

**CONSULTATION ON ORGANIZATIONAL  
STRENGTHENING STRATEGIES  
IN AFRICA AND THE MIDDLE EAST**

ICA COTE D'IVOIRE

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ICA MENA

NIRADO

ICA ZAMBIA

ICA INTERNATIONAL

2 - 10 OCTOBER 1994  
CAIRO, EGYPT

**FOCUS QUESTION:**

**IN LIGHT OF THE DEVELOPMENT  
STRATEGIES FORMULATED IN 1993,  
WHAT ARE THE NEW ORGANIZATION  
STRENGTHENING DIRECTIONS NEEDED IN  
THE NEXT SIX YEARS?**

**SIX YEAR  
STRATEGIC PLAN**

Although these consultations are intended to be basically self analyses, we have used David Korten's Getting to the 21st Century as a reference. Particularly his reflections on the job of re-visioning for NGO's and the globe:

"Working with NGO's to create and embrace a new vision for themselves consistent with the challenges that currently face global society has led to a mutual realization that the need for a new vision extends way beyond defining new directions for their individual organisations. More fundamental is the need to define an alternative vision of development itself to serve as a collective guiding beacon for voluntary action by countless individuals and organizations. The formulation of this vision is itself a collective, evolving process that must be grounded in grassroots experience." (Korten, p. xiii)

**PLAN OF THE DOCUMENT.** This report follows the rough form of the work done each day during the consultation. **Monday** was spent on reports from each location. Briefs from each location, plus summary points from the reports are Section One. **Tuesday** was spent looking at the broad historical situation in Africa and the Middle East. Participants identified eleven underlying challenges facing development. These are reported in Section Two. Section Three reports **Wednesday's** work -- the identification of four major strategic directions and 9 action arenas for the development community in responding to the challenges it is facing. **Thursday's** work was the selection and prioritization of 15 actions which seemed to the participants to have the potential to make the greatest difference in development. These are Section Four. Section Five contains **Friday's** work: short lists in brief bullet form of implications for action and further work for each ICA location. The appendix contains backup information and notes from the consultation including a descriptions of the procedures used during the week.

## EXECUTIVE SUMMARY

The nations of Africa and the Middle East are experiencing a great upheaval in development patterns. Structural adjustment (privatisation, liberalization, constricting services), Democratisation (multi-partyism, open elections, free press) and a dramatic increase in societal conflicts (tribal clashes, crime, internal wars) have become common experiences across the bi-continent. Underneath this general condition lies a global community that no longer supports an old approach. We are observing the demise of a development system that was set up in the bi-continent in response to the end of colonialism and in the context of cold war competitiveness.

The ICA's in Africa and the Middle East, in reviewing this situation, saw the challenges to lie in the following four arenas:

1. Governments, NGO's, and the private sector have become dependent on donors, a top down mentality, and unrealistic policy mechanisms.
2. At the local level, there has developed a dependence on outside initiatives, pervasive disbelief in viable local economics, and poorly coordinated local development.
3. At the cultural level, the marginalisation of women, conflicting traditional and economic values, and self-serving patterns of leadership continue to hamper development efforts.
4. The final challenge arena has to do with particular focus on two sectorial areas, growing natural resource abuse and unrealistic health practices.

The participants recommended four interrelated strategic directions for the development community to meet these challenges in Africa and the Middle East:

### Formulating Pragmatic Policies

by Influencing Policy through NGO / Government Dialogue, Complementing Government Efforts, and Harmonising Social and Cultural Realities.

### Promoting Local Sustainable Initiatives

by Initiating Environmental Projects, and Promoting a Sustainable Development Approach

### Establishing Local Institutional Capacity

by Strengthening the Capacity of Local Organisations and Promoting Interchange

### Developing a Sustainable Financial Structure

by Developing Local Economies and Regional Financial Security

Participants also described 15 priority actions which organizations working in development in the region could take to meet these challenges. Each ICA then chose 9-15 implications for their own situations.

**CONSULTATION DESIGN:** Each ICA was sent a questionnaire that asked them to describe the present situation, how it changed over the last 5 years, what was learned, and keys for effectiveness in the 5 arenas of boards, personnel, management, internal funding and external financing. An article about each arena was also included to create a common understanding for each of the discussions.

In each of the first 5 days of the workshop, one of the five organizational arenas was discussed. First, each ICA presented a report of their activities and learnings in the arena, followed by articulation of our total strengths and weaknesses plus comments on the benefits and dangers of the arena. This work was followed by identification of the 4 to 5 key elements or indicators.

The afternoon was spent visiting Egyptian NGOs or donors to solicit their opinions and experience.

**Boards:** CARITAS EGYPT

**Management:** Association for the Protection of the Environment

**Personnel:** Centre For Development Services (CDS)

**External Funding:** The Ford Foundation

**Internal Funding:** Arab Office for Youth and Environment

The last two days were spent doing Strategic Planning in relationship to discerning the directions for the next six years. First, a six year vision was identified and followed by the participant discerning the underlying challenges (contradictions) to institutional strengthening. Finally, 3 major strategic directions were outlined in light of the challenges that were articulated with 9 action arenas.

## INTRODUCTION

The Institute of Cultural Affairs (ICA) has been working in Africa and the Middle East for the past twenty-five years. Presently ICA has offices and projects in Egypt, Kenya, Cote d'Ivoire, Nigeria and Zambia and has done work in Jordan, Sudan, Uganda, Ethiopia, Malawi, Zimbabwe, Botswana, Ghana, and Mauritius. ICAs in Africa and the Middle East have over 100 full and part time staff with a combined budget of over a half million dollars. Each ICA is a locally run indigenous organization with boards made up of prominent individuals.

This consultation was the second year of a two year process of strategic planning for the ICAs in Africa and the Middle East, funded by Misereor. The first consultation (see the following pages for the executive summary) focused on the role ICA needed to play in the future in light of the profound historical needs of Africa. From the work these questions were asked: "If these are the directions we need to move, what should be the form of the Institute? What does the vision mean for our board, financing, (both internal and external), organizational structures and personnel needs?" This report is the result of those discussions.

The consultation was held in Cairo, Egypt from 2 to 10 August 1994. The following people attended:

Egypt: Hala El Kholy, Judith Hamje

Cote d'Ivoire: Jann Barr

Zambia: Ruth Lukona

Nigeria: Dr. Abiodun Macauley Olagoke

ICAI: Richard H. T. Alton

Cairo

August 1994

**ICA MIDDLE EAST/AFRICA ORGANIZATIONAL  
CONSULTATION**

	TUES 2	WED 3	THURS 4	SAT 6	SUN 7	MON 8	TUES 9	WED 10
MORNING	BOARDS	MANAGEMENT	PERSONNEL	INTERNAL FUNDING	EXTERNAL FUNDING	BAYAD  RURAL DEVELOPMENT	STRATEGIC   PLANNING	
AFTERNOON	CARATAS EGYPT	ASSOCIATION FOR THE PROTECTION OF THE ENVIRONMENT	CENTRE FOR DEVELOPMENT SERVICES	FORD FOUNDATION	ARAB OFFICE FOR YOUTH AND ENVIRONMENT	PROJECT		



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**NGOs VISITED**

Cairo

9 Aug 1994

**VISION**  
**TOWARD MORE CLOSELY KNIT AFRICAN ICAs WITH GREATER GLOBAL RELEVANCE**

SUSTAINABLE FUNDING SYSTEM	FOCUSED ICA EXPANSION	DIVERSIFIED STAFF RESOURCES	FLEXIBLE PARTICIPATIVE ORGANIZATIONAL FORM	INFORMATIVE PROFESSIONAL PUBLICATIONS	STRONG MULTILINGUAL AFRICAN FACILITATION TEAM	TARGETED PROGRAM ARENAS	HIGH TECH COMMUNICATION SYSTEM	ACTIVE NETWORK PARTNERSHIPS
COORDINATED GRANT STRATEGY. (COORDINATOR MEETINGS, ETC.)	2 NEW ICA LOCATIONS	OFFICE COMPUTER OPERATORS	PRACTICAL FM SESSIONS TELEVISED	BOOK STUDIES PUBLISHED ON EVACUATION IMPACT OF ICA WORK	TRAINING CENTRES WITH RESIDENTIAL SPACE	CLEAN WELLS AND LATRINES	RESOURCE CENTRE MATERIAL	PARTICIPATION IN NGO FORUMS
INDIGENOUS FUNDING COORDINATOR IN EACH LOCATION	ZONAL CIRCUITING TEAMS	LOCAL STAFF WORKING WITH LOCAL PEOPLE	EFFECTIVE WORKING BOARDS: FUND RAISING, PUBLICATIONS, LEGAL, ACCTNG, PROBLEM SOLVING	PEOPLES GROUPING (e.g. CDAs) MAGAZINE	ORGANIZED (REGIONAL) FACILITATION GUILD	MANY AGRICULTURAL PROJECTS	FAXES/ E-MAIL FOR COMMUNICATION	LUNCHEON FOR LOCAL PEOPLE & GOVERNMENT OFFICERS
60 % OF FUNDING LOCAL	OFFICE IN SOUTH AFRICA	TRAINING MANUAL ON HEALTH PLANNING & ENVIRONMENT	ICAI EXECUTIVE BD PRESIDENT AFRICAN	2 BOOKS OUT OF AFRICA	UN CONSULTANCY TEAMS	LEADERSHIP PROGRAMME FOR HIGH SCHOOL STUDENTS	OFFICE COMPUTERS FOR DOCUMENTATION	
	2 NEW LOCATIONS ESTABLISHED USING ICA OPERATIONS MANUAL	50% OF STAFF HIGHLY QUALIFIED PERSONNEL	ANNUAL REPORTS ON PROGRAMMES & FINANCES	QUARTERLY NEWSLETTERS BY LOCATIONS	STRONG AFRICAN LENS TEAM	PRE-SCHOOLS		
			ACTIVE THINK TANK (VOLUNTARY ADVISORY BOARD)	INFORMATIVE "GOLDEN" BROCHURES	FRENCH/ENGLISH/ARABIC SPEAKING FACILITATION SCHEME			
				REGIONAL MAGAZINES: SUNRISE - YRLY MOON RISE - QTRLY				

Cairo

4 Aug 1994

### UNDERLYING CONTRADICTIONS

FOCUS ON BLDG STRONG LOCAL ORGANIZATION/PROGRAMMES HAS OVERSHADOWED MORE COMPREHENSIVE STRATEGY	FOCUS ON BLDG. SOCIAL MOVEMENTS HAS GIVEN EMPHASES TO COMMITMENT RATHER THAN SKILLS	EMPHASIS ON TOP/BOTTOM EXTERNAL FUNDING	UNRELIABLE, INADEQUATE INFRA STRUCTURE INHIBITS MODERNIZATION	DEVELOPMENT STRATEGIES HAVE EXCLUDED NGOS	CURRENT STAFF CREDENTIALS/EXPERIENCE INAPPROPRIATE FOR NEW CHALLENGES
UNCLEAR EXPANSION STRATEGY	UNTRAINED STAFF IN TECHNICAL & FUNDING SKILLS	DEPENDENCE ON OUTSIDE DONORS	LIMITED TECHNICAL RESOURCES	UNDERDEVELOPED NGO/GOVERNMENT NETWORK	EXTERNAL (UN) CONTRACTS DEMAND UNIVERSITY EDUCATION
WEAK REGIONAL COORDINATION	LIMITED EXPERTISE AND STAFF SKILLS	HIGH-TECH EQUIPMENT COST	UNDEPENDABLE OFFICE EQUIPMENT	UNFAVOURABLE COUNTRY POLICIES	LONG TERM COMMITMENT TO TRAIN ADEQUATE STAFF
LONG DISTANCES BETWEEN LOCATIONS	DEPENDENCE ON OUTSIDE SKILLED PERSON POWER	UNRELIABLE FUNDING TO SECURE AND RETAIN QUALIFIED PROFESSIONALS	UNRELIABLE/INADEQUATE NATIONAL RESOURCES BASE (INFRA-STRUCTURE, ETECT, ETC.)	UNCONDUCTIVE POLITICAL ENVIRONMENT	MANY EXPERIENCED ICA STAFF LIMITED IN FORMAL EDUCATION
DIVERGENT GOALS/OBJECTIVES OF LOCATIONS	WEAK MANAGEMENT & FACILITATION SKILLS	HIGH COST OF PRINTING			
UNCOMPREHENSIVE DOCUMENTATION COVERAGE	VERY LITTLE UNDERSTANDING OF ENGLISH	UNSYSTEMATIC FUNDING PLAN			
INACTIVE BOARDS	LIMITED NUMBER OF BILINGUAL STAFF				
INDIVIDUAL LOCATION PROGRAMMES ARE PRIORITY					

**STRATEGIC DIRECTIONS**

<p><b>STRENGTHENING GOVERNMENT INVOLVEMENT</b></p> <ul style="list-style-type: none"> <li>*network with government agencies</li> <li>*government official on every Board</li> <li>* facilitate NGO/GOV'T cooperation</li> </ul>	<p><b>BUILDING STRONG WORKING PARTNERSHIPS</b></p> <ul style="list-style-type: none"> <li>*visit Board Members every year</li> <li>*campaign to build partnerships in relationship to participation in networks</li> </ul>	<p><b>EMPOWERING AFRICA REGION</b></p> <ul style="list-style-type: none"> <li>*create regional program strategy</li> <li>*expansion program for Uganda</li> <li>*ICA exchange programs</li> <li>*establish a regional investment fund</li> <li>*yearly review of grants</li> <li>*donor strategy sessions</li> </ul>	<p align="center"><b>STRENGTHENING &amp; EXPANDING PARTNERSHIP MODE</b></p>
<p><b>DIVERSIFIED INTERNAL FUNDING BASE</b></p> <ul style="list-style-type: none"> <li>*every location, highly qualified funding/contract co-ordinator</li> <li>*professional in-kind of services and goods</li> <li>*initiate income generating ventures</li> </ul>	<p><b>WORKABLE COMMUNICATIONS SYSTEMS</b></p> <ul style="list-style-type: none"> <li>*acquire modern communication equipment</li> <li>*campaign to upgrade ICA infrastructure</li> </ul>	<p><b>DEVELOPING HUMAN RESOURCES</b></p> <ul style="list-style-type: none"> <li>*every location buy FM manual</li> <li>*fast track facilitators program</li> <li>*create teams w/ complementing credentials, skills &amp; qualities</li> <li>*resume writing exercise for non-graduates</li> <li>*recruit qualified competent staff</li> <li>*continuous staff development program</li> </ul>	<p align="center"><b>ENHANCING LOCAL CAPACITIES</b></p>
<p><b>PROTECTING HIGHER PROFILE</b></p> <ul style="list-style-type: none"> <li>*document one program (video, newspaper article, external evaluation) every year</li> <li>*campaign to raise ICA credibility instead of individual credibility</li> </ul>	<p align="center"><b>EXPANDING MARKETING TECHNIQUES</b></p> <ul style="list-style-type: none"> <li>*investment (free) demonstrations for target groups</li> <li>*marketing programs &amp; services</li> </ul>		<p align="center"><b>IMPACTING SOCIETY WITH LEARNINGS</b></p>

## BOARDS

## BOARD REPORTS

### BRIEF DESCRIPTIONS:

**NIGERIA (NIRADO):** NIRADO's Board is comprised of 14 members namely: The President, 2 Vice Presidents (1 from the south and 1 from the north of Nigeria), the Secretary General, the Deputy Secretary General, the Treasurer, the Financial Secretary, the Assistant Treasurer, the Publicity Secretary, 5 ex-officers members. The Board membership cuts across all the socio-economic strata in Nigeria and attempts an ethnic balance as well as gender and religious balances.

**ZAMBIA:** There are 8 Board members from different professional backgrounds. We have 2 accountants, 1 lawyer, 1 medical doctor, 1 management and business consultant, social worker, planner par post-office and church minister. The Board meets quarterly. The Board officers are Elected every 2 years.

**COTE D'IVOIRE:** The Board was formed in March 1993. Most of the Board member did not know the ICA. Many of them are friends of the Assistant Director. About half are of the same ethnic group. There are 1 doctor, 1 private business person (computers), 1 middle management from a large corporation, 1 office manager, 1 teacher, 3 government fictioneers. In the first board meeting, the history of ICA Cote d' Ivoire and an orientation to our development work was presented. The board met in the July to work out their regulations. In November, the agenda of the meeting included: approval of the regulations, an introduction to ICA methods and a review of programmes. An invitation to visit the project in Brobo was extended to the Board and the accepted. 6 members of the Board met in Brobo to visit villages the ICA works and work with the staff. It is hoped that this will be a fine working Board.

