THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA

Building bridges between China and the World: How CANGO contributes to poverty alleviation and civil society building through international cooperation

An interview with Huang Haoming, Vice-Chairman & Executive Director, China Association for NGO Cooperation

This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.

Dr Andreas Fulda is an academic practitioner with an interest in social change, organisational development and documentary filmmaking.

During the past ten years Dr Fulda has helped design and implement three major capacity building initiatives for Chinese CSOs: the *Participatory Urban Governance Programme for Migrant Integration* (2006-07), the *Social Policy Advocacy Coalition for Healthy and Sustainable Communities* (2009-11) and the *EU-China Civil Society Dialogue Programme on Participatory Public Policy* (2011-14).

Dr Fulda is also the editor of the book *Civil Society Contributions to Policy Innovation in the PR China* (Palgrave Macmillan, April 2015).

Contact: a_fulda@yahoo.com uk.linkedin.com/in/andreasfulda/

Highlights from the interview

CANGO does not receive any government funding. Secondly, CANGO's main funding sources come from domestic and international foundations. Corporate funding is still quite limited, according to our statistics it only accounts for about 3%.

In terms of collaboration models, CANGO has currently three models. In the first model the CANGO headquarters implements a project directly. The second model is to leave the implementation to other organisations, which is more of a multi-entry partnership model. The third model is to implement a project together with another organisation. Take the Green Commuting Fund and the Green Commuting Fund Network for instance. We implement these together with the American Environmental Defense Fund.

If your project funding comes too easily, you may not give it enough thought. This is why marketisation is the new development direction. I think it is correct to say that a market mechanism allows for the allocation of resources. For example the Ministry of Civil Affairs has supported disabled persons service and support projects. This is part of the government's procurement of services.

In terms of our understanding of civil society we think that the right to associate is a key element. This is something that is enshrined in the constitution. There is also a link between civic associations and culture. Unlike Europe and America, China does not have a long history of associations. Furthermore, in comparison to the West there are cultural differences in the way associations operate in China, which is related to the issue of basic rights of citizens.

I think that if you look at something from the societal perspective, whether it is nativisation or internationalisation, these are all processes. The way our understanding is constituted we should not overemphasize either one of them. We need to look more systematically at the link between internationalisation and localisation.

In the case of successful projects we need to look at factors such as feasibility studies and feasible project design. The second success factor is related to implementing capabilities. The third factor relates to the partners. The fourth is about sustainability. These four standards are key.

This interview was conducted by Dr Andreas Fulda in Beijing, China on 9 July 2014. Translated by Sujing Xu and Andreas Fulda.

Interview transcript | Huang Haoming

Andreas Fulda (AF): Which of the three sources of funding, a) government funding, b) foundation funding and c) corporate funding are most common in CANGO?

Sources of funding

Huang Haoming (HHM): First of all CANGO does not receive any government funding. Secondly, CANGO's main funding sources come from domestic and international foundations. Corporate funding is still quite limited, according to our statistics it only accounts for about 3%. There is actually another funding source, which you did not mention. It is CANGO's service income by providing service charges, such as management fees, staff costs and project finance.

AF: Do you apply for funding on your own or do you partner with Chinese CSOs (e.g. GONGOs/grassroots NGOs), e.g. in the case of compulsory competitive tendering bids?

HHM: The two types you mentioned are both applicable to CANGO. In terms of grant allocations, it depends on the project design. Take the EU-funded project "Employment Promotion and Rights Protection for Women Migrant Workers in Beijing" for instance. We allocated the grant while we designed the project, so there were not so many contradictions. Also in the case of another European project on volunteerism, the application was very clear. Both the European partner and CANGO knew how much money we could allocate for both partners.

AF: What do you think are the advantages and disadvantages of a single entry partnership model or a multi-entry partnership model of two or more partners?

