

옥스팜의 재정 관리와 성과 측정 도구 분석

(Financial Analysis and Performance Measurement of Oxfam America)

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본고는 옥스팜 아메리카의 재정적 건전성과 기관내에서 사용하고 있는 성과 측정 도구에 대해서 살펴본다. 제 1장에서는 먼저 옥스팜이 사업 실시에 필요한 충분한 자원을 소유하였는지 여부, 미래를 위한 자산 축적 비율과 현재 소비되는 지출 비율에 따른 세대간 형평성 정도, 기관의 핵심 분야에 집중적인 지출이 되는지의 여부, 재원의 지속가능성 여부 등을 평가하고 제언하였다. 이를 위해 옥스팜의 3년간 대차대조표, 손익계산서, 현금흐름표, 그리고 기능별 지출서를 통해 유동비율, 장기적 지불능력, 자산관리, 매출이익 비율, 수입 및 지출 비율 등을 계산하였다.

제 2장에서는 옥스팜 아메리카에서 사용되고 있는 성과측정 도구를 조직전체 차원, 지역 사무소 차원, 본부 내 부서차원, 개인적 차원에서 살펴보고, 각각의 레벨에서 현재 성과측정 도구의 장·단점을 고찰하였다. 여기서 분석된 강점과 약점을 바탕으로, 현재 성과측정 도구와 더불어 앞으로 사용할 수 있는 도구로서 미션-자원-역량 모델 (Mission-Support-Capacity) 및 논리 모델 (Logic Model)이 제시되었다. 이렇게 일반적 비영리 기관에서 널리 사용할 수 있는 두 가지 도구와 함께, 개별 기관의 특성을 고려해 사용할 수 있는 옥스팜만을 위한 맞춤형 성과 측정 방법도 논의되었다.

본고에서 제시한 재무관리 및 성과 측정 분석은 먼저 한국의 NGO들에게 활용될 수 있을 것이다. 현재 활발히 국제개발협력 사업을 실시하고 있는 NGO들은 본고에 제시한 케이스를 활용하여 자체적으로 재무관리 및 성과측정 도구에 대해서 점검해 보고 이를 바탕으로 조직의 미션에 맞게 자원과 인력을 일치시키는데 참고할 수 있을 것이다. KOICA에서도 이러한 분석을 통해 국제개발 NGO들의 재정적 건전성과 기관 내부의 평가체계에 대한 정보를 얻고, 이를 앞으로의 민간협력 사업 정책과 운용에 반영할 수 있을 것이다. 특히 지원고려 NGO가 미션에 맞추어 비교우위를 가진 사업들에 재원을 집중하고 있는지, 소규모 신규 기관의 경우 명시된 사업을 실시할 장기적 자원을 가지고 있는 등에 대한 데이터는 지원 대상 및 규모를 결정하는데 유용한 자료가 될 것이다.

This paper aims at assessing Oxfam America from the perspective of its financial management and the performance measurement tools. This analysis suggests a way to conduct a financial and operational performance analysis for international development NGO.

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I. Financial Analysis

ANALYSIS

This section analyzes if Oxfam is financially viable and if financial resources are accumulated, managed, and spent consistently with its mission. The computation is based on Oxfam's balance sheets, income statements, cash flow statements, and statements of functional expenses from 2003 to 2005.

1. Consistency Between Resources and Activities

(1) Liquidity Ratio

Year	Current Ratio	Working Capital	Quick Ratio	Dynamic Working Capital
2005	8.41	48,901,000	0.84	2.40
2004	7.11	29,664,000	0.81	10.67
2003	5.97	28,044,000	2.81	9.79

Ratios indicate that Oxfam has enough resources to carry out its goals. It is described as liquid and solvent and having an appropriate asset turnover ratio. As the table indicates, the current ratio of Oxfam, as a nonprofit, has been very high (6-8) since the rule of thumb of a current ratio is 3. A very high current ratio implies excessive investment in current assets of resources that could otherwise be used to provide more services. An organization such as Oxfam, whose cash flows are very stable over time, can operate with a lower current ratio than one with highly variable ones.