**KENYA:** We have a Board of Trustees with 5 members.

**EGYPT:** We have an Advisory Board. The members have diverse backgrounds and are highly credible.

### CHANGES IN THE LAST 5 YEARS?

- \* There is now a "management supervisory committee". It is comprised of the: President, Secretary General, the Treasurer and Executive Director. (The Executive Director is an ex-officio member of the Board in the present arrangement which took effect within the last year. This smaller committee meets more regularly then the quarterly meeting of the larger Board for the purpose of supervising the day to day adminstration (by the staff) of NIRADO.
- \* The Board has become more active and organized.
- \* They visit the office regularly.
- \* They participate in activities when called upon.
- \* Are ready to take-up assignments.
- \* Attendance at the meetings has improved.
- \* There is a legal Board of Directors.
- \* More involved
- \* Some structure
- \* An attempt to meet more regularly

### WHAT HAVE YOU LEARNED?

- \* People of the Board can be used by the organization in interview panels for hiring new staff.
- \* They can provide "guidance" but on conditional basis.
- \* They need incentive for them to effectively participate.
- \* Regular contacts is very important.

- \* They need to be well informed on the activities of the organization, e.g. programmes, events visitors, etc.
- \* Adequate documentation/ reports on time as effective dissemination of information to the Board members is one of the keys to coordinate a working relationship between the Board and Staff.
- \* No organization can do well without an active and unbiased Board.
- \* Board members are a resource, support, consultants and give credit to the organization.
- \* Must make use of them.
- \* Constantly involve them.
- \* Give them responsibility
- \* It takes local leadership to make it work.

#### **WHAT ARE THE KEYS FOR EFFECTIVENESS:**

- \* Adequate and efficient documentation.
- \* Regular dissemination of information to Board members.
- \* Absolute honesty/transparency in the staff activities to avoid doubt and loss of confidence.
- \* Self-confidence (not arrogance!) and personal conviction in respect to the organizational / personal objectives.
- \* Hard work.
- \* Assign specific responsibilities according to their profession.
- \* Involve the Board in organizational activities.
- \* Avoid close personal relationships.
- \* Plan Board meeting in advance.
- \* Make a schedule for activities and send out.
- \* Introduce them to the donors when the donors are in the country. Both parties are honoured.
- \* Avoid tribal affiliations.
- \* Choose people who are financially stable.
- \* Regular Reports
- \* Involvement in the support of the project.
- \* Take time off normal business to do Board meetings.
- \* Work through the expenses of all Board members during Board Meeting and pay them a per diem.
- \* Capitalize on their good intentions to assist.
- \* Be very specific in what you ask of them.
- \* Keep them well informed.

## BOARDS





## **BOARDS**

### **4 KEYS**

1. Personnel relationship with Board members.
2. Each Board member has a function.
3. Expertise/Gender balance. e.g. lawyer, accountant, doctor, etc.
4. Financially/Organizational successful.

### **4 INDICATIONS**

1. Board minutes / agenda
2. Working procedures
3. Name, position, address
4. Legal registration with government

6. The board is typically made up of people who are nonexpert in the service performed by the program, although they often possess special knowledge in matters related to its work; they represent the broad community or constituency. The executive is usually a professional or is possessed of expert competence in a managerial role, representing the agency itself and the profession or activity with which its program is concerned.

In the normal operation of an institution, these counter-balanced aspects of the board-executive relationship constantly influence both policy determination and administration, usually operating in a natural and unforced fashion. If an issue of authority or responsibility does arise, it can best be resolved by asking how, on balance, the board's and the executive's strengths can most effectively be combined in that particular case. In recent years, determined efforts have been made to define the distinctive rights and duties of the two partners. The board's activities are sometimes called "governance" and the executive's, for sake of contrast, "administration" or "management." But this distinction ultimately proves unsatisfactory, both theoretically and practically. It can imply that the board and the executive are wholly separate entities—sometimes opponents vying for power—rather than partners in a common enterprise. More than that, the terms used to differentiate the two roles are so hard to define in terms of their relationship to one another that they give little or no help.

As has already been noted, many authorities on boards have enunciated a single, fundamental rule by which to define the function of the board as contrasted to the function of the executive. Most frequently they say, often with an air of profundity, that the board should determine policy and the executive should carry it out. Brian O'Connell has responded succinctly "This is just not so" and has called that distinction "the worst illusion ever perpetrated in the nonprofit field."<sup>15</sup> In addition to making policy, boards must perform a number of executive and judicial functions, such as selecting an executive, carrying on financial campaigns, authorizing large purchases,

arbitrating serious conflicts, and performing volunteer services for the program. The executive, on the other hand, has an important role in policy making. When she takes a fundamental matter to her board for decision, she usually feels an obligation to recommend a course of action. In this process, she guides the thought of the board. Furthermore, in the day-to-day operation of the agency, she must decide many matters; the total effect of these immediate decisions may be as great as that of the broad policies that the board lays down.

While the distinction between policy making and execution is not the sole test of the difference between the board and the executive, it does suggest a useful principle to follow in actual operation. Whenever the board can, it should stay at the level of generality and not specificity, consider categories of problems rather than individual difficulties, plan for long-range developments, and put the program in the larger perspective of the whole community. The executive, on the other hand, must recognize that hers is the immediate responsibility, that she must manage each situation as it arises, and that she should express the importance of her field of expertness in the application of general principles to specific cases. These distinctions arise, however, out of the differences between board and executive that were explored earlier. They do not spring from the application of an arbitrary single rule.

### 18. The Functions of the Board

In considering the functions of a board, the actions for which it is best fitted, one may say (as, in fact, the previous section said) that it is responsible for everything an institution does. At the other extreme is the idea, often flippantly expressed but sometimes reflecting reality, that a board has only one responsibility: to serve as window dressing, perhaps, or, as one writer suggested, "to give money, get it, or go away." Somewhere between the extremes lies the effort to identify central responsibilities, each one a clustering of manifold activities, that a board should consider as basic to its effective existence.

One cannot easily establish a list of functions of this sort,

but almost everybody who writes about boards tries to do so. When many such lists are compared, substantial agreement is found to exist for a few functions, such as to choose the executive. Other items differ in various ways: they reflect divergent viewpoints; they overlap one another; they are at various levels of specificity; or they relate only to the missions of functional categories of institutions. But while elements differ, most overall analyses are similar. The list of central functions provided here, like everything else in this book, is based on independent continuing scrutiny of the tripartite system and on discussions with a large number of board members. It has also been verified or modified by a study of analyses made by other writers. The eleven functions identified here are stated only briefly. In those cases in which another section of this book is essentially a discussion of a function, the reader is referred directly to that section.

First, the board should keep the overall mission of the program clearly in focus and satisfy itself that the objectives of the particular parts of the work or units of the organization are in harmony with the mission. (See Section 26.)

Second, the board should approve and periodically revise long-range plans for the institution. An attempt must be made, Rhoda M. Dorsey has pointed out, "to define where the institution wants to go, how and when it will arrive there, with whom it will travel, and what the cost of the trip will be."<sup>16</sup> The board must insist that the executive and staff prepare guiding statements for the future, basing forecasts not only on past and present trends but also on predictions of significant developments. Such statements should, above all else, be realistic, so that they can be relied on with increasing confidence as revisions take account of new data that emerge with the passage of time. A board that follows long-time strategies that it has itself helped to determine has a valuable perspective on the shorter-range decisions it is required to make.

Third, the board should oversee the program of the institution to assure itself that objectives are being achieved in the best fashion possible. (See Section 32.) This continuing appraisal

should be guided by one of the aphorisms of Michael Davis that have passed into the folklore of trusteeship: "A good board member should be part of a tradition but eager to improve it." In those cases in which lay citizen board members control elaborately developed services or those that require great expertise, problems of understanding and interpretation of the program will always arise. Complexity must be made sufficiently intelligible so that board members are able to make wise decisions and interpret them to the community. A trustee acquires such knowledge in many ways, some of them already enumerated in Chapter Two. The chief channel of information should be the executive, as he portrays the panorama of the institution's work, reports on operations, and marshals data to provide the basis for specific decisions. Occasionally, a searching inquiry into the program is made at the initiative of the board itself or of some outside authority, such as an accrediting association. But whatever the source of the information or the depth with which it is provided, the board must absorb enough to meet the challenges that the proper performance of this function requires.

Fourth, the board should select the executive and establish the conditions of his employment. (See Section 21.)

Fifth, the board should work closely and interactively with the executive and, through him, with the staff. The relationship with the executive should be as close as time permits and as informal and personal as the essential differences in role allow. (See Sections 17 and 20.) The formal contact with the staff will necessarily be more impersonal and will be guided to a large extent by the need of the board to assure itself that the work of the agency is effectively organized by the proper assignment of responsibilities and their coordination into a harmonious whole. An organizational pattern, at least of a large enterprise, is never wholly logical and consistent. It is in part the result of tradition, personality, and varying conceptions of the importance of particular tasks. The executive has the immediate responsibility to see that the organization is soundly conceived and operated. He must also exercise effectively those directing powers that lie particularly within his area of respon-

sibility. Among these powers are the development of sound personnel procedures, both in recruitment and in maintenance of optimum conditions of work; the creation of a broad base of participation in decision making among the staff; the resolution of conflicts; the establishment of effective control mechanisms (such as budgeting, accounting, and purchasing) in the work of the agency; and the effective use of physical resources. These aspects of organization and administration are the immediate responsibility of the executive, but it is the ultimate responsibility of the board to see that they are performed effectively. (See Section 24.)

Sixth, the board should serve as arbiter in conflicts between staff members on appeal from the decision of the executive and in conflicts between the executive and the staff. Trustees usually dislike the duty of being judges, but they cannot always escape it. The best way to avoid the task or to ease its rigors is to require that all personnel policies, such as those relating to hours and conditions of work, retirement, or compensation for outside service, are put in writing and include provisions for handling complaints. The executive should do all that he honorably can to keep the board from becoming a court of appeal by forestalling conflicts, seeing that they are resolved within the staff, or resolving them himself. He cannot always do so.

Seventh, the board should establish such broad policies governing the program as may be necessary to cover continuing or recurrent situations in which consistency of action is desirable. The board may not need to frame the policies it adopts; they will usually be drafted by the staff, approved by the executive, and transmitted to the board for its consideration, revision, and adoption. Once policies are established, either the executive or the board itself may suggest changes at any time. It is the duty of the executive to administer the program in terms of these policies, to understand the degree of latitude allowed to him in making exceptions in particular cases, to know when a policy applies and when it does not, and to deal with situations not covered by policy.

Eighth, the board should assure itself that its basic legal and ethical responsibilities are fulfilled. Every institution is in

some sense a child of the state, and its parent has often made stern rules by which it must live. Boards of education, in particular, are subject to countless regulations in state school codes, general laws, and myriad judicial rulings; many a school board member has wondered whether it is possible to get through a single meeting without becoming an outlaw. Beyond legal requirements, boards must constantly inquire whether their own actions—indeed, the actions of the entire institution—are ethical. Boards have power, and its proper exercise must be a major concern. Every continuing action and every new proposal should have an ethical foundation. Moral judgments are seldom easy to make, particularly when they affect many people in a complex society. They require both expert knowledge and a broadly based concern for the community, and it is precisely this kind of decision making that the tripartite system can best provide.

Ninth, the board must accept responsibility for securing and managing adequate financial resources. Another dictum of Michael Davis is that "a good board member should be able to face budgets with courage, endowments with doubt, deficits with dismay, and to recover quickly from a surplus." As earlier noted, it is often said, and even more often assumed, that trustees are chosen only because they can give money, raise it from other sources, and manage it efficiently. Any such view is a drastic simplification of the reasons why most board members are selected. But while the proper discharge of this function cannot be the only concern of a board, it is a necessary one and is given prominence because the securing and handling of funds are both essential to operation and a matter about which board members are often able and well informed. They understand both the importance of continuing financial health and the procedures required to ensure it.

Essential to all money raising is the conviction by those who carry out that task that the mission of the institution is important. Financial campaigns are often plotted with close attention to tactics and strategy and with elaborate structures governing the allocation of responsibility and the sequencing of events. But, as Appendix B suggests, such efforts will never achieve full potential unless those who give or ask for money

are kept "absolutely and serenely good humored" in doing so by their belief that contributions are crucial to the success of an outstanding enterprise.

Tenth, the board should assure itself that the organization or association is effectively integrated with its social environment as well as with the publics and institutions to which it is or should be related. (See Section 35.) Enhancement of the public image of services provided is an important general goal. To that end, the board should give the agency its full support, prestige, and leadership and those of its individual members. (See Section 7.) More specifically, every institution is interrelated to many formal and informal centers of influence: legislatures, public officials, clients and former clients, pressure groups, coordinating mechanisms, affiliates, and others. In order to deal effectively with all of these entities, an agency is likely to have organized programs of public relations, communications, and development, but the board should also use the special talents, knowledge, and contacts of its individual members to further this function. Trustees perform countless minor services of these sorts for the institution, and it is expected that they will do so. Two cautions must be exercised. Members should be certain that their services are appropriate and desired by both board and executive, since a well-meaning but unwelcome service can create more difficulties than it prevents or eases. And both the board and the executive must be careful not to exploit the professional specializations of board members by asking them to undertake services not appropriate for them to perform without compensation.

Eleventh, the board should continuously appraise itself and periodically devote time to analyzing both its own composition and its performance. It should do everything in its power to keep its membership able, broadly representative, and active. It should develop and abide by rules and procedures governing its own affairs. The ultimate test of the effectiveness of the board must be found in an assessment of its role in achieving the mission of the institution, but more proximate judgments can also be made in terms of the study of its composition and processes. It—and it alone—can normally take the initiative to survey itself with an objective eye. (See Section 33.)

### 19. Teaching the Staff About the Board

The executive has usually had a great deal of formal and informal preparation for his role. His years of schooling may have been long and arduous, particularly if the service provided by the agency is professionalized. In addition, he may have had special training in administration, either generally in a school of management or specifically in some such field as education, welfare, or health. In many cases, he has had a great deal of conditioning in the successive jobs he has held in his present agency or some other.

Most of what executives learn about boards is acquired after they have achieved senior administrative status. As staff members move up in a hierarchy, they gradually begin truly to perceive what they have always superficially known: a group of part-time nonspecialist people who behave in idiosyncratic ways and are chosen according to no known system of merit ranking (other than, perhaps, wealth or social position) is in full charge of the institution, making basic decisions about its future and controlling the work life of the highly skilled and educated people who make up its staff. The essentials of this system are seldom revealed in the graduate and professional courses that train the potential managers of nonprofit institutions. (To verify this point, four of the major texts used in such courses in schools of management were examined to discover what they say about boards. Each such book had reached at least its second edition, suggesting not only that it has been successful in the market-place but also that its author has had an opportunity to remedy any perceived oversights. None of these books deals directly with boards. If mentioned at all, they are treated almost mystically as centers of authority at a level above the practical world. A more sketchy study of texts in educational and welfare administration led to the same conclusion.) The full weight of responsibility required to work with a board is not perceived by a staff member until he comes close to one and is not fully appreciated until, as an executive, he must confront the task of working in a wholly novel human relationship.

Every executive therefore has some responsibility to inform all of the staff who might later succeed to his position or

# **MANAGEMENT**

## MANAGEMENT

### BRIEF DESCRIPTIONS:

**NIRADO (NIGERIA):** NIRADO is managed by the staff and the board: the staff on a day to day basis, the Board on a supervisory or advisory level. The role of the Board has been found to be quite helpful in view of the Board members wide managerial experience.

**ICA ZAMBIA:** Management is responsible for the administration and operations of the organization, headed by the Director who works in liaison with the management team. This team includes programme co-ordinator, senior training officer, finance officer and one field officer.

**ICA COTE D'IVOIRE:** The administrative structure is in transition. The administration is a director, who is now living in Europe, an assistant director, who lives in Abidjan, and 1 Dutch volunteer, who lives in the project. We expect the assistant director to have 6 months training (International Training Programme) at ICA Belgium this year. The volunteer does all the accounting, reporting and other work. The field staff participates in the planning.