Partnership models

HHM: In terms of collaboration models, CANGO has currently three models. In the first model the CANGO headquarters implements a project directly. This is the case with our capacity building projects. When implementing projects this way the financial management is relatively simple and low risk. The disadvantages of this model are that we have a lot of workload and need to be very careful. There should be no problems because we will be audited in the end.

The second model is to leave the implementation to other organisations, which is more of a multi-entry partnership model. In the case of some of our projects in Xinjiang or Qinghai, the distances are quite far and it is not practical for us to implement them directly. Thus, we entrust local partners to implement these projects. We give priority to CANGO members, followed by recommended partners. It is relatively simple from the management perspective if we leave the implementation to other organisations. This way we are just responsible for the monitoring of the project, including managing the project procedures, project auditing and supervision as well as financial auditing and supervision. However, the second model can be risky. If we choose the right partners, the risks are relatively small. If the partners we choose are not that reliable, they may make mistakes during the project implementation.

The third model is to implement a project together with another organisation. Take the Green Commuting Fund and the Green Commuting Fund Network for instance. We implement these together with the American Environmental Defense Fund. For this model, it takes a long time at the designing stage of a project, because both sides need to consider the project goals and strategies, which can differ in different organisations. Therefore, it needs a kind of run-in period (mohe), which takes longer than other models. However, the advantage is that once the run-in period is over, it is quite effective in terms of implementation. The goals and responsibilities are also clearer that way. Moreover, the costs are relatively easy to control too as both sides can continuously communicate and consult with each other.

AF: Do you see any changes in terms of the cooperation styles between Chinese and international organisations during the past five years?

HHM: This is a good question. When we collaborate with some European organisations or European people, for instance yourself, the communication is effective and efficient since we are familiar with each other. However, when we collaborate with new organisations that CANGO does not know well, the collaboration gaps can be quite big in terms of management approaches, including project monitoring, financial monitoring and funding monitoring, etc. This is the first point.

Secondly, there are cultural differences too, which actually are quite considerable. For instance, European, Asian and Chinese people tend to do things differently. If the staff are on holiday on the European side, the project can not run since the holiday time is sacred. Whereas in China, if someone is on a vacation, other colleagues will cover the person's tasks.

Cultural differences

Thirdly, changes to the way we collaborate also depend on the project goals. Of course they can also depend on project outcomes. These two models are different. I think that these kinds of changes are challenging for CANGO, including in terms of the capacities of our staff. New staff need to get familiar with such changes and continuously learn and train.

AF: Do you feel that foreign foundations as well as bi- and multilateral organisations sometimes set the project goals too high? Do you communicate with them about such issues?

HHM: This is actually caused by the fact that both sides do not know each other's national situations or differences well enough. When we say the goals are too high or too low, it is because these international organisations do not know China's situation. I do not think that goals are often set too high. It is more about whether or not we are able to implement. We emphasize feasibility. If a project is not feasible, even with low goals, it can not be implemented. I think there is a difference on both sides in this matter.

Knowing China

AF: To what extent has the growth and maturation of Chinese civil society led to a market of CSOs competing for funding? Do you make good use of the market mechanism to allocate resources?

good use of the market mechanism to allocate resources?

HHM: I think that the marketisation is quite a good method. In China we now have a new word called 'forced mechanism'. You need to adjust objectives, and in case your capabilities are not good enough, you need to improve your capabilities, which leads to a good performance. Secondly I personally think it is a good thing and also more scientific if an organisation increases its core competitiveness through bidding or other market mechanisms. This way project design and project management are being taken more seriously. If your project funding comes too easily, you may not give it enough thought. This is why marketisation is the new development direction. I think it is correct to say that a market mechanism allows for the allocation of resources. For example the Ministry of Civil Affairs has supported disabled persons service and support projects. This is part of the government's procurement of services. When we discussed this bid with our local partners we had a very clear idea about our respective funding needs. This is why I think that the market mechanism is more scientific. The downside is that it still does not prevent the misallocation of funds. The cooperation partner should not use funds to fill its coffers. After all, this is a public fund. It is does not originate from a company or institutional organisation (shiye danwei) or from a civil society organisation itself. It is a public fund. This is an obstacle on the local partner level. On the other hand there are also obstacles in the way the government treats the taxation issue; they treat you like a company.