Compared to the current ratio, the quick ratio looks relatively low, meaning that Oxfam has low short-term liquidity¹⁾. However, if highly liquid securities such as money markets are considered

1) Their ability to pay liabilities with the most liquid, cash-like assets is relatively low.

as cash equivalents, Oxfam’s quick ratio in 2004 and 2005 is a little above 3, which is a solvency ratio. According to an interview with Mark Kripp, the Director of Finance, Oxfam’s quick ratio was reduced in 2004 because Oxfam redefined \$11,891,000 of its cash equivalents as investments²⁾. If cash equivalents in 2003 are reclassified as investments in 2004, the 2003 quick ratio would be lower than 2004’s³⁾. A lower quick ratio relative to the current ratio indicates that Oxfam held large investments.

In 2005, the dynamic working capital of Oxfam included about twice as much as the cash generated from operations. The dynamic working capital in 2005 was far less than that of 2004 and 2003. This is mainly because cash expenditures increased far higher (10 times) than the increase in working capital (less than twice).

(2) Long-Term Solvency

Year	Leverage Ratio	Debt to Equity
2005	0.11	0.13
2004	0.13	0.15
2003	0.15	0.18

The relative proportion of debt in Oxfam’s assets is small and decreasing both internally and externally. Their long-term resources are provided a little bit more externally than internally. Oxfam appears to be conservative in its financing; it has liquid assets and little debt. If it wanted to expand, it has sufficient financial capacity to handle more long-term debt.

(3) Asset Management

Year	Asset Turnover	A/R Turnover	Investment Revenue
2005	1.34	0.00	1,393,000
2004	0.79	0.00	629,000
2003	0.80	0.00	1,402,000

Oxfam generates \$0.79-\$1.34 in revenues for every dollar of investment in assets. Oxfam has a small endowment, \$1,568,000, which generates a financial return. However, the organization does not have operating assets, nor does it have sales revenue. The asset turnover rate does not have

2) The 2004 Annual Report says that Oxfam had \$14,782,000 of cash & equivalents and \$17,147,000 of investments. However, this number is inconsistent with their 2004 financial statement which says that they had \$2,891,000 in cash and \$29,038,000 in investments. The reason is that \$11,891,000 of cash equivalents was reclassified from cash equivalents to investments in order to conform to the 2005 presentation. Their 2005 financial statements note that “Oxfam considers all highly liquid debt instruments, including certificates of deposit and money market funds, purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered part of investments.”

3) If the definition of the annual report is used, the quick ratio of 2004 is 3.26.

much meaning for nonprofits such as Oxfam.

2. Intergenerational Equity

Year	Profit Margin Ratio	Return on Fund Balance (ROFB)
2005	24%	37%
2004	6%	6%
2003	6%	6%

The profit margin ratio and ROFB were 6% in 2003 and 2004, but became fourfold and sixfold, respectively, in 2005. Oxfam had a normal rate in 2003 and 2004 but had a very high profit rate in 2005. This is mostly due to their enormous revenue growth in 2005 as a result of the tsunami. The 2003 ROFB ratio was slightly above the inflation rate of 2.3% for that year, so Oxfam made a small transfer to future generations⁴⁾. On the other hand, 2005 saw enough surpluses, due to a 260% revenue growth from the previous year, to preserve the purchasing power of its fund balance so that the current period has consumed some of the reserves generated by prior ones as well as reserves for future generations. In terms of intergenerational transfer, Oxfam shows fluctuations.

3. Match Between Sources and Uses of Money

Year	% Invested in Long-Term Assets	% of Capital Derived from a Fund Balance
2005	6%	89%
2004	10%	87%
2003	9%	85%

Oxfam's sources and uses of money do not match up very well. Although Oxfam's emphasis was always been on long-term sustainable development and structural changes, its revenue growth has historically been linked to periodic major disasters⁵⁾. Oxfam has used this short-term emergency aid for administrative and other service expenses. Yet, the maintenance expenses financed by short-term aid are unlikely to be met in years without major disasters.

Oxfam's only stable and controllable long-term source is earnings from the endowment, but it is not substantial because the size of the endowment is only \$1,568,000⁶⁾. Oxfam typically holds a large unrestricted fund from individuals, which is predictable at around 55%. Yet, some of them are short-term and restricted. In 2005, for example, 40% of total revenues (\$32,272,000/\$79,298,000)

4) Source: U.S. Bureau of Labor Statistics, 2005, Consumer Price Index

5) Cambodia's killing fields in 1979, the 1984-85 Ethiopian famine, the 1991 Bangladesh floods, 1994 Rwandan tragedy, 1998 Hurricane Mitch, 2005 tsunami relief and Hurricane Katrina.