**ICA KENYA:** The management team is composed of the national director, programme director, finance manager, personnel and administration manager, a consultant and a staff representative. They meet once every month. There are two staff interchanges every year for sharing and input.

**ICA MENA:** We have 2 co-directors. The management support team meets every month. This team includes the co-directors, department heads, project directors, and one from each office location.

### HOW HAS IT CHANGED OVER THE LAST 5 YEARS?

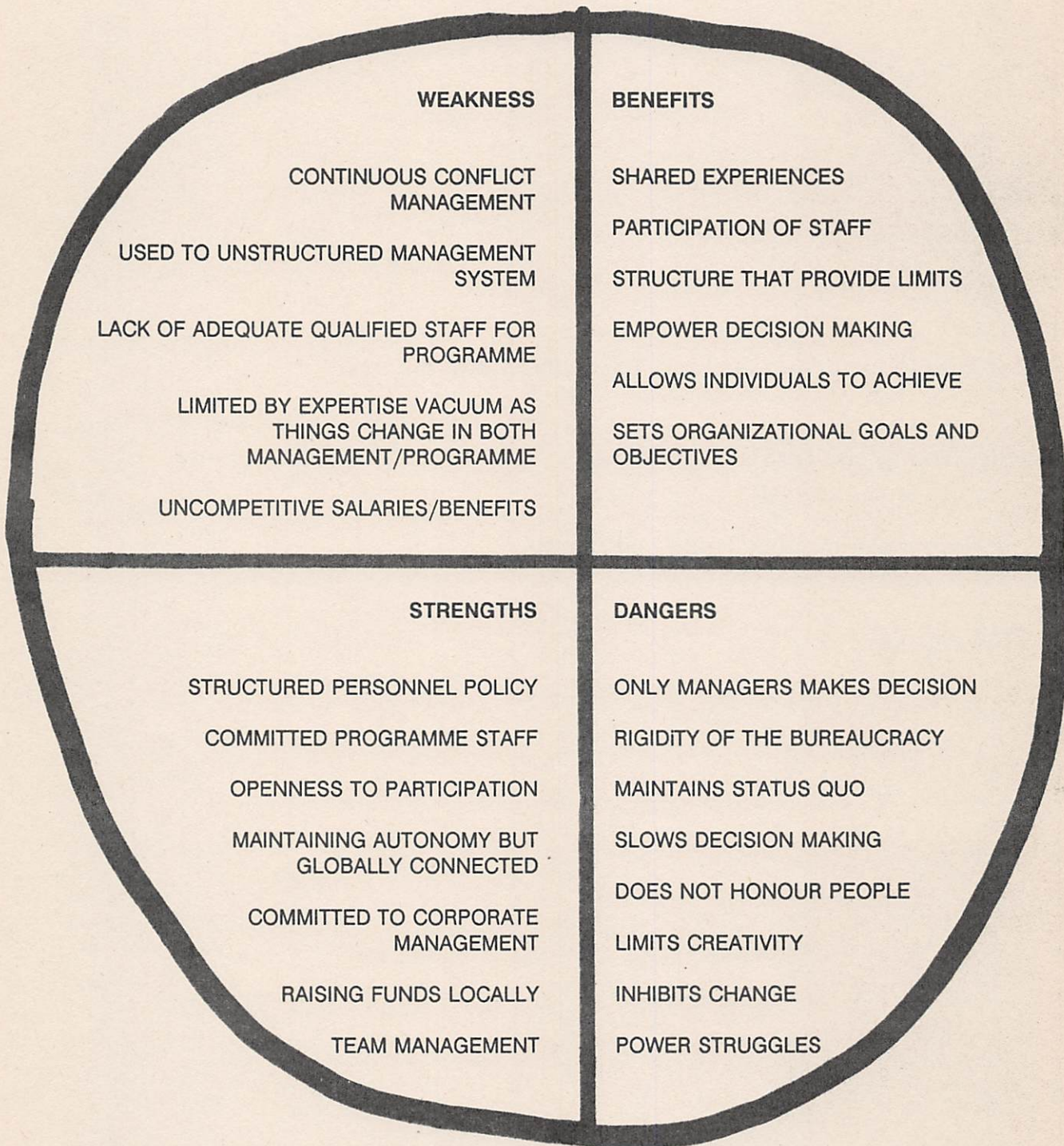
- \* From elected (by the staff) leadership that changed every year to 5 administrative positions: national director, programme director, funding manager, administration/personnel officer, and accountant which are hired by the board.
- \* Abolished all commissions except the finance commission.
- \* Hired a consultant to help design the reorganization.
- \* Written job descriptions
- \* Written the regulations of employment
- \* Put all staff on one year contract depending on funding
- \* It is more organized and committed to the programmes of the organization.
- \* Financial systems have improved.
- \* Developed an internal financial policy to control expenditures.
- \* Systematic filing of important documents.
- \* More project proposal have been submitted.
- \* Meet regularly to plan for any event.

\* Before the last 5 years, the Board members ran the organization purely on a voluntary basis. The activities were limited in scope since the "managers" only had their spare time to spend on running the organization. Funding for example was always a major problem in the arena of programme expansion.

### **WHAT HAVE YOU LEARN?**

- \* No organization can realise its full potential without adequate financing.
- \* Fund raising is a difficult business.
- \* Management is easy when there is mutual trust among "managers" irrespective of status or rank.
- \* Clear job descriptions, appropriate delegation of authority are essential for effective management.
- \* De-briefing meetings are important.
- \* Constant evaluation of the programmes is critical. It gives good direction
- \* Visioning and planning is our important asset
- \* Objective structure is a must to stabilize an organization.
- \* Following the laws of the nation help the staff trust the organization. The staff is more comfortable knowing that they fit.
- \* With institutionalised leadership people are more responsible because they can make decisions.
- \* Having structure and systems helps in financial and personnel accountability, leaves,
- \* Hard decisions must be made.
- \* Objective structures are necessary so people know what to expect and allows for growth of organization regardless of who is employed.
- \* Management team enables implementation.





## **MANAGEMENT**

### **4 KEYS**

- \* Flexibility**
- \* Courage to listen and respond. Experiment with the new.**
- \* Empowering and respecting the staff.**
- \* Decision making structure de-centralized**
- \* Productivity**

# NGO MANAGEMENT NETWORK

## MANAGING NGOs

by Piers Campbell

Draft  
September 1991

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## PART ONE

### WHAT IS AN ORGANIZATION?

#### A Basic Model

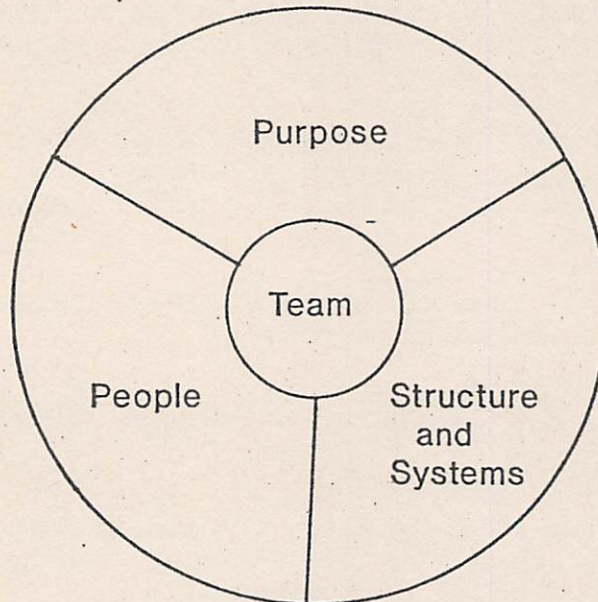
There are many ways of analyzing organizations.

In the simplest sense, an organization is made up of **people** - the individual members of staff, who contribute their knowledge and skills to the organization.

It goes without saying that the people have to be **organized** which, in management terms, means that there has to be a **structure**, supported by efficient **systems** and procedures.

A third key element is the concept of a **team** - the staff should work together as an integrated and harmonious group.

Finally, the organization must have a clearly-defined **purpose**, which is translated into realistic and appropriate goals.



These concepts can be brought together to create the following definition of an organization:

An organized group of people who work together as a team to achieve a common purpose.

There are, of course, many other organizational models, which will be presented in Parts Three and Four.

### Strengthening Our Organizations

This first model, however, helps us particularly to understand how organizations should be strengthened.

For example, too often we try to address organizational weaknesses by running training courses. But, training can only improve the individual staff members' knowledge and skills. It cannot effectively treat problems of teamwork, planning or administrative procedures.

The converse is equally true. New systems should never be introduced alone. They should always be accompanied by briefings or training sessions.

In other words, when seeking to change an organization, it is important to develop a package of activities that include planning, training, team-building and improvements in the structure and systems.

This subject will be treated in more detail in a separate paper entitled "Strengthening Organizations".

### Organizational Skills

When we work for an NGO, we need certain technical skills, for example: sanitation, community development, refugee health care, engineering and agricultural development.

However, as members of an organization - any organization - we also need a wide range of organizational skills. These skills represent the expertise that helps us to function effectively in the organization.

The basic model above emphasizes three essential skills: planning, working in a team, and organizing.

But there are many more. Planning is vitally important but we should also monitor and evaluate, and we should be able to adapt to changing circumstances. In organizational terms, we should have skills in strategic planning, monitoring, and change management.

A list of organizational skills for NGO staff can be extended to many inter-related subjects. Here are examples of some of the most common:

- |                      |                          |
|----------------------|--------------------------|
| * Planning           | * Problem-solving        |
| * organizing         | * Decision-making        |
| * Monitoring/control | * Conflict resolution    |
| * Evaluation         | * Negotiation            |
| * Facilitation       | * Performance review     |
| * Communication      | * Multi-cultural issues  |
| * leadership         | * Motivation             |
| * Supervision        | * Running meetings       |
| * Delegation         | * Public speaking        |
| * Writing skills     | * Programme management   |
| * Staff development  | * Time management        |
| * Coordination       | * Information management |
| * Assertiveness      | * Strategic management   |

This list may seem a little daunting. At the risk of some simplification, most of these skills can be divided into three groups:

**Communication skills:** Public speaking, writing, running meetings, facilitation, assertiveness, negotiation, conflict resolution, cross-cultural communication ...

**Organizing skills:** Planning, monitoring, problem-solving, evaluation, coordination, programme management, decision-making, time management ...

**Supervising skills:** Leadership, delegation, motivation, performance evaluation ...

We need all these skills - to a greater or lesser extent. The level of expertise required will depend on the nature of the job and the amount of responsibility.

A programme officer in the field will need more communication skills than a research officer at headquarters. Everyone has to solve problems and take decisions, but decision-making ability become more important the higher the manager progresses in the organization. A director has to be an effective leader of teams, but everyone in the office should have a basic understanding of how to work in a team.

In larger organizations, there will be specialists in some of these subjects, such as in the areas of personnel and financial management. However, even in these cases, we need some basic expertise. For example, many of us are involved in the recruitment process even if there is a recruitment officer. A fundraising department is rarely effective unless all members of staff are actively supportive.

### Returning to the Model

The organizational skills listed above are only part of the picture. Returning to the basic organizational model, it is clear that we need people with both technical and organizational skills.

But we also require efficient systems and procedures to enable the expertise to be put into practice. Good planners cannot function effectively if the planning systems are faulty. And, there is little point in having good planning systems, if we do not know where we are going (i.e. if we have not defined our purpose and goals).

### Management

So far, the word "management" has scarcely been used except in the list of organizational skills.

This is quite deliberate. We are all responsible for working effectively in our organizations. We all need to have the basic skills to be able to do this.

The next chapter briefly looks at the additional responsibilities of those who exercise supervisory and management functions in the organization.



## PART TWO

### MANAGING OTHERS

#### Misconceptions

NGOs have traditionally regarded the idea of management with considerable suspicion. There are a variety of reasons for this:

- \* Most of the current management concepts have emerged from the commercial sector and hence have a "for-profit" connotation.
- \* Management is sometimes equated with the employers in the traditional industrial context and may be considered as a set of techniques to justify hierarchical authority.
- \* Management is associated with efficiency and productivity whereas social development agencies have traditionally emphasized "good works" and commitment as more important values.
- \* Management is often seen as an imposition by the North on the South, or by the donors on the recipient organizations.

NGOs' suspicions towards management are based on a number of misconceptions about the nature of management, which themselves stem from the mistaken idea that management is alien to NGOs.

There is nothing intrinsically good or bad - or alien - about management. It simply defines a function or a process that any organization needs, if it is to be effective. This applies to all organizations, from the small cooperative to the transactional company.

#### Definitions

During the past decade, the negative attitude towards the concept of management has largely disappeared.

There is still, however, some confusion which stems partly from two usages of the term management.

Firstly, it is used in the sense of achieving results, coping with difficult situations and managing oneself. In this sense, it is essentially the same as the organizational skills described in the previous chapter.

The second sense of the word relates to the responsibility for running an organization, leading a team and supervising staff.

These are not necessarily contradictory if **management** is defined as a set of functions that helps the organization to work together and to achieve its objectives i.e. all the organizational skills and processes mentioned above).

A **manager**, on the other hand, is someone who has responsibility for supervising others and thereby helping the organization to achieve its goals.

A manager, therefore:

- \* helps others to achieve results
- \* ensures the organization or the team works effectively
- \* supervises staff.

### A Mixture of Roles

A manager in an NGO rarely has only one role. In addition to the **managerial and supervisory** responsibilities, s/he will have:

- \* **Organizational functions:** decision-making, financial control, representation, planning, controlling, etc.
- \* **Technical functions:** community development, sanitation, health, agriculture, etc.

The relative importance of the three roles will depend on a mixture of factors. Senior managers tend to have relatively few technical responsibilities.

Some managers prefer to have many subordinates reporting directly to them and hence to focus on their managerial role. Others tend to have very few subordinates and to concentrate on key organizational responsibilities, for example: relations with the board, representation, strategic planning and fundraising.

### Functions of Management

Traditionally management was defined in terms of four-to-five different functions. Although there have been many arguments about the number and the categories, the following seven are most commonly mentioned:

- \* Planning
- \* Organizing
- \* Leading (or directing)
- \* Controlling (or monitoring)
- \* Staffing
- \* Evaluating
- \* Coordinating.

It is argued that these seven functions represent the main responsibilities of the manager.

To take an example of a primary health care team in a refugee camps.

**Planning**

The headquarters staff and team leader decide on the goals for the PHC team. At a later stage, the team itself defines the more specific objectives.

**Staffing**

The members of the team are selected, orientated and, if necessary, trained.

**Organizing**

Each member of the team is given specific roles and responsibilities. The basic administrative systems are established.

**Leading**

The team leader supervises, leads and motivates the team members. S/he delegates where appropriate and maintains a positive and constructive working atmosphere.

**Controlling**

The activities are carefully monitored and, where necessary, the plans are adapted.

**Evaluating**

From time to time, the work of the team is evaluated to see if the original plans are still valid, if the team is still meeting a priority need, and so on.

**Coordinating**

Finally, the team leader ensures that all the various individual activities are coordinated together. S/he has to make sure that the team is working within the overall strategy of the organization.

**More definitions**

At this stage, a few more definitions may be helpful.

<b>Skills</b>	represent the knowledge, ability and expertise needed by the individual staff members.
<b>Functions</b>	concern the overall role and responsibilities of people in the organization
<b>Systems</b>	are the administrative arrangements and procedures needed to help the organization run smoothly
<b>Process</b>	is what is actually going on in an organization.

To take a concrete example, planning.

The organization needs people with planning skills. It equally requires planning systems to make sure that planning can be done smoothly and at the right time.

The role of the manager is to make sure that planning is actually done in the organization. S/he is, therefore, concerned with the planning process and, - if something goes wrong, with looking for solutions (e.g. improving skills or systems, etc.).

There are two functions involved in this process: the planning function and the management function.

**The Manager as a Catalyst**

The management functions discussed on the previous page represent the traditional way of looking at the role of the manager.

However, the NGO manager does not necessarily carry out planning or evaluation himself/herself. On the contrary, the manager's real job is to ensure that planning (organizing, etc.) is done in the organization or the team.

To give a concrete example. A head of a field office may actually do the evaluation because s/he used to be a specialist in this field and there is no one else available. But, s/he is doing the evaluation in his/her capacity as the evaluation specialist **not** as the manager.

The role of the manager is to initiate, facilitate, coordinate and control all the **functions** mentioned above.

