent from the law firm, although Banda is still a partner and does commercial law work from time to time.

The first major project, on biotechnology legislation, came through one of the contacts established in Harare, with Community Technology Development Trust (CTDT). Having already secured the preparation of such legislation in Zimbabwe, CTDT wanted to launch a regional initiative, using Malawi and Zambia as pilots. CEPA became the Malawian partner in the *Biodiversity, modern biotechnologies lobbying and networking initiative at national and sub-regional (SADC) level*. This initiative was funded mainly by the Development Fund, as well as the Swedish Biotechnology Institute (Swedbio). This project formed a substantial part of activities in the three-year period from 2004 to 2006, and helped establish CEPA as a competent and relevant NGO on environmental policy.

Currently, CEPA does various project-based activities with different partners and donors, within the field of environmental research, advocacy and lobbying.

Assessment of institutional capacity

1. Leadership: CEPA has a strong leadership in its Executive Director and founder. Second-line leadership is less strong, although the programme staff seems to be competent. The Board does not currently function satisfactorily, leaving virtually all leadership functions in the hands of the ED.

2. Strategic planning: There is a Strategic Plan, covering the period 2006-2009 and drawn up by the Board. It outlines CEPA's vision, mission, identity and goals, values and an analysis of the political environment nationally and regionally, and CEPA's scope for influencing these. There is also an organisational analysis of strengths, weaknesses, opportunities and constraints, as well as a plan of action for how to improve CEPA as an institution. Issues identified by the Strategic Plan as areas for improvement are broadly in line with this assessment.

While the strategy itself is sound enough, it is not sufficiently being used as a guide for setting priorities. Instead, priorities are heavily influenced by donor agendas. While all projects carried out by CEPA to date can be said to be within the organisation's overall mission statement and goal as outlined in the Strategic Plan, the reliance on projects funded and initiated by donors means that the ability to work according to the overall strategic plan is severely limited.

3. Governance: CEPA's extensive constitution outlines the decision-making structure of the organisation. Apparently, the constitution follows a fairly established format required by law. Members have one vote each at General Meetings, which elect the Board. There are also detailed provisions to deal with various eventualities. In actual practice, however, GMs are held simultaneously with Board meetings, and most of the members are also on the Board. At present, one should thus not expect the membership base to provide any oversight function through General Meetings.

The six-member Board includes the ED and consists of three lawyers, one economist, one natural resources manager and one social scientist. Two are university lecturers, one is a High Court Judge, one is currently doing a PhD and one works for Concern Universal. The Board is intended to meet at least three times a year, but is currently meeting less frequently, and is not adequately performing its oversight and accountability functions.

This seems at least partly related to the modes of funding, which reduce the relevance of the Strategic Plan and give staff an incentive to emphasise accountability to donors rather than the Board. The fact that several Board members are based in Zomba (approx. 60km from Blantyre) also makes Board meetings more difficult to convene.

4. Decision-making structure and staff: The Executive Director is the chief executive, and all major decisions are made by him. In the absence of the ED, one of the board members is authorised to make decisions.

In addition to the ED, there are currently only two programme staff, as one recently left for ActionAid. Of the remaining, one is a lawyer with an MA in Human Rights and the other is an Irrigation Engineer from Bunda College. A replacement for the one who left will be sought, possibly this will be someone with a social science background.

Planning and implementation is carried out by core staff. Project management is discussed in staff meetings, which take place fortnightly or monthly, according to need. Some work is being contracted out to various research fellows, when CEPA does not possess the required capacity itself.

There is also an accountant, a secretary and a messenger. All staff (and Board members) are male, except for the secretary.

5. Infrastructure & technology: CEPA has a well-equipped office in Blantyre, established in 2005. The office has a small resource centre, with books and reports on issues of relevance to CEPA's work. Staff use their own vehicles when travelling.

Staff have computers with internet and email access at good standards for the country (up to 64 kbit/s, which qualifies for broadband in Malawi).

6. Financial management: CEPA has one accountant, with a Diploma from the Malawi College of Accounting. He has been with CEPA since 2005. In the initial phase, a more experienced accountant was brought in to establish accounting systems and standards.

Accounting is done chiefly to satisfy donors' projects. While this accounting seems to be adequate, with only minor points raised by auditors, the organisation's overall financial management suffers to some extent. At present, it is difficult to get a complete overview of the financial status of the organisation as a whole, as this requires the compilation of information kept in separate documents.

Also complicating things is the need to keep separate accounts for foreign and domestic currency. While it insures against kwacha fluctuation, it does complicate accounting as funds are taken to income only when converted from foreign currency into kwacha.

Currently, CEPA uses a combination of different software for accounting, which is inconvenient. An upgrade to the more advanced SAGE system is scheduled soon, which should improve the situation on both of the counts mentioned above.

While the overall financial management system seems sound enough apart from the lack of a budget for the organisation as such, attention should be given to the points raised by auditors of various projects. Some of these are mainly technical and should be resolved easily. Such remarks also seem to appear less frequently in more recent audit reports (2006),

indicating that progress is being made. However, a repeated criticism of a tendency to over- and underspend certain budget lines without donor approval needs to be addressed.