Marketisation

AF: Meaning that they do not provide any management fees.

HHM: Exactly. The government has not gone down the route of full marketisation. To some extent they use the market, but in other ways they don't. This is the phenomenon we can observe right now.

AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?

Civil society

HHM: In terms of our understanding of civil society we think that the right to associate is a key element. This is something that is enshrined in the constitution. There is also a link between civic associations and culture. Unlike Europe and America, China does not have a long history of associations. Furthermore, in comparison to the West there are cultural differences in the way associations operate in China, which is related to the issue of basic rights of citizens. The second point I would like to make is that principle of civic respect and understanding. When CANGO provides services to our groups or when we do fundraising with donors we insist on the principle of equality, the principle of mutual respect. We do not think that donors are giving a gift; that is not what we are advocating. What we advocate is that donors and groups that receive services both need to be respected; it is all about mutual respect. This is what we consider a working requirement and fundamental principle. My third point is that civil society really is a social collective (gongtongti) where different interests are part of the game. We often characterise associations as being based on common interests or shared objectives and missions. But in practice this is not always the case. We can observe some variations in terms of how democratic citizen organisations are or how mutually respectful citizens act within these organisations. Sometimes we can even see cases of mutual discrimination—all of this exists. I think that civil society has three big elements: the first one being rights, the right to voluntarily participate or not participate. Secondly, it requires respect and equality. Thirdly, it is about the games of interest groups aiming at a new objective.

AF: Do you think that civil society building over time could help overcome the problem of low trust in China's society? First of all I am curious whether you agree with this point of view. If you do, do you think that it is possible to increase the levels of trust in China through citizen behavior and actions, leading to more trusting relationships between people?

HHM: I partly agree with your assumptions, but not fully. The reason is that China has a long history of feudalism, which dates back 2400 years. So in terms of the interactions among citizens, the basis was the family made up by family members. So the family is the foundation of civil society. We are talking about kinship here. So how come there is a lack of trust? In fact Chinese society has undergone changes. What kind of changes? Due to family planning, the structure of Chinese families has changed. Urban families tend to only have one child. Of course in China's countryside you can see families with three or four children, but overall the structure of families in China has become smaller. I think that the impact of families is on the decline. In the past it formed the firm foundation of society and the foundation of trust was the family. Families would then transmit to society. This is no longer the case these days. Families have become smaller and the interaction and trust with society has changed. China has become a society in transition and there is a crisis of trust. The reason is that some of the links no longer exist. An only child will not experience aunts or uncles or other family relatives. People in our generation still have them, but the generation of my daughter certainly will not have them. They are all the only children and do not enjoy these kind of family ties. This is one element.

Issue of trust

Let me talk about the second element, which explains why I only partly agree with your assumption. Trust has been affected by the import of market competition. The pursuit of money and a better of quality of life and social values is understandable. On the other hand, in this pursuit many traditions have been forgotten and the issue of low trust has emerged. For example think of three children disputing about the property and estate of parents. But why do I not fully agree with your assumption? When there is only one child, this dispute no longer arises. In this case trust is like a curve, it is not totally flat or straight. Trust levels may go up and then down and then up and down again. This is why I think that the debate about low trust society is not totally accurate. It makes some valid points, but there are also some aspects of the debate that neglect the factors of a Chinese culture in transition, a society and population whose structure and resources are changing, and an external environment which has led to a crisis of trust.

AF: My next question is related to the issue of under-resourced NGOs and how this can affect community development. Whether it is a rural or urban community or any other kind of group of people which requires services, if they can not rely on the support of the government, and enterprises and also NGOs lack resources to help them, this could be a real issue.