A manager therefore:

<p>initiates</p> <p>motivates</p> <p>facilitates</p> <p>catalyses</p> <p>trains</p> <p>coaches</p>
--

A desk officer may be mainly concerned with the traditional aspects of programme management, budgeting, monitoring and reporting. But s/he should also give time and energy to initiating new ideas and approaches for the development programmes. S/he should be encouraging and facilitating the work of the local communities.

In many cases, the manager can play a key role in training his/her staff - either formally through workshops or more informally through on-the-job coaching. S/he can be an effective catalyst in helping the people to analyse problems and develop solutions.

### Crisis Management

All this may seem fine in theory but what about the reality of the working week?

Many NGO managers have to work under a lot of pressure. They literally go from one crisis to another. Many feel that they have become fire-fighters rather than managers.

As a result, they believe that they do not have enough time to plan, organize, coordinate let alone to act as the catalyst and facilitator for their colleagues. We often hear the refrain: "I haven't got time to plan".

Although the pressures are real, it is sometimes true that a sort of "crisis mentality" takes over to the extent that people cannot operate effectively unless there is a crisis. They may even be tempted to turn their routine work into an emergency.

However, it is equally important to remember that the more effort that the manager makes to train and support his/her colleagues, the easier it will be to tackle the next crisis.

### Three Basic Styles?

In some ways, managers in NGOs have three options for their general management style:

Level Three	Facilitator, Catalyst, Initiator
Level Two	Planner, Organizer, Controller
Level One	Crisis Manager, Firefighter

It is essential that NGO managers get out of the "fire-fighting" mentality. They equally need to ensure that planning, organizing, coordinating, controlling and evaluating are carried out effectively in their organizations. This will then allow them to concentrate on their key managerial responsibilities: facilitating, motivating, training, and so on.

### PART THREE

## UNDERSTANDING ORGANIZATIONS

### Introduction

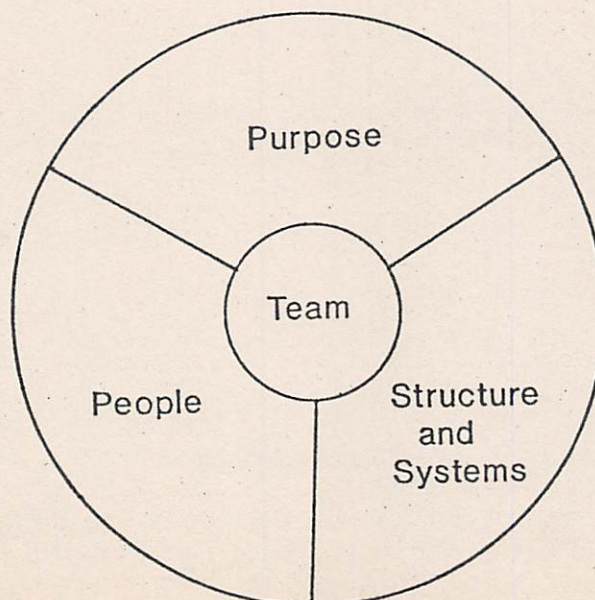
The main aim of this chapter is to present four organizational models. None of these models are intended to be complete representations of an organization. On the contrary, each one will provide a different perspective or way of looking at organizations.

In this way, it should be possible to build up a more comprehensive understanding of how organizations function.

### Model One: Organizational Processes

The first model is based on the definition of an organization presented in Part One. This model highlights the four "foundations" of an organization:

- \* Clear and realistic purpose and goals
- \* Committed and competent people with the necessary knowledge and skills
- \* Effective teams
- \* Efficient structures, systems and procedures.



### Model Two: Transformation of Resources

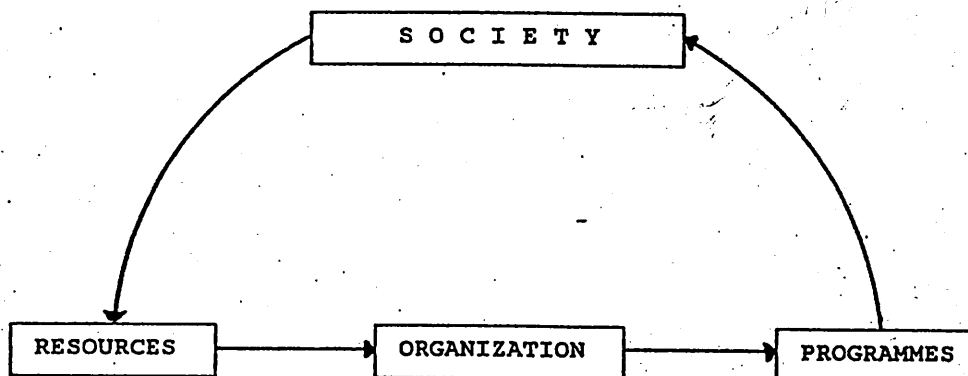
The second model focusses on the external world of the organization.

An organization never exists in a vacuum. It is part of, and is dependent on, society.

The organization takes resources (people, equipment, materials, land, information) from society ...

... and transforms them into products, programmes and services ...

... for society

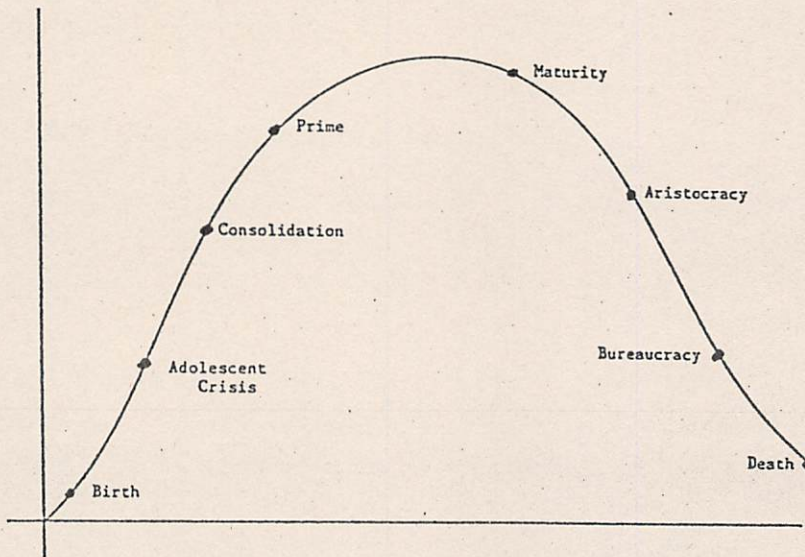


### Model Three: Life Cycle of an Organization

Another approach is based on the life cycle of the organization. Organizations are like people. They are born, they grow and eventually they die. Like people, they go through crises, take on new directions ...



Organizations tend to follow very similar patterns during their life cycles. This diagram is based on a model developed by the Manitoba Institute of Management, Canada.



### Birth

Many organizations start with a dream: one person or a small group meet together and decide that they want to run a programme or provide a service for the community. In the early days, the founders do everything themselves, running the activities, raising funds, writing reports. Decisions are often taken collectively and many, if not all, of the staff are volunteers.

### Adolescent Crisis

As the organization grows and becomes more successful, it inevitably experiences "growing pains". New staff have to be recruited. The founders often try to continue to control every aspect of the organization, but such control becomes less and less feasible. There is a need to "de-personalize" the leadership of the organization and to establish standardized administrative systems. Some founders are unwilling to let go and the resulting crisis can tear the organization apart.

### Consolidation

If the organization comes through the crisis successfully, it often devotes its resources to establishing a sound management and administrative base. Personnel policies are institutionalized, financial management systems are established, and priority is given to long-term planning and coordination.

### Prime

This leads on to a new stage when the organization finds itself in its most effective period: clear goals, well-established support systems, and committed staff. Unfortunately, the life cycle goes on and the organization changes ...

### Maturity

The effectiveness is still there and, in fact, the programmes may be at their most effective. But, the vision, commitment and enthusiasm starts to lessen. Ideally, the organization needs to renew itself, to move back into the "prime" stage. If it does not ...

### Aristocracy

The decline will begin (the seeds of decay!). The efficiency will still be there and the organization will probably keep its good reputation for some time. But the organization will gradually lose contact with reality. The enthusiasm and creativity will disappear. Serious problems will occur but these will be ignored or hidden. Any revival will have to be dramatic and is often associated with a change in senior management ...

### Bureaucracy

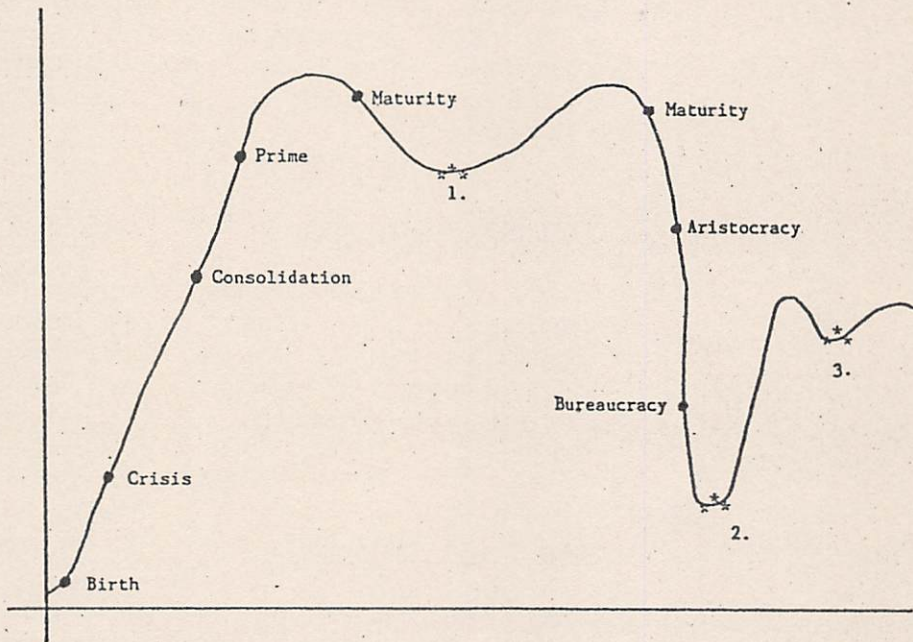
If change is resisted, the organization goes into the bureaucratic phase where the vision has disappeared, the programmes are secondary and the emphasis is placed on the internal systems. Any revival has to be traumatic and radical surgery is required. If not ...

### Death

The organization will lose the confidence of its constituency and donors - and will die.

This model is obviously a simplification of reality. But organizations do go through these stages although the "progression" is rarely as smooth as the diagram would indicate.

The following graph is probably closer to reality ...

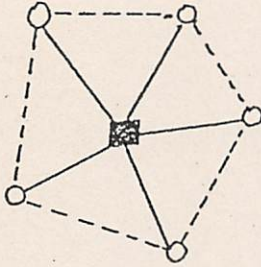


1. Successful renewal
2. Traumatic rebirth associated with a major organizational crisis
3. Recurrent problems before the organization regains its prime stage.

#### Model Four: Organizational Cultures

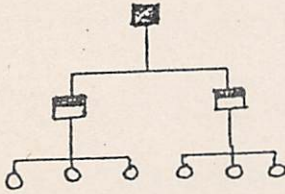
Another way of looking at organizations is to analyse their "cultures". Charles Handy, in his book "The Gods of Management", identified four organizational cultures:

### The Web Culture



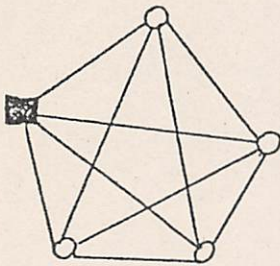
The "web" or "club" culture is characterized by a spider's web. The organization revolves around the leader (often the founder) who tends to control everything that goes on in the organization. It is a very personalized, almost family, culture with the emphasis being placed on personal contacts. The structure and systems tend to be informal and flexible.

### The Role Culture



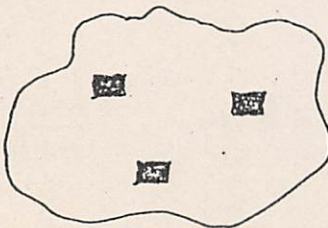
The "pyramid" or "role" culture applies to classically structured organizations, where everyone has a well-defined role in a neatly structured pyramid.

### The Task Culture



The "network" or "task" culture is often found where you have a group of people working on specific problems. There may or may not be a clear hierarchy and the focus is on planning and problem-solving together. Special teams are frequently set up for specific tasks and are dissolved when the objective is achieved.

### The Existential Culture



The "individualist" or "existential" culture is found when a group of individuals feel that they have a need to be loosely organized (for example in order to provide a common set of support structures). Examples would be doctors, lawyers, artists' cooperatives and consultants. Hence the priority is given to achieving the goals while maintaining the independence and autonomy of the individual.

How do you identify the cultures? There are diagnostic questionnaires but the following grid might be the easiest and faster way.

<u>CULTURE</u>	<u>WHAT DO YOU DO ?</u>	<u>FIRST LOYALTIES ?</u>
CLUB	"I work for David ....."	My boss
ROLE	"I am the Deputy Director at ..."	My organization
TASK	"I work in health programmes for refugees"	My work
EXISTENTIAL	"I am a doctor, consultant"	Myself and my professional work

Most organizations will have one overall dominant culture but many different "sub-cultures" will be found in the departments and project teams. A lot depends on the size, type of work, the local environment and the history of the organization.

Each culture has its strengths and weaknesses.

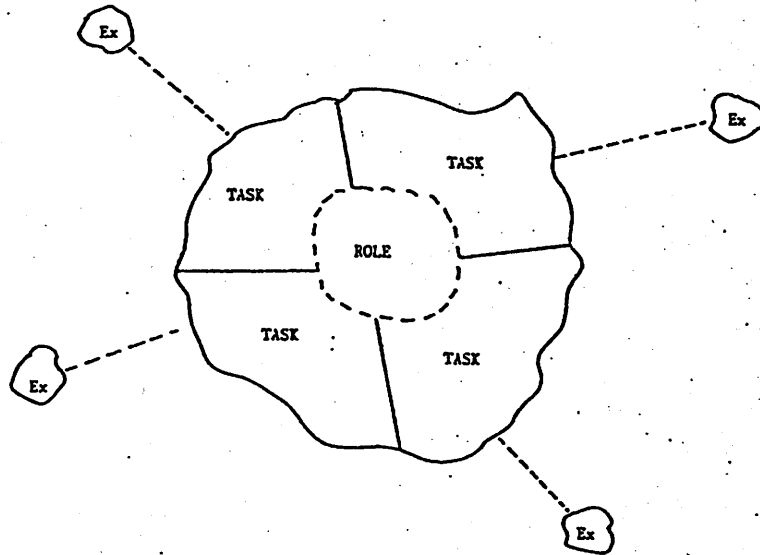
For example, the "club" culture is good for getting organizations and programmes off the ground but tends to be inappropriate once the organization starts to grow and consolidate. "Club" and "role" cultures do not mix well.

A "role" culture is probably inevitable for large and well-established organizations. But there is a built-in tendency towards bureaucracy. "Task" cultures are an excellent means for renewing "role" cultures but, by their very nature, they tend to be temporary.

"Existential" cultures only act like organizations on the surface but they can be very useful at the periphery.

What about the future? Most large NGOs will continue to need a core "role" culture but, at the same time, they will depend on a variety of "task" cultures to keep the organization at its "prime".

Equally, there is a definite trend towards the use of freelance specialists (individuals and companies) who can provide technical services as required. So perhaps the following model represents the future?



One final remark. Although a mix of cultures is normal, it also represents one of the primary sources of conflict in an organization. Staff members brought up in a "role" culture will not easily adapt to a "club" or "task" culture, and so on.

\* \* \* \* \*

## PART FOUR

### RESPONSIBILITIES OF A MANAGER

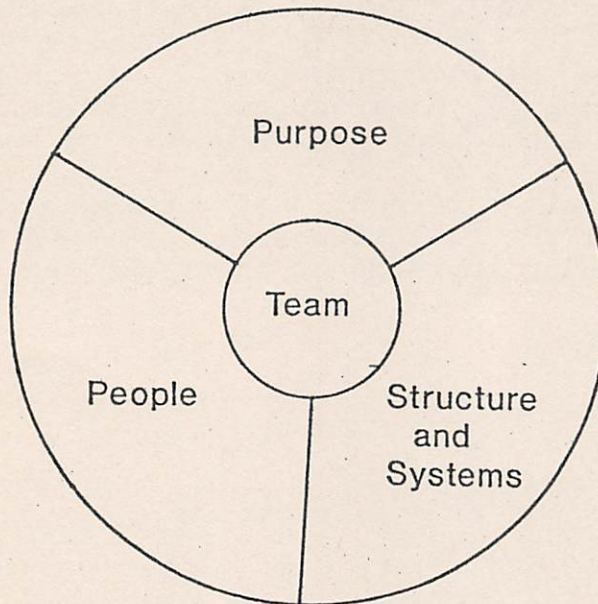
#### Functions of a Manager

The aim of this chapter is to present a series of models that summarize the main functions and responsibilities of a manager.