7. Sources of funding. The *Biodiversity, modern biotechnologies lobbying and networking initiative at national and sub-regional (SADC) level* formed a substantial part of activities and funding in the early years. Currently (for 2007), the Development Fund is providing intermediate funding for CEPA, until the longer-term relationship between the two organisations is clarified.

Another important source of funding for CEPA is the World Resources Institute (WRI), based in Washington, DC. WRI has supplied funding for various short-term projects (up to one year).

The third source of income is consultancy work, mainly sourced from within Malawi, but still ultimately donor-funded. In 2006 and 2007, such consultancy work includes a project on the impacts of climate change done with ActionAid Malawi, and another project on Economic Partnership Agreements (EPAs), with Oxfam Malawi.

8. Communications. CEPA has no dedicated communications staff or written communications strategy. Main communications activities are its website, an annual newsletter and various reports and policy briefs, all of which are produced by core staff. Graphic design is done in-house. There is currently no systematic media outreach work, although CEPA does obtain some media coverage.

Given CEPA's present size and level of activity, the present attention given to communications work seems adequate. Both the website and the newsletter are of fairly good quality, especially when the resource limitations are taken into account.

9. Networks and position within civil society. CEPA is well-known within the field of environmental advocacy in Malawi, and participates in several relevant networks. It is a member of CURE (Coordination Unit for the Rehabilitation of the Environment), which brings together environmental NGOs, and LandNet, which works on land rights issues. CEPA is also an informal participant in FOSANET and CISANET, which work on food security and agriculture, respectively. CEPA might benefit from closer collaboration with Malawi Economic Justice Network.

CEPA also collaborates with a number of individual NGOs on various issues, including Harvest Help/Find Your Feet and its relevant partners. Recognising that other organisations have better links with grassroots associations than CEPA itself does, the organisation has instead chosen to identify relevant partners that it can collaborate with, for instance on workshops with farmers to discuss the impact of biotechnology policies. This seems to be a well-working arrangement, as it allows CEPA to specialise where it has comparative advantage.

10. Relationship with government. CEPA has acquired a good standing in government circles, and has a good working relationship with relevant government ministries and agencies. CEPA is frequently consulted on various issues, and is in some aspects seen to possess competencies that the government does not have itself. This seems to be one reason why CEPA's ED was included in Malawi's official delegation to the 8th Conference of the Parties to the Convention on Biological Diversity, in Curitiba, Brazil in March 2006.

Recommendations to CEPA

Governance

- CEPA should strive to make sure its own Strategic Plan defines priorities, and the Board should make this a top priority.
- It is crucial that the Board improve its functioning, in order both to ensure strategies are adhered to and to provide an oversight mechanism.
- Over time, it would strengthen CEPA if the organisation were to acquire a broader membership base. However, the need to recruit and maintain a membership base should not become a priority at the expense of other, more pressing concerns, at least not in the short term.

Finance

- There is a need to improve the attention given to the financial status of the organisation as a whole, by having and using an organisation-wide budget. This is essential to ensure proper prioritisation and budgeting for the purposes outlined in the Strategic Plan, and in order to be able to audit the organisation as a whole, not just single projects.
- Recommendations given by auditors in their reports need to be adhered to.
- Realistic budgeting is important. When a need to reprioritise funds does appear, this can usually easily be resolved with the donor.

Institutional development priorities

- Current and future staff should be given opportunities to train and improve their skills, both as CEPA will directly benefit from having a highly skilled staff, and because this might improve chances that staff will stay on even when tempted with better remuneration options elsewhere. Leadership skills should be emphasised both in development of current staff and in new recruits, in order to develop a strong second line management team.
- Over time, and especially if the organisation expands, a better gender balance should be sought among core staff.
- Additional staff should be brought on board as funding allows, in particular to broaden the skills base into such areas as economics, social science, environmental science, advocacy and communications.
- With an increasing level of activity and rising profile, a more strategic approach should be taken to communications, and adequate resources allocated for the purpose.

Recommendations to CEPA's donors

- CEPA has now reached a level of institutional development where the project mode of funding is becoming a severe constraint to its ability to plan strategically and for the long term. Donors should work with CEPA to identify modes of funding that allow CEPA as an organisation room to implement its own strategic priorities.
- The donors should find a way to work with CEPA that allows CEPA more leeway in reprioritising budgets as a project is underway, without having to consult the donor in each case. This could entail establishing a relationship with a local auditor who can advise CEPA on such issues throughout the year, and/or altering the provisions made in projects contracts to make them more flexible.

Recommendations to the Development Fund

- The Development Fund should consider providing CEPA with more long-term core funding, to enable CEPA to achieve its strategic objectives. This need not replace project funding; on the contrary, project funding probably will and should remain an important source of revenue for CEPA.
- For the future of DF's program in Malawi, it would be highly desirable if CEPA works even more closely with the future joint Harvest Help/Find Your Feet/Development Fund program in Malawi. Efforts should be made in the dialogue with both CEPA and within the joint program, to identify ways in which this collaboration can be enhanced.