6) Unexpected net appreciation of the endowment is \$1,770,000 in 2003, \$1,784,000 in 2004, and \$1,811,000 in 2005.

were temporarily restricted as humanitarian aid⁷⁾, though it was released from restriction later on. From this, 24 million dollars were spent on humanitarian relief and rehabilitation, and the rest was spent on overhead as well as other programs⁸⁾.

4. Resource Sustainability

(I) Revenue Ratio

Revenue	2005	2004	2003	2005	2004	2003
Contributions	*97.87%	85.82%	83.43%	77,611,000	26,071,000	24,954,000
Emergency relief		10.12%	11.06%	1,402,000	3,075,000	3,308,000
Investments	1.77%	2.07%	4.66%	285,000	629,000	1,393,000
Other	0.36%	1.99%	0.86%		605,000	256,000

* Contribution including \$30,000 in temporarily restricted South Asia Earthquake (Tsunami) contribution.

Oxfam's revenue dispersion has been declining since there is too much concentration. Contributions from individuals account for 83% of revenue in 2003 and even increased to 97.87% in 2005, while the portion of investment income is decreasing.

Sources of funds	2005	2004	2003
Individuals	73.0%	65.0%	67.1%
Foundations & Oxfam affiliates	14.0%	15.0%	16.6%
Corporations	7.7%	11.0%	2.3%
Interests and others	2.1%	4.0%	5.5%
Special events	2.0%	3.0%	1.3%
Bequests and legacies	1.1%	11.0%	3.9%
Overseas development assistance	0.0%	0.0%	3.3%

Oxfam's funding sources are highly concentrated on individuals, foundations and Oxfam affiliates. 2004 saw more diversified sources with considerable amounts from corporations and bequests. However, in 2005, over two-thirds of revenues are received from individuals, and almost 90% of funding was from two major sources. Having many smaller donors may be a good diversification strategy, while having a few large ones can be risky as they can move on to new

7) Later on, the funds were released from restrictions.

8) General management increased slightly from \$2,242,000 in 2004 to \$2,576,000 in 2005. Fundraising costs increased greatly from \$5,157,000 in 2005 to \$7,298,000 in 2005. In terms of programs, expenses in public education doubled. Expenses in regional programs increased by \$3,664,000; and policy advocacy slightly increased by \$1,099,000.

causes.

Overall, its lack of diversification could put Oxfam at substantial risk in the event of a sudden economic downturn. In addition, international development giving is a bit news-driven, as when there is a large variation of funding based on a major disaster or a scandal. Consequently, the Board of Directors has adopted a policy of maintaining a cash reserve sufficient to insure the continuity of Oxfam America’s programming in years of revenue shortfall⁹⁾.

(2) Expense Ratio

Expenses	2005	2004	2003	2003	2004	2005
Regional programs	28.00%	46.18%	46.73%	13,065,000	13,144,000	16,808,000
Humanitarian	41.21%	9.82%	12.06%	3,373,000	2,796,000	24,737,000
Public education	9.54%	11.74%	10.72%	2,998,000	3,343,000	5,728,000
Policy and advocacy	4.80%	6.26%	6.70%	1,873,000	1,783,000	2,882,000
Total program	83.55%	74.01%	76.21%	21,309,000	21,066,000	50,155,000
Management and general	4.29%	7.88%	6.51%	1,819,000	2,242,000	2,576,000
Fundraising and member recruitment	12.16%	18.12%	17.28%	4,833,000	5,157,000	7,298,000
Total support	16.45%	25.99%	23.79%	6,652,000	7,399,000	9,874,000

In terms of overall spending, the focus on regional programs in the past years was shifted toward humanitarian relief in 2005. Policy and advocacy, Oxfam’s most specialized programs, have been gradually experiencing downturns. This raises questions about whether resource allocation is aligned with Oxfam’s major mission and capacity.

The fundraising costs remain high for Oxfam America which does not accept government grants despite its reduction in administrative costs by 16%. Program support saw a small decrease in 2004 but increased largely in 2005.