Communities

HHM: Let me first talk about communities. Thirty years ago communities were very simple. You had all sorts of compounds, for example the university compounds, office compounds, factory compounds and military compounds. In addition there were places like Beijing's hutongs with their hutong culture. At that time communities were relatively simple. This is no longer the case these days. With the development of the market economy, the community structure has become much more integrated. Its composition is no longer unitary but pluralistic.

My second observation is that there is a widening wealth gap. During the Maoist period there was not much of a wealth gap in communities. With the development of new communities, the wealth gap has increased.

My third point relates to the relationship between new and old residents. There exist conflicts between migrant workers and the original residents. These three factors together have led to changes in Chinese communities. But let me get back to your question about the problem of under-resourced grassroots organisations.

Society of acquaintances

In a unitary community it is possible to mobilise the community rather quickly, since it is a society of acquaintances (shuren shehui). These days it is no longer a society of acquaintances but a pluralistic society, a society marked by a great disparity and wealth gap. All of this leads to conflicts in society and makes it harder for NGO to raise funds since trust levels are not only changing but on the decline.

AF: I have interviewed several foundation leaders who would like to see private foundations in China to become public fundraising foundations. They also expressed their hope that NGOs should be able to publicly raise funds. But based on what you just said this could be quite difficult, since a lot of citizens may not trust civil society organisations. Are you aware of some good practices and ways how NGOs can increase the public's trust in them?

HHM: This topic is quite big. In general, whether levels of trust in China are high or low is directly related to changes of societal structures. For instance, China's external environment has changed quite a lot in comparison with the China of thirty or forty years ago. This is the first difficulty.

Secondly, information gathering among people who are able to gain information and those who do not get the information is imbalanced due to information technology. This is the second difficulty that affects Chinese society.

Thirdly, the changes of social structures and imbalanced information consequently caused a distance among people. This distance is the reason why people choose to use WeChat (weixin) in China, rather than micro-blogs or blogs. WeChat solves the issue of receiving information, while micro-blogs only solve the issue of expressing yourself freely. WeChat has direct restrictions and can only be seen by one's own circle of friends, which is an acquaintance society, whereas on micro-blogs people say what they want to say and speak to themselves.

Therefore, NGOs can not solve the issue of low-trust society. I do not think this can be described through simple language. This needs a re-construction of the trust system. What I meant by trust re-construction is that, firstly how can one create a new acquaintance society? Secondly, how to build a new group that is based on mutual trust? Thirdly, how to build a community that shares mutual interests? These three points are all linked and have their inner logic. But why is it not so simple? The inner side affects the external side and vice-versa. We call it a time with contradictions. When there is a contradiction, some people will first prioritise the main contradiction, then the less important contradictions. However, some other people will try to solve the simple issues and then the more complicated ones. Therefore, there are many approaches and choices. If we think from this perspective, we need to consider the changes of the Chinese society and look at it from a more macro-perspective. We can not only use trust as a measurement of the changing external environment.

AF: Let us move on to the topic of change. What kind of changes would you like to see on the individual, organisational, societal and/or policy level?

Services for CANGO members

HHM: Firstly, the services provided by CANGO members have changed. In the beginning, we had members focusing on poverty alleviation, environment, disabled, women, rural development. The focuses of our members are not the same now. For instance, the climate change project has become a network. We use the network to influence policy, for instance helping civil society organisations propose climate change legislation to the government. When you worked at CANGO, we did the 26 Degree Campaign, which was a single campaign, which had no strategic angle. But now we think from the perspective of a network, a sector. This is a change.

Secondly, the external circumstances have also changed. The government also needs civil society to make comments and suggestions. For instance, CANGO did research on the internationalisation of social organisations in 2013. The government was also interested in this research topic. We were awarded the first prize by the Ministry of Civil Affairs when we finished the research. This is a big change. It shows that there are demands for this kind of research, while there was no such kind of need in the past. It is much more of a two-way relationship between the government and civil society now, while it was a unilateral relationship in the past.