It should be remembered that the manager's job is not necessarily to do all these things. On the contrary, his/her main role is to ensure that these responsibilities are carried out effectively in the organization or team.

Most of the models apply to all work units: the organization, division, department, and service.

#### Model One



This model helps to identify the key elements in an organization. All four are interrelated and have to be addressed in a comprehensive way. Hence, when planning an organizational **change strategy**, it is essential to think in terms of a package of the four main components of an organization.

Of the four, strategic planning and team-building are often the most important. So, interventions designed to improve strategic management and teamwork should normally precede training courses or changes in the structure and systems.

But the "ideal" approach is not always possible, so many organizations start with training and use the courses to stimulate an awareness of the need for changes in the other areas.

### Model Two

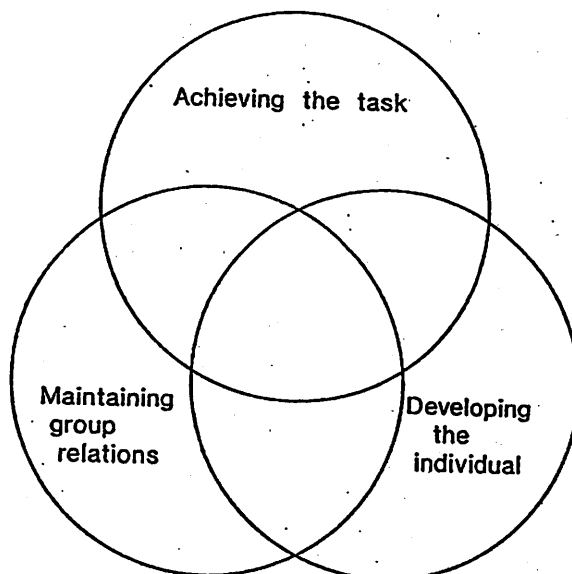
The distinction between task and relationship or between content and process is fundamental to the understanding of group dynamics and teams.

All groups have a task to accomplish, a subject to discuss, a problem to resolve, a recommendation to formulate. The group leader has the responsibility to ensure that the group achieves its task.

At the same time, a group is made up of individuals who have to work together. If the relationships between the group members (or the "climate" of the group) are not good, then the task will not be achieved effectively - at least, not in the long term.

Team leaders, therefore, have to balance constantly the two functions. If they focus solely on the task ("we must get the job done") they will find that the climate deteriorates and people's motivation slowly disappears. If, on the other hand, they concentrate solely on group relationships, everybody will have a great time but the task will probably be ignored.

Task and relationship are not, of course, the only way of looking at a team. The following model presents the three basic functions of a leader in terms of the task, group relations and individual needs.





The new element in this model is the development of the individual. The leader has to activate the expertise of each member of the team, provide personal development possibilities, and so on.

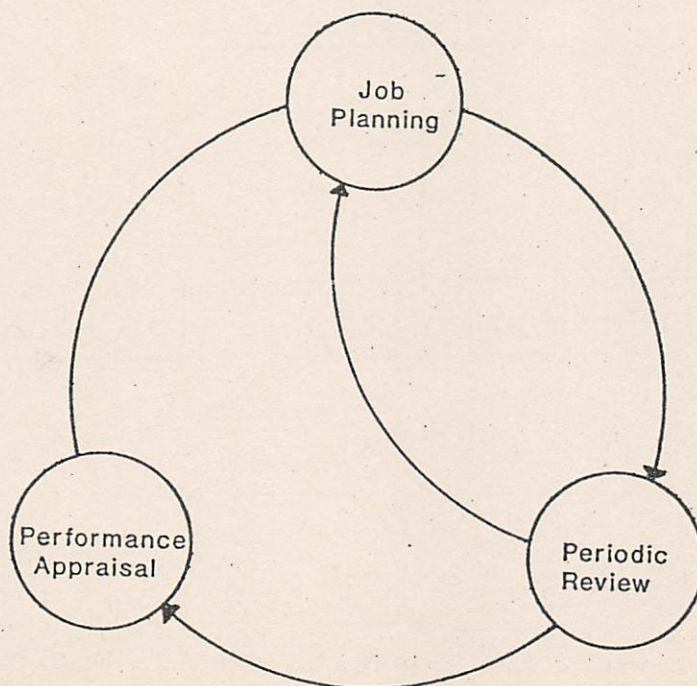
### Model Three

The third model concerns the relationship between the supervisor and the individual staff member. It is based on a system called **Job Planning and Review (JPR)** - or sometimes "work planning and performance evaluation".

The JPR system is designed to improve individual performance. It will also lead to improvements in:

- \* planning at the departmental and organizational levels
- \* relations between supervisors and their subordinates
- \* teamwork within the department
- \* systems of assessing and rewarding good performance
- \* training
- \* salary review process.

As its title suggests, the JPR system concerns both planning and review (or evaluation). It comprises three separate stages:



**1. Job Planning**

Each staff member plans his/her work for the coming year in consultation with the direct supervisor.

**2. Periodic Review**

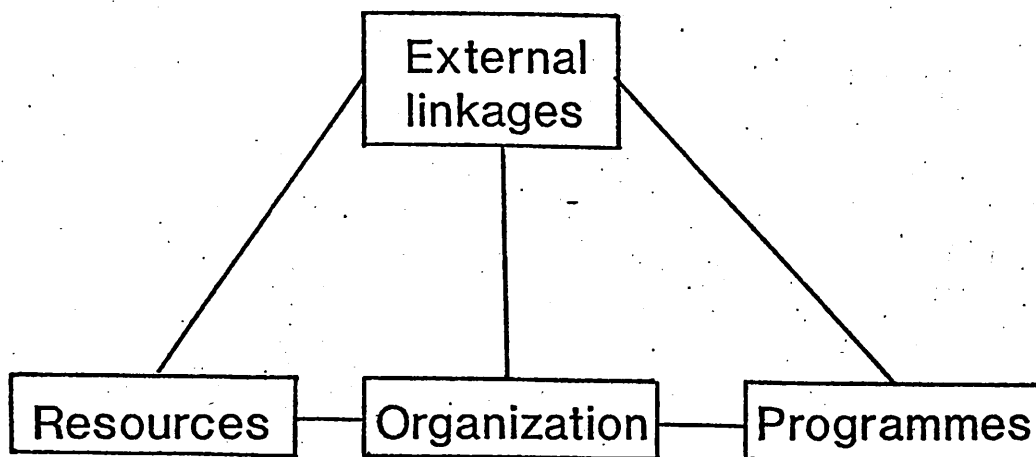
From time to time (at least twice a year), the supervisor and the staff member meet together informally to review the implementation of the plan and to discuss how performance can be improved.

**3. Performance Appraisal**

Once a year, the supervisor formally evaluates the performance of his/her subordinate, using a standard form or report.

**Model Four**

The fourth model focusses on the external environment of the organization.



From this perspective, the manager has to keep four overall areas in mind:

- |                             |   |
|-----------------------------|---|
| 1. <b>Organization</b>      | Purpose, staff, structures, teamwork,<br>(see models one, two and three). |
| 2. <b>Programmes</b>        | Development, training, health, relief,<br>information ...                 |
| 3. <b>Resources</b>         | Finances, staff, materials, equipment,<br>information ...                 |
| 4. <b>External Linkages</b> | Board, member agencies, governments, UN<br>agencies, other NGOs ...       |

### Organizational Processes

The four models described above summarize the main functions and responsibilities of an NGO manager. In order to be able to perform all these effectively, s/he needs the various organizational skills listed in Part One:

- |                      |                          |
|----------------------|--------------------------|
| * Planning           | * Problem-solving        |
| * organizing         | * Decision-making        |
| * Monitoring/control | * Conflict resolution    |
| * Evaluation         | * Negotiation            |
| * Facilitation       | * Performance review     |
| * Communication      | * Multi-cultural issues  |
| * leadership         | * Motivation             |
| * Supervision        | * Running meetings       |
| * Delegation         | * Public speaking        |
| * Writing skills     | * Programme management   |
| * Staff development  | * Time management        |
| * Coordination       | * Information management |
| * Assertiveness      | * Strategic management   |

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**Nature and Principles of Accounting**

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(53)

**The Ten Fundamental Accounting Conventions****ACCOUNTING ENTITY**

An accounting entity is any accounting unit which controls and employs resources with the hope of generating more resources.

**CONSISTENCY**

This requires the coherent and consistent use of accounting methods to ensure comparability of the financial conditions of the entity from period to period. It provides the assurance that the changes in the financial condition and operations resulted from actual transactions and not the mere shift of use in the accounting methods and procedures.

**CONSERVATION**

This prevents the anticipation of income realization as well as the omission of known liabilities and losses.

**OBJECTIVITY**

This ensures the dependability of the accounting data since only the verifiable basis for transactions are given cognizance.

**UNLIKELINESS AMONG INDEPENDENT ENTITIES**

Diversity in accounting methods and practices are evident between entities belonging to different lines of enterprise. The entities must adopt accounting methods best suited for their purpose while conforming to the generally accepted accounting principles.

**NO MONETARY FLUCTUATION**

The transactions accounted for should be reflected in terms of the stable monetary unit at the time of the transaction and of the country where the business is located.

**TIMELINESS**

The need for periodic financial statements may require the use of estimates inasmuch as transactions and events do not necessarily coincide with the period covered by the report. Since financial statements must be timely, allocations or provisions are made on the basis of estimates or opinions rather than definitely ascertainable facts.

**IMPORTANT INFORMATION CONSIDERED**

This is used by the accountant in making decisions regarding the application of the basic concepts of accounting. It permits tolerable deviations based on the decision of a reasonably prudent investor.

**NO HIDDEN MATERIAL INFORMATION**

This requires that financial statements fully reveal significant information relevant to the fair presentation of financial facts relative to the enterprise.

**GOING CONCERN**

Accounting for an enterprise is done on the assumption that the enterprise will continue indefinitely and it will not be liquidated within the foreseeable future.

### **Origin of Accounting**

Accounting dates back many centuries when the Babylonians, the Egyptians, and the Phoenicians recorded their financial transactions in papyrus, tablets of clay, and stones.

In 2250 B.C., the Code of Hammurabi required all public servants to keep similar records. Scribes were tasked with the accounting of taxes collected by the Governors. Likewise, a system of internal control was established, such that one official checked on another.

The 14th and 15th centuries were characterized by the introduction of the mechanics of bookkeeping corresponding to the needs of business. The first book on accounting was written in 1458 by Cotrugli, a judge in the Court of Naples. Thereafter in 1494, Luca Pacioli, a Franciscan monk, published his book entitled, "Summa de Arithmetica", which provided several chapters on the Accounting Method of Venice. This was recognized to be the forerunner of the double-entry system of bookkeeping.

The use of the double entry system was not limited to business but was also extended to other organizations such as the monasteries and the state. This brought about the reporting of profit as against loss at the end of the year rather than at the end of the venture. Later, Balance Sheets were drawn at stated intervals. By 1673, the Code of Commerce of France required the presentation of Balance Sheets every two years by all businesses.

Improvement of the double-entry bookkeeping was caused by the Industrial Revolution. The 19th century witnessed the shift from mere bookkeeping to accounting, which includes an analysis of transactions toward a comprehensive system.

### **Definition of Accounting**

Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money-transactions and events, which are (at least in part) of a financial character and interpreting the results thereof. Accounting is an art. Emphasis is placed more on the accountant's creative skills and ability in applying his accounting knowledge to a given problem than on the extent of his knowledge.

The recording phase translates the financial transactions and events into written accounting data. Classifying pertains to sorting these data in a systematic manner. Summarizing brings the accounting data together in a form that further enhances the data's usefulness.

Interpreting the results thereof involves analyses, comparisons, and explanations of the summarized accounting data.

### **Nature of Transactions**

A transaction is an accomplished event or condition, the recognition of which results in a change in the elements (i.e., assets, liabilities and/or capital). It involves an exchange of values and is the basis of an entry in the accounting records. "Transaction" comes from the Latin word *transactio*, which is compounded from two Latin words: *transigere* (to drive through) and *actum* (accomplish).

### **Relationships of Bookkeeping, Accounting, and Financial Management**

*Bookkeeping* is the process of analyzing, classifying and recording transactions in accordance with a preconceived plan. Its purpose is to provide a means by which an enterprise may be conducted in an orderly manner, and to establish a basis for reporting on its financial condition and the results of its operations.

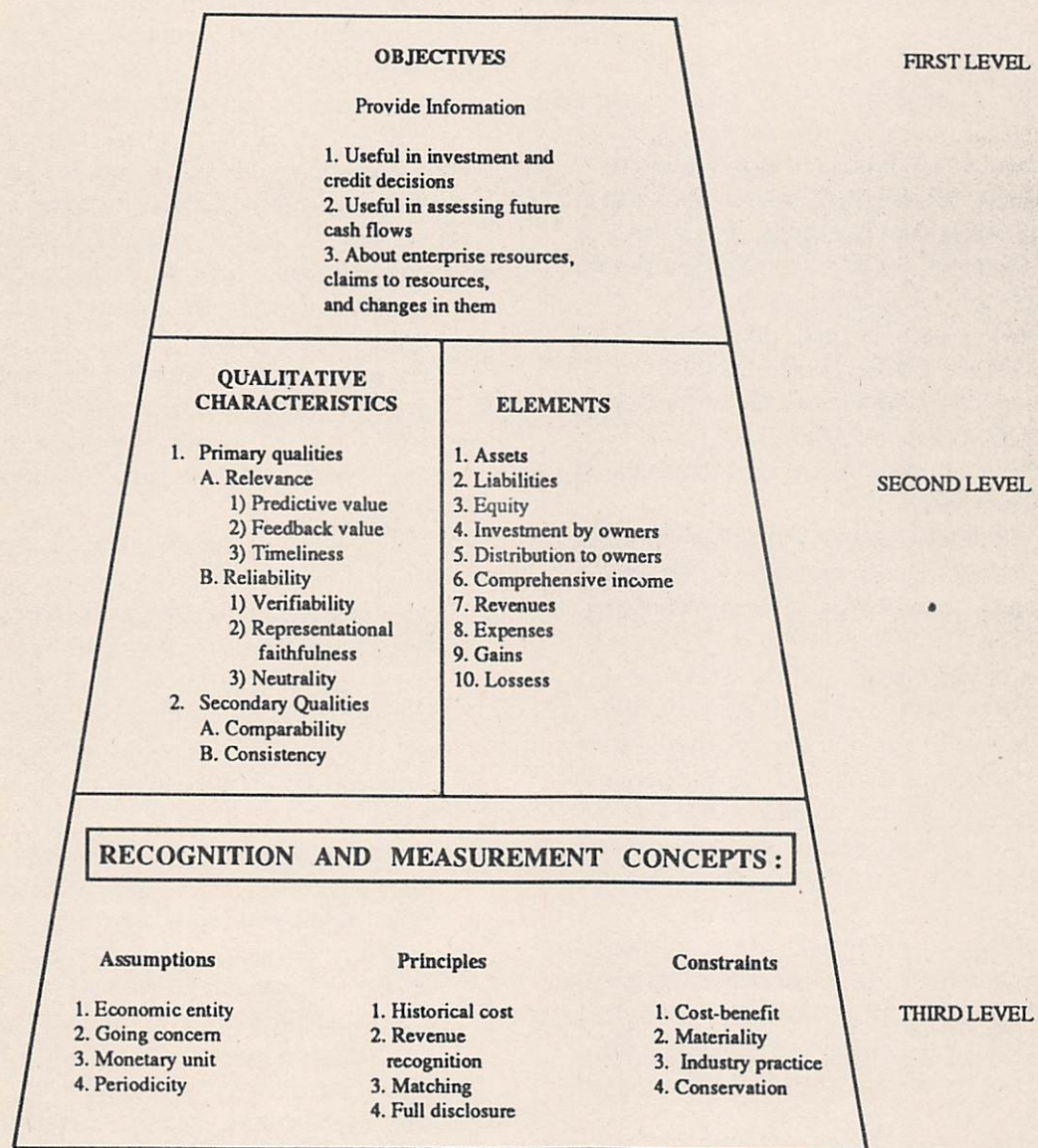
Bookkeeping is concerned primarily with the mechanical and the routine. Its main function revolves around the recording of all transactions in the books of accounts. It may be performed without the benefit of formal training.