RECOMMENDATIONS

1. Oxfam seems to operate with conservatism. Oxfam’s large current ratio would be part of its effort to be prepared for unexpected revenue shortfalls since it does not have diversified sources. However, it has many assets for the level of services it is delivering; thus, it can

9) Oxfam America Financial Statement 2004

- aggressively deliver many more services for its asset level.
2. Oxfam has experienced rapid growth for the past 10 years, from \$13 million in 1995, to \$25 million in 2000 and \$79 million in 2005. Asset management is particularly crucial in periods of rapid growth when organizations tend to show weak asset management practice¹⁰⁾. The management's attention can be focused on the new activities and not on creating the necessary support systems. This also brings concerns that there may not be sufficient staff and systems to deliver high quality services.
 3. Instead of using short-term disaster relief funds on long-term operational expenditures, Oxfam should consider increasing long-term sources of money, such as endowments and fixed assets. Since it has a higher proportion of its capital derived from a fund balance, it can afford to invest in long-term assets or additional services.
 4. An organization should have several different funding streams in case one declines. Although Oxfam's income from a large pool of individual donors is stable, options for growth are limited with growing costs and diminishing returns. Oxfam would remain vulnerable when donors compare it with other international development agencies with very large government grants that come with low fundraising costs. Thus, Oxfam should develop major gifts fundraising which has a lower cost per dollar raised¹¹⁾. Also, fundraising costs would drop off by investing in new technology and skills such as online relationship building and Internet Campaign organizers¹²⁾.
 5. Resources for key programs such as policy advocacy have not grown with the pace of humanitarian relief. This suggests that Oxfam should make an effort to attract resources to fulfill their mission, which is long-term development. If Oxfam depends on sporadic relief donations, their organizational focus would move toward crisis relief even though it is not their major mission and strength. Therefore, Oxfam needs to develop a compelling case for rights-based development and campaigning for social justice to attract funds from multiple donor segments.

1 0) Regina Herzlinger & Denise Nitterhouse (1994). *Financial Accounting and Managerial Control for Nonprofit Organizations*, South-Western Educational Publishing.

1 1) This includes money raised from Oxfam affiliates, foundations and corporations, planned giving and individuals \$10,000 and up.

1 2) In times of major humanitarian emergency, online fundraising will be cost-effective and efficient.

II. Performance Measurement

ANALYSIS OF CURRENT PERFORMANCE MEASUREMENT

Oxfam America has the following performance measurement instruments.

1. Regional Level¹³⁾

As a grant maker, Oxfam America has adopted flexible and multiple approaches to evaluation, based on the need to develop effective partnerships with local organizations¹⁴⁾. The decision making and autonomy of field representatives is emphasized, rather than very close monitoring and direct control over project implementation. Oxfam's Program Analysis and Research Unit has implemented an evaluation design, which is built on extensive consultation with partners to ensure their ownership over the projects. This involves workshops to determine the partners' perceptions and to identify the information needs of all the stakeholders.

Strengths

1. Oxfam's evaluation tool can achieve downward accountability as it encourages local partners' participation in framing evaluation.
2. This collective evaluation engenders organizational learning because it provides a more comfortable environment for partners to acknowledge their problems and criticize Oxfam as the funder.
3. The participatory approach to evaluation will not generate information on impact in the immediate future, but outcomes in the long run.
4. Small NGOs' limited resources would not be stretched too thin to have a meaningful impact.

13) Central America, South America, Africa and South Asia.

14) Program offices primarily provided grants to partner organizations, typically local NGOs that provided direct services and other grants to the Oxfam affiliates.

Weaknesses

1. According to the interview with Jeffrey Ashe, Manager of Community Finance, typically Oxfam has many regional offices with different directions and without too much expertise and impact. Without clear evaluation, it has been hard to measure which programs work and which do not. A lack of explicit standards may lead to confusions about desired outcomes. Further, with a deficient monitoring system for fraud, the possibility of fraud occurring may be increased. Losses amounting to \$22,000 in tsunami relief work in the Meulaboh office this month illustrate accountability problems due to the lack of monitoring capacity.
2. Few local partners think of evaluation strategy as a part of their grant proposals when not required. In the survey of Sandra N.W. Ng, Program Planning and Evaluation Specialist¹⁵⁾, only 3 out of 40 projects include an attempt to develop an explicit monitoring and evaluation strategy with indicators or benchmarks.
3. The current evaluation tool can result in the absence of recordkeeping and cause difficulties in inter-organizational knowledge exchange. Didier Jacob gave an example of this problem. A staff member in the South Africa office said to him that “There are only two, me and her knowing about the project in our office. Now, she left, so I am the only one knowing about the project and I should write out something about it before I leave.”
4. Allison Davis in the Learning, Evaluation and Accountability Department (LEAD) points out that not many resources were devoted to monitoring and evaluation so that program officers feel that they cannot devote their grants to evaluation but somebody outside should do that for them.