Thirdly, there are divergences within civil society. Some choose the professionalization route, some choose the grassroots route, and others choose the internationalization route. Why are there these divergences? Because the macro-environment has changed, the technology information and internet technology have made the Chinese society more complicated. Civil society itself is diverse, and with the external changes, it becomes even more diversified. This is another difference.

AF: You mentioned the trends of internationalisation (guojihua) and nativisation (bentuhua), but how do you view them? To what extent do Chinese civil society organisations need to nativise and in which aspects do they need to internationalise? When we talk about this topic, there seem to exist two views. One view emphasises nativisation, everything needs to be localised, whereas another view is everything needs to be

internationalised, or westernised. I don't think it is as simple as that. What do you think?

Internationalisation vs nativisation

HHM: Personally, I think these both of these two views have a systematic logic. From the system perspective we could look at the example of Chinese restaurants. All around the world there are Chinese restaurants. This is the internationalisation of Chinese restaurants. However, these restaurants originate from China, they have their local roots. Only then are they being promoted all around the world. It is a bit like Hollywood movies. They originate from Hollywood in the United States and are then promoted globally. Some people in France may resist and they may not like watching these movies, even say that they are not going to pay for these movies. But in fact there still are people watching them. So first of all I think we should not see internationalisation and nativisation as conflicting concepts. I think that these concepts are interlinked.

I think that if you look at something from the societal perspective, whether it is nativisation or internationalisation, these are all processes. The way our understanding is constituted we should not overemphasize either one of them. If you do we tend to say that people are a bit overbearing and need to constantly defend their argument. They do not want to hear other people's ideas, which is really annoying. I think that one should not go to extremes. It is a matter of degree. For example if you insist on only buying local products and not international products, for example an iPhone. So you buy Samsung, but Samsung is from Korea. Huawei is from China, but the chip inside is from Japan and the technology is from the United States. This is why we should not consider nativisation and internationalisation as mutually incompatible but as something which is interlinked. We need to look more systematically at the link between internationalisation and localisation.

AF: How do you deal with resistance in project and programme implementation? How flexible are you in meeting new demands of your partner organisations? What kind of demands would you not meet and thus consider ending the project or programme cooperation?

Feasibility studies

HHM: This is fundamentally a problem of the design phase of a project, the feasibility study. If mistakes are made in this phase, a lot of problems will emerge at a later stage. If the feasibility study is being done properly, you will see less problems. The key in this stage is to consider the wish of the donors, the absorbing capabilities of the beneficiaries as well as the capabilities of the implementers. These three factors are essential. The three pillars of donors and donor organisations, beneficiaries and implementers are often at odds with each other.

For example some donor organisations have very demanding requirements which implementing organisations can not meet and recipient organisations can not live up to either. In such cases you see contradictions. In such situations implementing organisations need to tell donors that only some but not all of their ideals can be realised. This way the contradiction can be solved. Implementers need to avoid giving the impression that they lack capabilities. Because if you do not have the capability, donors will certainly not agree to support you, and this would be a kind of extreme phenomenon.

So to me the key is to study the relationship between donors, beneficiaries and implementing organisations. If all are pulling in different directions it will be impossible to accomplish anything. In such cases you may have no option but to stop the project or not even start it, which would be another extreme option.

Most times it is possible to reconcile the various positions. It is key to talk frankly about the existing problems and the wish of the donors. If there is a gap between the two we need to seek common objectives. Alternatively everyone needs to compromise, both the donors and recipients. This way the gap can be decreased. I consider this the only way out. If none of this works, it is going to be rather painful. It means that everyone's efforts are to no avail. In such situations it is necessary for donors, beneficiaries and implementers to compromise.

AF: This is what you referred to as the run-in period (mohe).

HHM: That is right.