*Accounting*, on the other hand, is broader in scope. It includes bookkeeping plus the analysis and interpretation of recorded data. In performing these functions, the accountant exercises skill and judgment and applies sound logic and reason.

Accounting draws (from the results furnished by the bookkeeper) inferences as to the condition and conduct of the enterprise, the two fundamental objectives of accounting.

*Financial Management* has a far wider scope that includes accounting. Any organized or coordinated human endeavor always entails a series of resource utilizations to achieve a

CONCEPTUAL FRAMEWORK FOR A FINANCIAL REPORT



desired goal over a period of time. In organizations established for profit, this objective is one of creating revenues (normally valued higher than the cost of the resources expended) to obtain profit (the excess of revenue over the cost of the utilized resources).

But for non-profit organizations, the objective is one of creating *benefits* that are greater

than the costs involved in their generation. Necessarily, these benefits are more difficult to measure than those of businesses since they may include such concepts as increased awareness, increased skills, value formation, etc. (Source: Financial Management for PDAP Philippine NGO Partners, Manila: 1991).

## Internal Control

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### The Nature of Internal Control

#### Definition

Internal control includes the plan of organization and all of the coordinate methods and measures adopted within an organization to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies.

Internal Control has four objectives:

- a. to ensure efficiency in operations;
- b. to ensure compliance with established policies and procedures;
- c. to safeguard and protect the organization's assets; and
- d. to ensure reliability of the data reported.

The first two objectives refer to administrative controls; the last two refer to accounting controls:

a. *Administrative Controls.* These are measures that help ensure operational efficiency and compliance with the organization's established policies. They have no direct bearing on the reliability of the accounting data. For example, the policy that all employees should wear identification cards while they are within the office premises.

b. *Accounting Controls.* These are measures that provide for the protection of assets and the reliability of financial reports. For example, a person whose duties involve handling cash should not be assigned to maintain accounting records.

#### Elements of Internal Control

For internal control to be effective, the following elements must be present:

- sound organization
- systems and procedures
- records
- accounting system
- chart of accounts
- reports and financial statements
- internal auditing

#### Effective Internal Control Guidelines

- a. There should be an organizational chart that clearly indicates the departments or persons responsible for certain duties such as receiving and disbursing cash, maintaining accounting records, and approving credit to customers. An individual should be accountable for each identified function.
- b. Authorization to perform a function should always be given by someone superior to the person tasked to do it.
- c. The assignment of responsibilities and all internal control policies should be in writing so that unsatisfactory performance may be easily attributed to a certain group or individual.
- d. An individual charged with the custody of assets should not be given accounting functions. Related to this, the division of duties strengthens internal control since no one person or department does a single transaction from start to finish. The work of one serves to verify that of another so that errors are detected promptly and minimized.
- e. To the extent practicable, employees may be rotated from one job assignment to another. When employees know that other persons may soon be taking over their duties, they tend to be more careful with their records and follow prescribed procedures. Errors or irregularities may then be easily detected. This is the thinking behind allowing employees to take vacations so that their duties can be performed by others during their period of absence.
- f. The use of serially numbered documents makes it possible to account for them. Any break in the sequence indicates a discrepancy.
- g. The employment of well-designed forms, efficient mechanical devices and the establishment of an orderly process flow ensures accuracy.
- h. Each employee must have a level of competence

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# TIPS AND TECHNIQUES

## Preparing for a Visit by the Auditor

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by Wayne R. Vail

I know a man who collects cartoons about auditors. One of his cartoons shows an office manager in the filing room. His eyes are bulging, his hair is on end, and in his fright he has scattered the papers in the air as he threw up his hands. In the next room an employee is announcing, "The auditor is here!"

Traditionally the auditor's visit is dreaded more than a contagious disease. Other than the inconvenience of the visitor disrupting the routine of the office, an audit should be a beneficial pleasantry.

### *The Auditor's Objective*

The auditor performs his task with only one objective: to be of service to his development organization on one hand and to your organization on the other hand. The audit service is focused on establishing an independent opinion as to whether the financial report the client has prepared is free of material errors. The auditor's opinion on the financial report does include compliance with the grant agreement and the Working Policies set by the Board or Governing Council.

Because your institution probably receives funds from grantors, it is necessary for the auditor to express a separate opinion as to the compliance with the Working Policies of the Board, as adopted by the local divisions.

### *How the Auditor Expresses This Opinion*

The only way an auditor has of expressing his or her opinion is by a letter called the opinion statement.

The financial report is always considered to be prepared by the administrators. The auditor will suggest the format of the financial report, but the report itself is management's.

Because the auditor who visits your office must express three separate opinions, there will

be three separate letters. These three opinion letters will be bound with the financial report.

The auditor's letter, called a management letter, will state problems observed during the course of the audit and recommendations to management for correcting those problems. The recommendations made in the management letter should be taken seriously as the auditor is obligated to comment on the reaction to them in a future audit.

### *What Preparation is Needed*

One day as I walked into an office, one of the senior accounting staff saw me and rushed into the treasurer's office saying, "The auditor is here. Why didn't you tell me he was coming?"

"If you knew that the auditor was coming, what would you have done differently?" the treasurer asked. "Whatever you think you would have done in preparation for the auditor is what you should have been doing anyway."

There is no special preparation the office needs for the audit. All the suggestions people make for preparation for the audit should routinely be done as a part of the regular accounting cycle. The agreement with the donors and the Working Policies of the Board or Council requires that accounting be done according to generally accepted accounting principles. When each transaction is contemplated it should be in compliance with the grant agreement and with the Board's Working Policies. The administration and each grant must be accounted for in separate ledgers. The accounting transactions must be supported with proper documents, and be up to date. All reconciliations must be prepared. Each of the systems and these procedures are expected of all administrators. Therefore, there is nothing to

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## Accountability Decision-making

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Most projects are bound to have to look in several different directions at once. For example...

- The project has technical obligations to the various agencies which fund it - reports, accounts and so on. But it may also have obligations of a different kind, involving accountability to the aims of the Programme under which it is funded.
- Project workers are likely to be attracted to the work because of the commitment they feel to a personal or political set of values. At the end of each day, they want to feel accountable to those values for what they have achieved.
- Each project has an individual history in the locality, perhaps involving obligations to local leaders, groups or companies.
- The project is founded on the principle of enabling poor people to take control of their lives, not simply of providing services. If this is really true, the project must be accountable to the poor community.
- The project manager feels responsible for and to the staff: he must account to them

for decisions which affect their working lives and futures.

- Partnerships with local actors may increase the impact of the project; they will also involve obligations.
- The structure of committees which the project adopts inevitably raises questions about accountability.

Not all of these obligations will conflict; but sometimes some are bound to and most people who have worked in social action projects are familiar with the stress that this gives rise to. There are no easy solutions, but a framework can help.

The diagram simplifies what is often a very complicated situation: projects survive and succeed by making allegiance and alliances, and all of them imply obligations in return. The role of management in this context is to:

- establish priorities in accountability
- reduce confusion and uncertainty
- sort out responsibility for decisions-through consultation, evaluation and review.

Taken from "Action Across Boundaries"  
(see paragraph 15)

COMMUNITY			
	WORKER	MANAGER	COMMITTEE/ FUNDER
VALUES			
internal commitment:	personal/ political	staff/ group	locality/ Programme
external commitment:	project's philosophy	funder's partner's aims	public accountability
DEVELOPMENT			
	case-work group-work	planning work programme	planning overall strategy

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do to actually prepare for the audit except to perform the tasks expected of the staff.

### Conclusion

Though the auditors are very busy, they are available for consultation. There are technical procedures that they may help management establish. If the auditor is involved in the establishment of the accounting system the records may be easier for him or her to audit,

which means that management and the accounting staff will have to spend less time explaining the financial transactions and accounting records to the auditors. The entire office routine and accounting system should be such that it complies with generally accepted accounting principles and the agreement with the grantor and the Working Policies of the Board.

My colleagues and I look forward to a happy visit to your office.

\*(Adapted from the author's article of the same title. The original article was written for Interface ADRA International, 12501 Old Columbia Pike, Silver Spring, MD 20904, U.S.A.)

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tence fit for the job assigned as well as the willingness to assume responsibility. Competence and integrity of employees may be developed through training programs; however, these are also determined by policies for the selection of personnel, the adequacy of supervision and the complexity of the organizational structure.

- i. The use of budgets or planned expenditures assist in detecting errors or irregularities since the variance between the planned and the actual results may be identified.
- j. In all large organizations, there should be an internal auditing staff to investigate operational efficiency.

### Limitations of Internal Control

a. *Collusion.* Although internal control contributes to the reliability of the accounting data safeguards the assets against fraud, there is no system that is foolproof. If two or more are working in collusion, detection of irregularities will be almost impossible.

b. *Size of the Organization.* For small organizations, it is difficult to achieve satisfactory internal control since it is almost impossible to provide for an extensive division of duties. However, to maintain a reasonable degree of internal control in such groups, there should be active participation by the manager in the establishment of controls.

### Organizational Control Guidelines

Simply put, organizational control refers to putting similar activities together. Activities or functions of any human organization can be classified into three, namely: Operation, Inspection, and Custodial.

a. *Operations.* These are activities geared towards results. They are mainly line functions like plant operations and marketing/selling operations.

b. *Inspection.* These are activities mainly for the protection of the organization's resources. These include staff functions and provide advice and support to operational functions. Examples are accounting, auditing, security, and procurement/purchasing.

c. *Custodial.* These are facilitative activities that make the job of line functions easier. Job functions under this category are the cashier, warehousemen, storekeepers, property custodian, and other similar functions.

As a general rule, no one individual should handle activities belonging to any two functional categories mentioned above. No individual should handle both an operation and either an inspection or a custodial function.

Source: Financial Management Manual for PDAP Philippine NGO Partners, Manila: 1991

## **PERSONNEL**

## PERSONNEL

### BRIEF DESCRIPTION:

**NIRADO (NIGERIA):** We have 10 full time employees with well defined job descriptions and several facilitators hired on contract basis.

**ICA ZAMBIA:** There are 10 full time staff and six contract workers. The staff are assigned to specific programmes. These are: village development, water and sanitation, SAVE, family farmers, income generating, women income generating and contracting services. Each staff is offered training relative to his /her work. In-house training is offered regularly.

**ICA COTE D'IVOIRE:** We have an American director, an Ivoirien assistant director, 1 Dutch volunteer administrator, 5 Ivoirien field workers. We have defined regulations of work that comply with the law of the country, job descriptions, do regular evaluations, everyone works on an one year contract.

**ICA KENYA:** 7 programmes managers, 12 administration, 3 consultants, 28 field facilitators.

**ICA MENA:** 37 staff members. Working in 3 locations. One model of Integrated development projects (Bayad), Institutional Strengthening Programme (Beni Sief), Development Commission (Cairo), and Regional Programmes Support Personnel, freelancers, consultants, part timers. Have personal policy working on a travel policy. PPC including job descriptions, updated CVs, personal files, reviewed every year.

### HOW HAS IT CHANGED OVER THE LAST 5 YEARS?

- \* More formal
- \* Better documented
- \* Flexible yet structured
- \* Policy developed in a participatory process with professional and legal consultation
- \* Benefit package adjusted
- \* Developing more appropriate salary scales
- \* Staff covered by social security, health insurance.
- \* Paying salaries including national social security
- \* Emphasis on staff training
- \* Medical scheme
- \* Reviewing our personnel policies
- \* Hiring of qualified finance manager. personnel and administration manager
- \* Putting staff on contract and on the right job

- \* Move from a totally subjective very unstructured with no ability to say a hard "no" to a objective structured employment policy
- \* Staff are responsive, conversant and committed to their work
- \* They have gained confidence in working with the rural communities.
- \* They are able to write comprehensive reports on their programmes
- \* There are now clear relationships and this has improved efficiency.
- \* One great strength of the present arrangement is that the "common labour" is now effectively "divided" thereby enhancing some of personal accountability.
- \* In practice, every staff member has direct access to any other staff member irrespective of position in the "hierarchy".

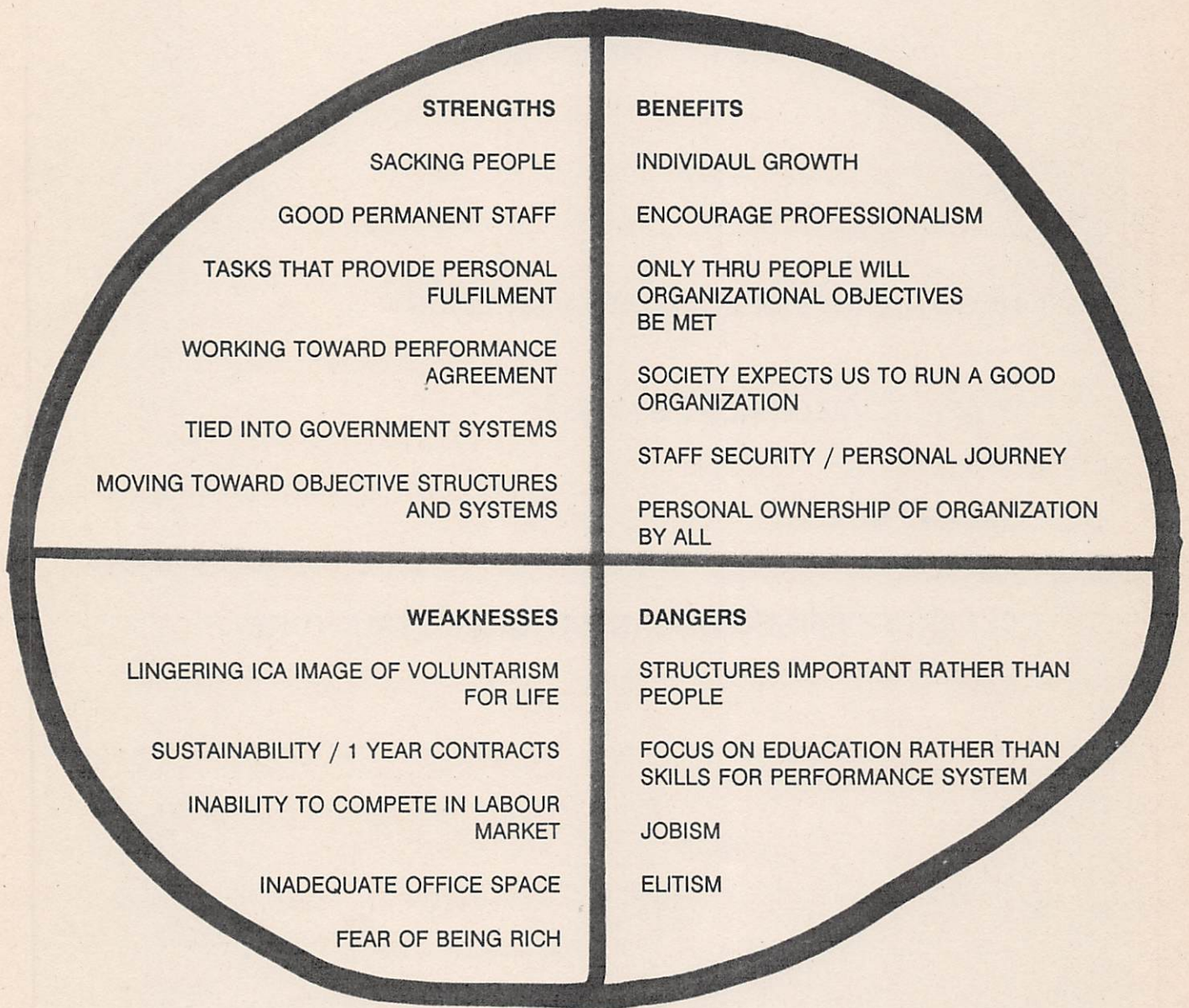
#### **WHAT HAVE YOU LEARNED?**

- \* Some clear division of labour is necessary for enhancing organizational productivity
- \* Every worker has a hidden talent and/or skill which must be discovered and utilized appropriately
- \* the level of the workers' discipline, hard work, accountability etc. is to a large extent a reflection of the leader's performance in these areas.
- \* Training is very important to staff.
- \* Staff feel secure with long term assignments
- \* Planning involving all staff is important
- \* Fit tasks and assignment to skills and temperament
- \* Staff feel more secure now we are operating within the law (paying social security)
- \* The most important asset an organization has is its personnel
- \* Terms of employment must be clearly stated.
- \* The laws of the land should be observed
- \* Staff credit society keeps employees and deals with their financial problems and eases the situation
- \* Human resources are an organization's biggest asset
- \* Building trust by demonstrating for personal management and staff are on the same side by changing goals and balance between structures and form
- \* Encouraging initiative and creativity
- \* Facilitating development and growth