15) Global Program Advocacy Grants: What Do They Tell Us About Evaluating Advocacy?

2. Program/Department Level

Oxfam's evaluation is decentralized. It is useful for each program unit to map out their objectives and outcomes grounded on their own realities. A flip side of this is self-reinforcing evaluations in a silo way; too few coordinated programs cause inefficiency. For instance, the marketing group complained that they were never consulted on programming decisions, although such decisions affected their fundraising abilities¹⁶⁾.

The use and development of measurement tools varies from unit to unit. Tangible service delivery units, such as microfinance, have concrete evaluation tools that they have actively utilized for the improvement of their programs. However, the rest of the programs have less-developed and unclear measurement tools, according to Didier Jacob, Special Assistant to the President's Executive Office. He pinpointed that the nature of campaigns and advocacy toward policy change is hard to measure due to its intangible benefits, expensive costs, and country-level (not household-level) outcomes. Even though family law in Mozambique has changed, it is hard to know whether individuals benefit from it and how much Oxfam has contributed, said Jacob.

An example of program level measurement employing a logic model does exist. However, resources in the logic model are not specified, but more narrowly defined in monetary terms. In addition, their standard list of activities and outputs show that Oxfam has been more focused on two particular processes of the logic model: activities and outputs. However, the outcomes and impact have not been specified. It is also focused on quantifiable numbers; thus, this model would be hard to apply to the advocacy field.

3. Individual Level

There is an annual individual performance evaluation. Individual staff members come up with their own set of objectives, and they review the criteria and accomplishments with their supervisor. Individual work plans include objectives and measures of performance which are further broken down into impact, activity, and capacity [Exhibit 1]. Reviews of individual performance affect their promotion or even firing, according to Ashe.

As Vinod Parmeshwar, Community Finance Specialist, said, there is a lack of learning and growth opportunities for staff. Staff members with bachelor' degrees might find training opportunities such as language or job training classes useful. However, for highly professional staff, they can easily learn their duties and may not have much intellectual stimulation after a couple months. That is why there is a high staff turnover, especially for those with advanced academic degrees. Another problem is that Oxfam is flat and does not have many higher professional levels of

16) Reynold Levy & Daniella Ballou (2002), Oxfam America in 2002, Harvard Business Publishing.

responsibilities. Yet, it is not small enough for staff to work in other department without specialties.

Staff members feel good about their missions. However, they do not have comprehensive knowledge of performance measurement as an organization. They are not aware of what criteria other departments use and how these are related to each other.

4. Organizational Level

Traditionally, performance measurement is anecdotal, not systematic, self-serving and not often used; evaluation was isolated with planning and budgeting processes. Across the organization, there are few peer group reviews of program achievement¹⁷⁾. Jacob describes the situation: “Oxfam has imperfect measurement but only enough to raise funds.” Many strategic and business planning documents are more like a laundry list of what Oxfam wishes to do.

Six months ago, with the new leadership of Senior Vice President John Ambler, the new LEAD unit of six members was created. This is a reflection of the Board’s concern that Oxfam is doing a lot of things but has not been effective or has concrete criteria of measurable impact. The LEAD unit is now preparing a new Annual Participatory Planning and Learning Exercise (APPLE). APPLE is an annual agency-wide program review to develop program effectiveness, program-priority driven planning and budgeting, and high standards of internal accountability. Celeste Bettencourt, Outreach Program Assistant, states that recently there has been a lot of talk going on about evaluation because of the upcoming organization-wide workshop.

Oxfam’s stakeholder survey is carried out rarely to listen to stakeholders’ views and concerns. The Annual Report is another tool for reporting to donors and supporters their activities and financial performance.

A major weakness at the organizational level is that evaluation is not conducted at the macro-organizational level under unified guidelines. In other words, the organization evaluates the outcome of each program, but does not systematically think about whether a particular program is necessary, and if it is, why, according to Davis.

Another shortcoming is that learning from individuals or each program unit has not been fed back into organizational learning and decision making. Data and reports are sitting on the shelves and not commented on by others. Consequently, decision making is not based on performance measurement or data, so it discourages evaluation-oriented people and programs. It is also noted that external consultation does not exist.