AF: But are most foreign organisations willing to engage in this kind of run-in period? Or are there some organisations which consider this process too cumbersome and thus stop their engagement?

Run-in period

HHM: The run-in period is key to project design and the search for cooperation partners. So for example we may find you a great cooperation partner in Jiangxi province, but the one in Sichuan is not living up to your expectations. So the choice of partners is very important. If this kind of preparatory work is not done well, you will not be able to achieve much at a later stage; that is for sure. So the key is to make the right choices. The feasibility study is also very important. It is also important to be very professional. You need to be able to convince people, no matter whether it is in rural or urban communities or whether you are speaking to ordinary people. They all need to be convinced that what you are doing is worthwhile.

AF: Let us talk more generally about outreach on the national and local levels. You mentioned that the whole sector has shifted from a uni-directional relationship to a two-way relationship. Would you mind elaborating on this a bit?

HHM: What you are referring to is indeed very intriguing. When we as organisers think about scaling up we think about the feasibility of a project. We think about whether or not it is exemplary. If a project is not exemplary, we think we should not do it. If it is exemplary, we will do it. Let me give you an example. We did a project on straw vaporization. Straw vaporization is very common in minority regions. The costs, however, are very high. The refining process of refining straw into pellets for heating brings pollution with it. Of course there is also the by-product of gas, which allows ordinary people to use it. But the problem is that straw vaporization can not be done everywhere due to resource constraints. Also the process of straw refinement brings pollution with it. The third issue is that it is costly. In some areas it can work very well, but it will not work in places without straw, where there is insufficient money or technology available. So these kind of factors can influence the feasibility of a project.

AF: You are talking about local pilot initiatives. If they rely too much on specific local conditions they can not be scaled-up nation-wide.

HHM: That is right. That is because they are determined by the local conditions. Let me give you an example of how primary and secondary stakeholders participate in such pilots. In silk farming the primary stakeholders who breed the silk worms need to plant mulberry plants. By protecting the water and soil and by raising silkworms they can make profits. But if you can not sell the silkworm cocoons than you had better not raise silkworms—do not even start planting mulberry trees. It is this kind of chain. We call it a philanthropic market virtuous cycle or double loop cycle, not a single loop cycle. NGOs need to study double loop cycles.

AF: This also relates to the question of whether or not NGOs are learning organisations. To what extent do you require your member organisations or other cooperation partners to record their work, for example in the form of project reports? Are these internal documents or do you publish them? Have you experimented with new forms of documentation, for example blogs, micro-blogs, or documentaries? If NGOs do not record their work, they may not learn from successful or unsuccessful pilot initiatives.

Organisational learning

HHM: These are good points. In the past project reports were the norm. Nowadays we also have blogs, micro-blogs, documentary or audio recordings etc. In general we at CANGO are quite diligent and pay attention to document management. But we have also encountered problems. One problem is that during project implementation it is not that convenient to announce things to the public, for the fear of misleading the public. The second issue is policy direction. The third issue is the degree of sensitivity, for example if this work relates to human rights, sex workers, HIV/AIDS. When we do this kind of projects we are very careful. It all depends on the relationship between your project and the public, society and government.

AF: My next question is related to the issue of impact and sustainability. How do you measure the social impact, how do you evaluate your own projects? I am sure every implementing organisation is convinced that its own work has great value and is successful to a certain degree. But how do you write your reports? If they sound too good to be true neither donors nor ordinary people are likely to believe you.