#### **WHAT ARE KEYS FOR EFFECTIVENESS:**

- \* Clarify tasks and roles
- \* Coordination lines and negotiation
- \* Communication open
- \* Training for staff
- \* Offer packages and incentives that can create and retain qualified staff
- \* Clear organisational structure to avoid over laps (job descriptions)
- \* Do not need to rely on public transportation
- \* Some who takes responsibility for all the organization
- \* Training, monitoring job descriptions

- \* Condition of service very important
- \* Appreciation of staff performance
- \* Long term planning
- \* Incentives to staff
- \* Regular staff meetings
- \* Participating organizational directions
- \* Avoid favouritism
- \* Good leadership
- \* Encouragement of the team spirit
- \* Willingness to say sorry when wrong
- \* Hardwork to show example
- \* Adequate training which has implication for competence



**STRENGTHS**

SACKING PEOPLE  
GOOD PERMANENT STAFF  
TASKS THAT PROVIDE PERSONAL FULFILMENT  
WORKING TOWARD PERFORMANCE AGREEMENT  
TIED INTO GOVERNMENT SYSTEMS  
MOVING TOWARD OBJECTIVE STRUCTURES AND SYSTEMS

**BENEFITS**

INDIVIDUAL GROWTH  
ENCOURAGE PROFESSIONALISM  
ONLY THRU PEOPLE WILL ORGANIZATIONAL OBJECTIVES BE MET  
SOCIETY EXPECTS US TO RUN A GOOD ORGANIZATION  
STAFF SECURITY / PERSONAL JOURNEY  
PERSONAL OWNERSHIP OF ORGANIZATION BY ALL

**WEAKNESSES**

LINGERING ICA IMAGE OF VOLUNTARISM FOR LIFE  
SUSTAINABILITY / 1 YEAR CONTRACTS  
INABILITY TO COMPETE IN LABOUR MARKET  
INADEQUATE OFFICE SPACE  
FEAR OF BEING RICH

**DANGERS**

STRUCTURES IMPORTANT RATHER THAN PEOPLE  
FOCUS ON EDUCATION RATHER THAN SKILLS FOR PERFORMANCE SYSTEM  
JOBISM  
ELITISM

## **PERSONNEL**

### **4 KEYS**

- \* NEGOTIATED EMPLOYMENT AGREEMENT**
- \* STAFF DEVELOPMENT SYSTEM**
- \* SALARY SCALE**
- \* CLEARLY DEFINED ORGANIZATIONAL STRUCTURE**

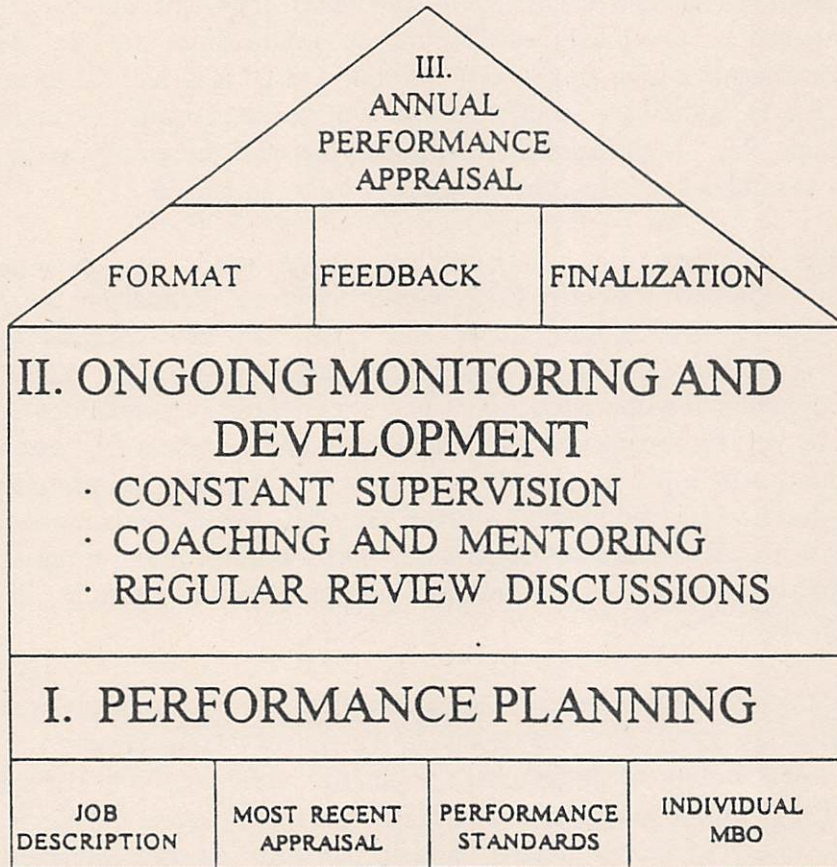


### The Elements of a Good PM System

The thing to remember is that a PM system is first and foremost a system, a fluid set of interactions. Like a tree or a body or a planet, there are many elements which interact to ensure the effective functioning of the whole. If any of the elements are out of balance or working improperly, the whole system is affected. Rain is good, but if there's too much or too little, the plant dies.

There are three basic components to PM. Each of these components has elements which must interact effectively. Leave one out or do it poorly, and the whole system gets out of whack. Some of the elements are very concrete, specific and tangible. Others are more abstract and ephemeral. But all are essential. (There is an American board game called "Othello" which uses this slogan: "Takes a minute to learn and a lifetime to master". Good PM is something like that!)

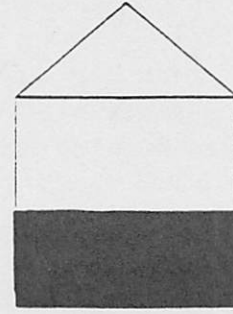
The components are pretty straightforward and may be represented by the following diagram, fondly referred to as the "PM House":



Let's look further at these components, but note that Section II ("How-To's and Helpful Hints") will go into greater detail.

## I. PERFORMANCE PLANNING

Using the image of the house, if a solid foundation isn't laid, the whole structure will collapse. Good PM must rest upon a firm base in the form of a clear, agreed-upon performance plan. The planning should take place at the beginning of the performance year. The outcome should reflect an active dialogue between the supervisor and each person s/he supervises.



The specific elements which inform the planning are:

1. *The most recent annual appraisal.* The annual performance appraisal (APA) format should have a section concerning the future development of the individual. This section may suggest formal or informal training, coaching or mentoring activities, TDYs or expanded responsibilities, career steps or any other developmental activities deemed necessary by both the supervisor and the staff member. Obviously, there will be implications for the new performance plan out of this section. Also, it is helpful to take time to review the categories that will be assessed at the end of each year. Make sure that the supervisor and the employee have a common understanding of **what** is to be appraised.
2. *The job description.* Every employee needs an up-to-date description of his/her position which includes a summary of the job purpose, the responsibilities and tasks, the key contacts and relationships, the levels of authority and autonomy, the required competencies, the educational and experiential qualifications and the reporting relationships. The JD is intended to be a fairly stable document, but it also needs to be reviewed regularly to ensure that what is described is still accurate. The best time for this review is when activities are being planned. The job description provides a starting point for determining the time-bound activities in a performance plan.
3. *Performance standards.* It should be said that this is a problematic area at present. We need to de-mystify and simplify our understanding of performance standards while, at the same time, responding to a legitimate felt need. The reality is that people need to know **what** is expected of them, not only by their supervisor, but by the organization as a whole. There needs to be a clearly defined way of assessing whether performance is "excellent", "good" or "in need of improvement" that is fair and objective. Performance standards are directly related to the key responsibilities as outlined in the job description. They clarify how

fulfillment of the responsibility will be measured, i.e. on the basis of the **quality** of the output, the **quantity**, the **timeliness** or the **cost**. If organization-wide performance standards don't exist, supervisors need to determine the minimum standards against which specific responsibilities will be measured and to ensure consistency across positions (e.g. all secretaries should have the same basic standards.)

4. *The individual MBO.* This is the individual's action plan. While it is generally for one year, some missions are experimenting with 3- or 6-month MBOs, particularly in areas like emergency and relief programs. It is recommended that an individual MBO have three sections:

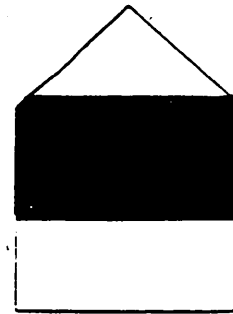
- \* Priority Activities (i.e. specific, timebound actions to be taken which are directly related to the fulfillment of the job responsibilities;
- \* Special Initiatives (i.e. one-time or experimental activities designed to enhance productivity or the work environment);
- \* Personal Professional Development Activities (i.e. activities intended to expand or improve skills and abilities required for the position).

There is a definite relationship between the individual MBO, the team or unit MBO and the organization's MBO. Essentially, the interaction is one where the overall mission MBO *cascades* responsibilities first to the team/unit level, then to the individual members of the team or unit. Thus, MBOs from other levels are resource items for Performance Planning.

Developing a solid action plan with each employee sets parameters and defines expectations. An important point to remember, however, is that situations change and so do plans. Everyone needs to be clear that planning forms the basis for one's actions, but the real skill comes in adapting to unforeseen obstacles or opportunities without losing sight of the longer-term aims and objectives. The Annual Performance Plan is a map which guides both supervisors and employees into the future.

## II. ONGOING MONITORING & DEVELOPMENT

After the planning, a manager's concern must shift to monitoring and guiding the performance of his/her staff. It seems obvious that the ongoing management of one's staff is a primary function of any manager, but it's amazing how often a manager will say: "I just don't have time to do performance management. I have to write this report, prepare that budget, negotiate with headquarters, entertain visitors, run interference with the counterparts..." or a hundred other things.



Part of the reason that giving serious attention to managing one's staff slides to last place in the list of priorities is that it's just plain *hard*. The people we work with are diverse. They have different levels of competence, different expectations of their jobs, different personalities, likes and dislikes. Furthermore, few managers are really trained as *managers*. Often, they are technicians who have assumed managerial positions. This can lead to perceiving one's work team as a "machine"---just get the square peg in the square hole and the round peg in the round hole and things will work. When a technician discovers that a team is an "organism", an ever-changing reality, it can come as a shock. Typical responses are to bury one's head or to try to make small [mechanical] adjustments here and there and hope it works better.

This component, "Ongoing Monitoring & Development", is the heartbeat of performance management. Without it, PM doesn't exist. If an organization wants to build the trust level between management and employees, if it wants to ensure excellence in all aspects of its work, if it wants to motivate staff---the key is provide consistent, positive managerial support and guidance to all the people all the time.

The primary elements of ongoing monitoring and development are:

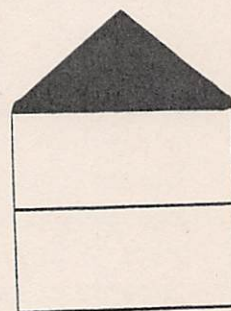
1. *Constant supervision.* "Supervision" implies active oversight of staff. It means being there to see what a person is actually doing, versus basing perceptions on what others say s/he's doing. It means taking time to examine problem areas to get at the underlying source of the problems and to seek solutions. Above all, it means deciding that as a manager, one's time is well-spent observing and giving feedback to one's staff.
2. *Coaching & mentoring.* These are two concrete aspects of managerial support. Coaching indicates active, direct intervention by the manager to assist in the skill development of each employee. It means helping individuals develop both their game plans and their ability to deliver. Mentoring is more subtle. A manager uses his/her experience to guide, facilitate, enable an employee to succeed. S/he provides encouragement and quietly motivates individuals to more effectively use their personal qualities.

3. *Regular review discussions.* Every PM year needs to include scheduled, semi-formal meetings between supervisors and each staff member. There may be two or three over the period of a year---more if necessary, but each employee know that there is a set time when his/her performance will be directly and personally reviewed. These discussions, when done in a timely, effective way, avoid the problem of surprises at annual appraisal time. It's important to briefly document each of these interactions to ensure that both parties understand the outcome to be the same. Review discussions allow managers to be more preventive in their problem-solving, to anticipate and deal with problems rather than being placed in an after-the-fact, "curative" position. These regular discussions actively promote the image of growth and development vs. reward and punishment.

Yes, these elements take time. But how much more time is spent cleaning up the results of **not** managing performance? What is the cost to the organization of poor performance? And yes, they require a certain level of plain old *skill*, for instance, problem analysis, effective feedback, planning, counselling and listening, to name a few. But once ongoing monitoring and development become a commonplace routine in an organization, integrated into daily work life, the sense of being 'burdened' disappears. Once managers gain the confidence (and competence) to do effective supervision and support, the battle is largely won.

### III. ANNUAL PERFORMANCE APPRAISAL

If good performance planning has been done and if mutual feedback and support have been consistent, the annual appraisal becomes merely a **summary** of the year's performance. It loses most of the dread and anxiety because the surprises have been eliminated. An employee doesn't receive his/her annual appraisal and discover that the supervisor thinks s/he's done a lousy job. Problems have been pointed out and hopefully solved. There has been two-way dialogue on changes to be made, progress achieved and future plans.



That said, it is romantic to believe that annual appraisal will ever be completely free of tension. It's like taking a test in school. Even when you're sure you know the subject matter, there's always a little apprehension that there will be a question you don't have any idea how to answer. For both the appraiser and the appraisee, there is always some mystery until the final outcome is clear. If the outcome is less than positive, it will be unpleasant; however, it's worth remembering that only a small percentage of personnel are below standard. The majority of appraisees are doing their jobs. By ensuring that the other two components of PM are effective, the discomfort of the APA will be minimized.

The three elements of the Annual Performance Appraisal component are:

1. *The APA format.* When an organization decides the criteria upon which employees will be appraised, it is making an implicit statement of its values and philosophy. It is saying: "This is what we want our employees to be and to do; this is how they should act; these are the qualities and outcomes we believe are important." The organization is best served when the areas to be appraised are developed, understood and shared by all members of staff. Criteria need to be *both results-oriented and behavioral*. People obviously need to be appraised on what they produce, the "fruits" of their effort, but it's equally important to appraise verifiable behaviors and actions as opposed to qualities like "creativity", "initiative", "dependability", etc. These qualities are subject to vast differences in personal interpretation and are difficult to measure.
2. *The feedback procedures.* It is possible to have an annual appraisal that does not include employee input. The supervisor prepares the appraisal, passes it on to the ultimate decision-makers who then inform the employee of the results. The other end of the spectrum is a procedure where the employee does a self-appraisal which is then rubber-stamped by his/her supervisor. CARE's corporate culture places high value on participation, and thus, its APA process needs to include individual input. It must, however, maintain a balance between being overly autocratic or overly democratic. An appraisal is just that---an appraisal, an evaluation of a person's work based on the perspectives of others who are involved in that work. The three key perspectives which should be included are those of the supervisor, the employee's peers and/or "clients", and the employee him/herself. It's always possible for these perspectives to be in conflict. Thus the feedback procedure needs to include a way of arbitrating disagreements. The word "procedure" indicates that this element needs to be systematized into a step-by-step set of actions to be taken. Everyone should know who is to be consulted in preparing their appraisal, the form of the consultation, the way information is to be used, the method of arbitrating conflict, and the final form and outcome of feedback.
3. *The finalization.* The moment comes when the APA is finished. Input has been received and discussed, the form is completed, and the final outcome is announced to the employee. It is important to clearly and concisely spell out the precise activities that lead up to this end point, clarifying who reviews the appraisal after discussion between supervisor and staff, the basis on which increments are given and the means of formalizing the outcome (e.g. a letter from the country director or immediate supervisor to each employee announcing the final rating and new increment.)