RECOMMENDATIONS

Recommendations can be made based on three frameworks.

17) Last year, for the first time, two main departments evaluate each other through the process.

- (1) The integrated Mission, Support, Capacity (MSC) and Public Value Scorecard (PVS) frameworks
- (2) A logic model as applied to an advocacy program
- (3) The Oxfam-specific framework

1. Integrated MSC and PVS Frameworks

First of all, Oxfam can pursue an alignment among its organization-wide mission, support, and capacity Venn diagram. Through the framework, which of these three key attributes are strong or weak can be determined¹⁸⁾. This will further help Oxfam determine which of these areas needs additional entrepreneurial experience to move them into the middle. Considering that Oxfam does not have any organizational level measurement, it will find the MSC framework particularly useful. MSC will enable organization-wide priority setting mechanisms. Oxfam can reorient its expertise and support into selected issues and geographical focuses deemed to be of major significance to the alleviation of poverty and the pursuit of justice. MSC will also help each unit to coordinate their individual tools to maximize the organization’s mission. The following table is an example of the MSC framework.

MISSION/PUBLIC VALUE CREATION	
Strengths	<ul style="list-style-type: none"> • Mission/Vision <ul style="list-style-type: none"> - Public value creation by eliminating root causes of poverty and social injustice - Rights-based approach - Capacity-building approach • Strategic goals: Shift to a clear focus on campaigning and learning organization • Links among goals, activities, outputs and outcomes: Oxfam International’s five human rights (goals)¹⁹⁾ corresponding to Oxfam America’s program and geographical clusters²⁰⁾
Weaknesses	<ul style="list-style-type: none"> • Loose link between objectives and activities <ul style="list-style-type: none"> - Having too abstract, big and ambitious objectives, such as poverty eradication, and equity, which do not coherently relate to specific activities (e.g., Why is the Fair Trade Coffee campaign specifically chosen to address the right to a sustainable livelihood?). - Following Oxfam International (OI)’s aims and operating as part of the OI confederation. However, not always in agreement with other affiliates on strategy or tactics regarding U.S. government policy. • Loose link between objectives and impact: No apparent linkages between advocacy objectives in DC and the realities and impact on the regions

18) Robert Kaplan & Dutch Leonard. (2005). *Aligning Mission, Support, and Capacity in Public Sector Programmes*, Harvard University.

19) The right to a sustainable livelihood, the right to basic social services, the right to life and security, the right to be heard, and the right to an identity.

20) Program Strategy 2004-2006

SUPPORT/AUTHORIZATION

Strengths

- Constituency
- **Funders:** Oxfam’s ability to build a large, loyal, and primarily unrestricted donor base (270,000)
 - **Volunteers:** 100 volunteers and interns in Boston and Washington, DC offices, accounting for 10,000 hours of volunteer work
 - **General public:** Building a grassroots base of public support such as eActivists and student leaders
- Visibility
- **Visibility with the general public:** Known as an innovative international development organization
 - **Reputation with media:** Coverage in liberal and elite publications such as the New York Times, Wall Street Journal, NPR and the Washington Post
- Credibility
- **Credibility with civil society actors:** Collaborating with major NGOs²¹⁾ in support of issue campaigns and a rights-based approach.
 - **Morality:** Gaining trust in developing countries since OA has decided not to take government funding to maintain its independence both in reality and perception²²⁾.

Weaknesses

- **Relationship with government regulators:** Reluctance of the U.S. government to adopt Oxfam’s rights-based approach.
- **Visibility:** Small brand awareness with only 24% name recognition²³⁾
- **Relationship with mission:** Growth in support not specifically for policy advocacy but for humanitarian emergencies
- **Constituency:** Need to address the unique attributes of the US audience

2 1) CARE, Save the Children, MSF/Doctors Without Borders, World Vision and Plan International

2 2) Reynold Levy & Daniella Ballou (2002). *Oxfam America in 2002*, Harvard Business Publishing.