HHM: We usually have three standards of evaluation. The first is customer feedback, which is the feedback from our beneficiaries. The say things like "our income levels have improved" or "thank you", etc. The second one is an evaluation of the project once it has come to an end. We invite experts to come and visit us and to go to the project sites. We also invite journalists to do research. This is a good way to spread information; it is a way to combine both evaluation and dissemination. The third standard of evaluation is that we engage in interactions with our partners. In these interactions we explore what kind of problems exist and see how we can help them. This is also related to the issue of sustainability. Our funder may not come with us, but we can provide some methods. This way our support shifts from financial support to providing methods, helping our partners to become more self-reliant. This kind of supports allows them to continue to develop in a sustainable way. Recently we have started to provide individual coaching for our member organisations. In the past we provided training for a lot of people at once. Not any longer. These days we organise a group of experts to approve and evaluate. This is comparable to a doctor who is providing them with a diagnosis and who checks whether there are any problems.

AF: What do you think can be learned from successful and unsuccessful projects?

HHM: In the case of successful projects we need to look at factors such as feasibility studies and feasible project design. The second success factor is related to implementing capabilities. The third factor relates to the partners. The fourth is about sustainability. These four standards are key. It is the same with unsuccessful projects. If they are not feasible, something went wrong during the feasibility study. Or the implementing capabilities were lacking and the cooperation partners not well chosen. Such projects are unsustainable and can not be exemplary. All these factors are related. When we look at the interrelatedness of these factors we realise that we need leadership. All four factors in the end depend on leadership. Of course this also relates to professionalism, something I have written about, and professionalism is part of the implementing capability, the use of methods. But the real problem is leadership.

AF: I remember you once said a sentence which left a deep impression on me. You said that failure is the beginning of success.

Trial and error

HHM: It is like that. It is a trial and error process. Even if we know that something is very likely to be unsuccessful, we still engage in experimentation. For example when we did bid for the poverty alleviation project in rural Jiangxi tendered by the ADB and the Chinese Ministry of Finance this project ultimately was a failure. But this project had a big impact on the national level. In fact CANGO made a loss, quite a significant loss with this project. We call this trial and error. In Chinese we have this saying that failure is the mother of success. What it means is that we need failures. Quite a lot of our projects have failed; I will be very open about this.

AF: If that is the case donors also need to accept failure.

HHM: Donors have a different understanding of failure. Donors look at objectives, tasks and evaluation. We look at more angles, for example we look at financial support, whether or not there have been personnel changes, and whether staff have been able to improve their capabilities. The two standards are not the same. Donors care whether or not the objective has been reached, tasks have been completed, and they look at results from the evaluation. These are the three core issues. As organisers or implementers, we concern ourselves with income; see whether there is a balance in payments and whether or not staff members have increased their capabilities. The third issue is project sustainability. Of course evaluators also talk about sustainability, but sustainability in our context is whether or not the project has generated new revenue for CANGO. This is a different perspective.

This has different effects on the sector. The two perspectives of donors and implementers are not the same.

AF: This reminds me of our EU-China Civil Society Dialogue Programme (2011-14). In my opinion these dialogue forums were our outputs, but for the European Union, they were outcomes and impacts. They were quite content with the dialogues themselves. I always thought that dialogues are only the beginning and that the key question is whether or not they can generate follow-up projects. This could be an example of differing perspectives.

HHM: That is right. You make a very good point here.

AF: Finally, I would like to ask you about sustainability. CANGO has done a lot of projects. When you finish them, what stays? Sometimes people working in this sector have a sense that projects may not make a real difference. At times it can be hard to see any outcome or impact. At the same time I know that there are outcomes and impacts. Sometimes the implementer simply does not know about them, or they occur at a later stage. How do you view this?

Impacts

HHM: I think that there are two outcomes. One is an intangible asset, the other one is a tangible asset. In terms of the intangible assets, first of all they show that your organisation is able to accept new challenges. It shows that you are not afraid of difficulties or new things. The second intangible asset is credibility. We also commonly refer to this as social integrity. The third one is trust. You create trust through innovation, and through your credibility you also create trust. This in turn allows you to have more cooperation partners. All these are intangible assets. But of course there are also tangible assets. There are many tangible assets such as your project income, which is real money. The second one is the enhanced capabilities of your staff. All these things can be seen. The third is that through successful projects you can get new projects.