2 3) Source: Oxfam America, Brand Recognition: Planned Parenthood - 96%, NOW - 86%, Greenpeace - 84%, Amnesty International - 76%, Sierra Club - 72%, Oxfam - 24%

CAPACITY

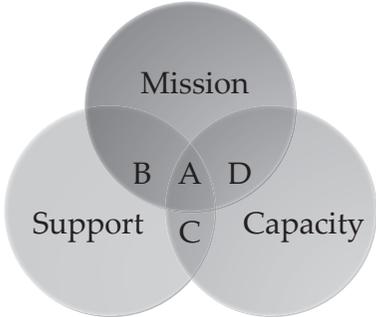
Strengths	<ul style="list-style-type: none"> • Organization outputs: Changes in 1) people's well-being, 2) institutions and policies and 3) beliefs and values • Organizational learning and innovation: Recent management driving toward a learning organization • Partners' morale, capacity, and development <ul style="list-style-type: none"> - Strong cross-affiliates with the 12-member Oxfam confederation and strong presence of Oxfam Great Britain - A large number of local partners
Weaknesses	<ul style="list-style-type: none"> • Productivity and effectiveness <ul style="list-style-type: none"> - Lack of expertise in many geographical or thematic areas to create development program packages - Ad-hoc cross-functional collaboration - Time-consuming demographical participatory ethos • "60s style street activism" discouraging group's greater professional orientation²⁴⁾ • Staff development and capacity: Difficult to build a skill base at OA <ul style="list-style-type: none"> - Passion for the mission and generalist perspectives had historically been valued more than professional and specialist skills²⁵⁾ - Understaffed DC office to conduct research and media communication capacity to serve their growing advocacy agenda²⁶⁾ • Technical development <ul style="list-style-type: none"> - Outdated gift database and separate database across the organization - Not taking advantage of advanced market research in the U.S.

24) Reynold Levy & Daniella Ballou (2002). *Oxfam America in 2002*, Harvard Business Publishing.

25) Reynold Levy & Daniella Ballou (2002). *Oxfam America in 2002*, Harvard Business Publishing.

26) Reynold Levy & Daniella Ballou (2002). *Oxfam America in 2002*, Harvard Business Publishing.

Based on an assessment at the agency-wide level, it is found that Oxfam’s mission has considerable social value and that their constituency and allies generate substantial support for their programs. However, their human and technical capacity to deliver wide-range ambitious programs is inadequate. Therefore, Oxfam falls in region B in the MSC Venn Diagram, and needs to move itself into region A.



<Mission-Support-Capacity Venn Diagram>

2. Logic Model as Applied to a Policy Advocacy Program

Throughout the interview, it is found that the nature of advocacy and campaigning work is not easy to measure, and thus Oxfam lacks adequate performance measurement tools in this area. A sample logic model for the policy advocacy program is provided below.

Resource/Input	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> • Situational or power analysis context-specific to its target population, issues and regions • Data • Grant-making • Identify partners • Negotiate grants • Administer grants • Review reports 	<ul style="list-style-type: none"> • Research • Media • Popular Mobilization • Lobbying • Alliance-building 	<ul style="list-style-type: none"> Quality and quantity • of grants funding activities carried by partners • of research reports and policy briefs related to the objects • of media stories related to the objective • of new activists, supporters and the people’s degree of awareness • of face-to-face meetings with advocacy targets 	<ul style="list-style-type: none"> • Policy changed and relative law passed • How does the change affect individual behavior, attitude and value? • Who are the beneficiaries? 	<ul style="list-style-type: none"> • Long-term sustainable change • Change in power relations • Ripple effects

It should be noted that attainment of organizational goals is difficult to measure in the case of policy advocacy or empowerment²⁷⁾. For an organization whose goals are more process-oriented (such as justice and equity), goal-oriented measurement may not adequately capture all the values they produce. In this case, more process-oriented measurement can be employed.

To measure outcomes, Oxfam can utilize mixed methods of quantitative and qualitative surveys. A focus group or interview with multiple stakeholders and experts may be additionally held. They can also quantify qualitative data by averaging peoples' responses. Representative sampling will increase internal and external validity.

Considering impact measurement, Oxfam can use indirect methods of measurement for their public value creation. For instance, Oxfam can assess its ability to bring resources together from the extensive public support for Oxfam's fight for rights. They can also measure the ripple effects of their influence in other major agencies in the same industry. A good indicator of the ripple effect is to see if other organizations in the same industry use the same language as Oxfam such as "rights-based approach"²⁸⁾. At the macro level, the long-haul effect of their programs can be also demonstrated with the direction of development.

3. Oxfam-Specific Framework

(1)Regional Level

The process of creating an evaluation framework for regional programs should be participatory, to ensure downward accountability and long-run impact. However, what needs to be accomplished (*results*) should be clear. Oxfam needs to help local partners that have shared, simple, self-replicated, and measurable goals. In order to do so, Oxfam has to provide substantial knowledge and resources devoted to evaluation. Evaluation should be a mutual learning process rather than a sanction.

(2)Programs and Organization

An interview of five members uncovered that there is a shared belief and culture at Oxfam: that "The world is so big and varied that any given strategy has to be flexible" However, having many objectives should not be confused with having various strategies. Strategies and activities should be flexible and context-specific, whereas goals and objectives should be boiled down. OA cannot

27) Alnoor Ebrahim (2005). Accountability Myopia: Losing Sight of Organizational Learning, *Nonprofit and Voluntary Sector quarterly*, vol. 34, no. 1, March 2005 56-87

28) International NGOs such as CARE, Save the Children, and World Vision adopted Oxfam's approach while USAID, World Bank and UN are not yet practically adopted the approach.

address all the development and human rights issues. Therefore, they should narrow down which objectives they want to be focused on and have experience in to have a significant impact.

In order to address incomplete incorporation across units, an agency-wide matrix framework should be introduced wherein Oxfam can incorporate the planning, budgeting, and evaluation processes together. Within the framework, the organization should shift from a project-oriented model focusing on activities and efficiency to a program- and performance-oriented model focusing on impacts, efficiency, and quality. Also, peer group review should be adopted extensively to improve horizontal and vertical integration across regions, teams, departments, and units.

Performance measurement can be a learning opportunity when internal management decisions are made based on performance. Externally, donor education should be developed so that key decision makers can learn with the organizations. Publishing an Annual Program Impact Report, which lays out a comprehensive overview of the performance and impact of Oxfam's programs²⁹⁾, will be one of the practical ways to educate donors.

(3) Individual Level

If Oxfam identifies lessons through performance measurement, it will be able to promote staff development and reward professionalism. This will contribute to increases in the productivity and efficiency of the organization.

29) Oxfam Britain published the Program Impact Report.

[Exhibit 1] Individual performance evaluation

Performance Objectives	Measures of performance		
	Impact	Activity	Capacity
	What will you achieve?	How will you achieve it?	What skills or resources are required?
<p>Objective 1</p> <p>A) Develop the overall strategy for Saving for Change (SfC) and develop a comprehensive plan for carrying it out.</p> <p>B) Build support for within the agency at the Board, staff and regional office levels.</p> <p>C) Mobilize the necessary funding to implement the agreed on plan.</p> <p>Linked to objective 1.2 in Agency Business Plan</p>	<p>A) Strategy and specific objectives will guide work of team and clarify priorities and scheduling.</p> <p>B) Informing the Board, ELT and staff will build the needed consensus for continuing to develop the Initiative.</p> <p>C) Adequate funding will enable SfC to meet its objectives.</p>	<p>A1) Write update of the SfC strategy incorporating experience from SfC field projects and projects elsewhere.</p> <p>A2) Complete performance objectives and budget document for SfC for Mali, Senegal and Cambodia.</p> <p>B1) Three meetings with the CF Board Committee during the year. Present SfC at the June Board meeting</p> <p>B2) Meet with ELT when CF team visits Boston and as requested.</p> <p>B3) Two “Brown bag” presentations for Boston staff.</p> <p>B4) SfC page created for the Oxfam website and updated quarterly. Quarterly performance data and summaries circulated and posted on the intranet.</p> <p>B5) Visits to the South America and Horn Regional Offices to assess current projects and present SfC.</p> <p>C1) Develop SfC package for potential donors and foundations incorporating periodic updates including revising the Mali video, commissioning the Cambodia video, preparing a photo gallery, developing documents for package, preparing regular updates, etc.</p> <p>C2) Work closely with Regional directors.</p> <p>C3) Carry out major donor/Board field trip to Mali and/or Cambodia.</p> <p>C4) Pursue foundation and donor contacts as they emerge.</p> <p>C5) Build existing relations with Stromme and other funding sources through regular meeting and periodic updates.</p>	<p>LEAD: CF Manager</p> <p>A) Current skills and staff resources adequate.</p> <p>B) Current skills and staff resources adequate</p> <p>C) Contract consultant (s) to help develop package/ materials for presentations, web page, follow up on leads, organize donor Board trip, etc.</p>

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