There should be an objective set of criteria, policies and procedures which guide and govern the activities that take place in the APA. Decisions need to be made regarding the timing of the annual appraisal (i.e. are all employees appraised at the same time each year or on the anniversary of their start dates?) Thought needs to be given to the pros and cons of options in timing the APA. Employees need to know what to expect and need reassurance that the maximum amount of objectivity is being brought to the process.

Unfortunately, the annual appraisal is never going to be 100% objective. It rests on opinions as well as on documented behaviors. It includes the element of personal judgment---which is never completely rational! It may be said, however, that if communication has been effective throughout the year, if all the players understand what's expected of them, if an atmosphere of fairness prevails, subjectivity can be reduced.

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### **A Word on the Interrelationships**

The three components introduced above constitute the "bricks" of the PM house. They are concrete areas which define actions to be taken with each employee within a given timeframe. They rest upon each other and are basically sequential. In other words, Performance Planning happens at the beginning of the year. Ongoing Monitoring & Development happens throughout the year. The Annual Performance Appraisal happens at the end of the year.

Of course, nothing is ever quite *that* simple! In practice, the components interact and are dynamic. For example, the planning done at the outset provides a foundation, but must be revisited regularly to ensure that the initial plans are relevant and realistic given unforeseen events. The plans interact with reality, and reality changes. Likewise, the criteria to be used in the APA need to be "rehearsed" throughout the year, partly to make sure everyone understands what is expected. It bears mentioning one more time that if planning and monitoring are done effectively, the annual appraisal becomes easier. Otherwise, it just hangs in space.

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### **Key Skills in Performance Management**

If the three components are the bricks, certain skills are the "mortar". Scheduling a review discussion is important, but simply scheduling it doesn't require much talent. Conducting the review discussion in such a way that it is more than the supervisor pointing out problems and telling the employee to fix them is the tricky part. The skill becomes apparent when a manager is able to ensure that the review discussion is truly a discussion which promotes personal growth and development.

The following list highlights the basic skills required to provide effective performance management. Each employee needs these skills, regardless of whether or not s/he is currently in a designated managerial position. If everyone is striving to be an effective communicator, the end result should be better understanding and mutual trust. The primary areas for skills development are:

1. **Planning:** Managers need to know how to
  - \* Develop realistic, achievable objectives given constraints of time, money or ability;
  - \* See the interrelationships between "micro" objectives (individual/team/unit/department) and "macro" objectives (mission/organizational);
  - \* Focus activities to minimize duplication of effort;
  - \* Generate alternative solutions when a situation changes;
  - \* Distinguish between objectives which "stretch" or challenge someone and those which lie totally beyond one's capacity;
  - \* Determine realistic timeframes for completion;
  - \* Focus and prioritize activities when unexpected demands arise.
  
2. **Dialogue:** Managers need to know how to
  - \* Give positive feedback that is sincere and timely;
  - \* Give negative feedback that is kind and wise, but also clear and honest;
  - \* Choose what feedback is essential to good performance and what *isn't*;
  - \* Use both formal and informal opportunities to give feedback;
  - \* Deliver criticism that is behavioral versus personal;
  - \* Provide instructions that encourage rather than patronize staff;
  - \* Analyze the cultural context in which they are operating to ensure appropriate communication;
  - \* Use different listening styles effectively;
  - \* Guide discussion without manipulating the responses;
  - \* Receive feedback non-defensively;
  - \* Document their observations and discussions in a concise, objective and growth-oriented way.
  
3. **Analysis:** Managers need to know how to
  - \* Recognize *patterns* of behavior that may reveal underlying performance problems;
  - \* Analyze the potential causes for inappropriate behavior;
  - \* Develop feasible solutions for poor performance and anticipate consequences;



- \* Organize tasks into clear job descriptions;
- \* Determine what activities will lead to a desired outcome;
- \* Set priorities given contradictory criteria (e.g. demands from donors, subordinates, superiors, counterparts, etc.) and present a credible rationale for them;
- \* Analyze and use individual strengths and weaknesses effectively within a team context.

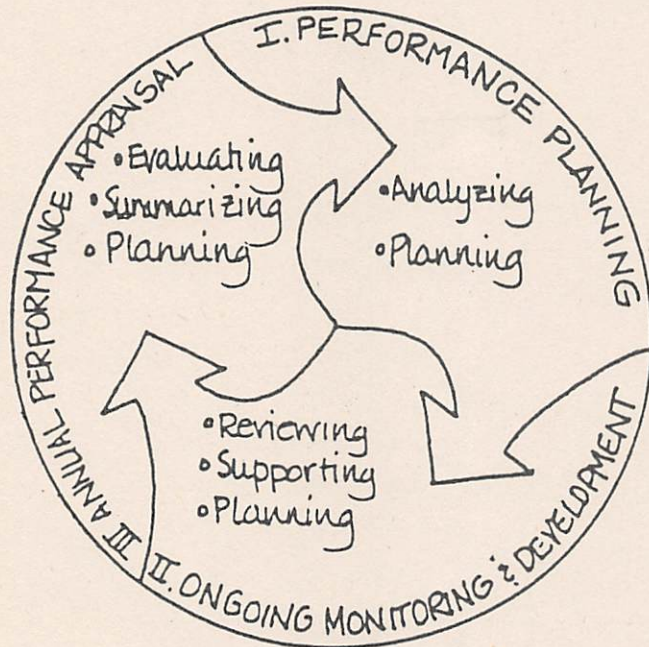
Whew! This list may not be exhaustive, but it's certainly exhausting. Getting the mortar together isn't easy, and it takes an investment of time and energy. Keep in mind that (a) skills development is "evolutionary" and doesn't happen overnight, and (b) that no one will be able to do all of the above all of the time. It's possible, however, to set in motion a series of formal and informal activities that launch staff on the journey toward effective management.

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### Conclusion

The intent of this section of the Performance Management Handbook is to acquaint the reader with the scope of an effective PM system. If it seems daunting, remember that in practice, it's just one day at a time. Different groups will start from different places depending on many factors. The three components simply represent the *common denominators* of what needs to be planned for in your PM system.

Section II focuses on some of the "how-to's" of putting the system into action. It provides additional detail and procedures and includes helpful hints for designing the activities of the 3 major components.



# **INTERNAL FINANCING**

## INTERNAL FINANCING

### **BRIEF DESCRIPTION:**

**NIRADO (NIGERIA):** At least 60% of our income this year has been generated internally. However, this does not give a "guaranteed picture" of future trends. As a matter of fact, the future appears more difficult for NIRADO in this respect.

**ICA ZAMBIA:** Our internal funding has expanded so has the projects. We have, UNICEF, and Contracts with CARE INT., Irish Aid, and SIDA. Income from photocopy materials for other organizations.

**ICA COTE D'IVOIRE:** Development of a tree nursery to sell palm trees, contract for reforestation with government agency, UNICEF and GEF/SGP.

**ICA KENYA:** Department of fund raising, international funding and private sector.

**ICA MENA:** Training and consultancy department for contracts. UNICEF and Canada fund for local initiatives, Terre Des Hommes. Funding Co-ordinator looking for assistant. Visit embassies locally. Each team writes reports and proposal concepts. Farm nursery and sell fruit. Preschool parent fees. Health caretaker fees for service > Rotating credit, small interest to cover administration costs.

### **HOW HAS IT CHANGED OVER THE LAST 5 YEARS?**

- \* Formalized training and consultancy team in Cairo 1992
- \* Raised money from contracts
- \* Private sector
- \* 1992: 49 companies gave support for the work of ICA Kenya
- \* 1993: raised 704,000 Kenya shillings locally
- \* Is operating totally on grants and earned income. Does not depend on the salaries of externationals
- \* Local funders are seeking long term partnerships
- \* They appreciate closer links with organizations
- \* Regular reporting and site visits
- \* Now, we concentrate our efforts on diversifying/multiplying internal sources of generating funds to complement the external funding.

### **WHAT YOU LEARNED:**

- \* There is lots of money within Nigeria.
- \* This money is difficult to access due to some socio-political factors.
- \* NIRADO, financial future is in generating money internally, as external funders have limited interest in Nigeria.
- \* They understand problems better.
- \* They are easily approached.
- \* They are aware of the country's situations and problems.
- \* You can discuss and solve any problem quickly and easily.
- \* It is important to indigenize the staff.
- \* Develop funding strategies

\* Unless local NGOs think seriously about their own sustainability, strengths and the marketability of their services and other means of raising funds, they cannot be independent in decision making.

\* Must keep communication channels open

\* Fund raising is an on-going process

**WHAT ARE THE KEYS FOR EFFECTIVENESS:**

\* Regular reports -narrative and financial

\* Site visits

\* Keeping track of record and regular follow up

\* You're got to assign your best staff for consults with other organizations

\* Good public relations material and personnel

**STRENGTHS**

LOCAL FUNDING  
CONTRACT PROJECTS  
CREDIBILITY OF PAST WORK  
KNOW LOCAL FUNDING AGENTS  
COMPETENT PROGRAM AND STAFF  
GOOD PROGRAMME AND PROJECTS

**BENEFITS**

CAN DO A MATCH  
PUSHES STAFF DEVELOPMENT  
DEVELOP A PUBLIC PROFILE  
REASONABLE DEGREE OF AUTONOMY  
BECOMES A REGULAR SYSTEM  
EXTERNAL UNRELIABLE / GIVES FLEXIBILITY  
WE ARE MORE IN CONTROL  
ASSURED INCOME WE MANAGE

**WEAKNESSES**

INDIVIDUALS ASSIGNED, SHORT ON STAFF  
LIMITED CAPABILITY FOR PRIVATE SECTOR  
WEAK SYSTEMS AND STRATEGY STATE LAWS  
WEAK LOCAL ECONOMY

**DANGERS**

LOCAL PEOPLE CAN HI-JACK HEAVY LOCAL DONOR AND TAKE OVER  
LOSE FOCUS OF PROGRAMME AND OBJECTIVES  
GOVERNMENT WILL TAX YOUR MONEY / INFLATION  
STAFF USE CONTRACTS AND MONEY FOR OWN USE  
CAN BECOME A MESS WITHOUT GOOD MANAGEMENT  
INTERNAL STEALING

## **PERSONNEL**

### **4 KEYS**

**\* REGULAR REPORTS / COMMUNICATIONS**

**\* TRACKING SYSTEM / SITE VISITS**

**\* REGULAR / COMPETENT STAFF ASSIGNED**

**\* GOOD MATERIALS / HIGH PROFILE**

ALTERNATIVE FINANCING STRATEGIES FOR NGOS

by

Fernand Vincent and Piers Campbell

**(d) Body Language**

In general, try to show that you like and respect them. Maintain eye contact (in many cultures, the listener should look at the speaker for 80% of the time). Very slight nodding, small smiles when appropriate, upright position, leaning forward occasionally if very interested, small grunts of approval and encouraging remarks ("Uh, Mm, Really?, that's interesting").

N.B. Don't fidget, yawn and look away.....

**(e) Patience**

Be patient, don't interrupt. Don't argue. Don't judge until the end and beware of first impressions.

**(f) Clarification**

If you don't understand, ask. Don't be afraid of looking silly - you may be helping the speaker to clarify his/her own thoughts.

**(g) Drawing out**

Ask for more information and, at the same time, point to the direction you want the speaker to take.

- \* "What happened after that?"
- \* "How did you feel at that stage?"
- \* "What was the next step?"

A similar technique is to repeat the last word of the speaker: "Difficult?"

**(h) Empathy**

In general, try to show that you understand and appreciate the speaker (even if you disagree with him/her). Try to put yourself in his/her situation.

- \* "Yes, I can see that (you might feel that....."
- \* "I imagine that must have made you furious".



## ALTERNATIVE FINANCING STRATEGIES FOR NGOS

### Introduction

Most non-governmental organizations<sup>1</sup> (NGOs) and development associations in the South work on the principle that they should be promoting, and supporting, the self-reliant efforts of local communities to take charge of their own development.

Financial self-sufficiency is, therefore, one of the basic concepts in development today and virtually everybody pays lip-service to its importance.

But reality is very different. Despite several decades of development, Southern NGOs and community associations are largely, if not entirely, dependent on external aid from the North.

This contradiction cannot continue much longer. Yet few organizations, whether they are from the North or from the South, are really prepared to consider how, in very practical terms, NGOs can become genuinely self-sufficient.

### The Underlying Model

The main purpose of this paper is to present an alternative financing model<sup>2</sup> for Third World<sup>3</sup> NGOs. The model is based on two essential components:

- \* The creation of a capital reserve fund which can generate, through interest earned on investments, enough money to cover the core budget.

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<sup>1</sup>Non-profit organizations are generally known in the Third World as NGOs. Other variations are: non-governmental development organizations, voluntary agencies and voluntary development organizations. The term "Private Voluntary Organization" (PVO) is mainly used in the United States.

<sup>2</sup>This paper is based on a recent publication entitled "Towards Greater Financial Autonomy: A Manual on Financing Strategies and Techniques for Development NGOs and Community Organizations" by Fernand Vincent and Piers Campbell.

<sup>3</sup>The terms "Third World" and "Southern" are used synonymously.

- \* The development of regular sources of income through income-generating projects and the sale of services.

However, few NGOs in the South are currently prepared to adopt such activities which they often consider to be too "commercial". In addition, there is often substantial opposition among the donors. In fact, it can be said that the current aid system actively prevents the creation of reserves and even seems to discourage income-generating activities.

A new concept of partnership between donors and Southern NGOs is therefore required, a partnership that implies fundamental changes of attitude on both sides.

In the South, NGOs and community groups should become development enterprises. Instead of being welfare or charitable associations, they need to see themselves as providing well-managed and cost-effective services (or products) for the community.

Instead of depending on benefactors from the North, they have to develop their own sources of funding, by selling their products and services at a reasonable price, by generating income through investments and by local fundraising.

Donors, on their side, also have to change significantly. They should be helping Southern NGOs much more actively to become self-sufficient. This means that the donors and the Southern NGOs must create genuine and effective partnerships<sup>4</sup> that will lead to long-term flexible grants, both for the programmes and for the institutional development of the NGO.

This will require major policy changes for the donor agencies and a positive approach to the creation of reserves. It also implies the end of the "project approach" to development.

### The Domination of Projects

At present, most donors - whether they are governments, intergovernmental organizations<sup>5</sup> or NGOs - only provide grants for specific, short-term projects. They may call them "micro-projects", small projects or large-scale, integrated projects.

It is widely recognized today<sup>6</sup> that the project approach is essentially a tool used by donors to control development assistance. In fact, the  
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<sup>4</sup>The debate on relationships between Northern and Southern NGOs is summarized in Campbell (1989a) and Yates (1988).

<sup>5</sup>The main intergovernmental organizations which fund Southern NGOs are United Nations agencies. Others include the European Community and the Commonwealth Secretariat.

<sup>6</sup>See Lecomte (1986).

project often ends up as a straitjacket<sup>7</sup> which prevents the community from effectively managing its own programmes.

Development is, however, a complex, unpredictable process that can rarely be divided up into neatly packaged projects with pre-determined and easily measured results.

Most important, the current enthusiasm for projects puts the focus on the **activities** of the NGO rather than on the **organization** itself. Hence institutional development<sup>8</sup> is a low priority and few resources are given for the development of the capacity of Southern NGOs to initiate and manage large-scale development programmes in the long term.

In addition, donors tend to try, directly or indirectly, to influence the priorities of their local partners. One donor will emphasize micro-projects; another will only finance concrete projects that can easily be photographed; a third focusses on infrastructural or cash-crop activities; a fourth ties its assistance to the provision of technical support by its own nationals.

Donor fashions also complicate the picture. At one time, it used to be integrated rural development and then it was participatory development. Women in Development is still very popular, but the environment ("sustainable development"), social forestry and institutional development are rapidly gaining ground.

One final point: the current funding system is also very inefficient. NGOs have to spend vast amounts of time and resources in preparing fundraising proposals, negotiating with donors, keeping separate accounts and providing long, detailed reports.

### Current Financing Situation

The current financing<sup>9</sup> situation of most Southern NGOs is, therefore, characterized by dependence on external donors. The level of self-financing is very low, local fundraising is rarely taken seriously and few NGOs are able to plan more than a few months ahead.

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<sup>7</sup>Ian Smillie (1988a and 1988b) describes it graphically as the "tyranny of the project".

<sup>8</sup>See Campbell (1989b).

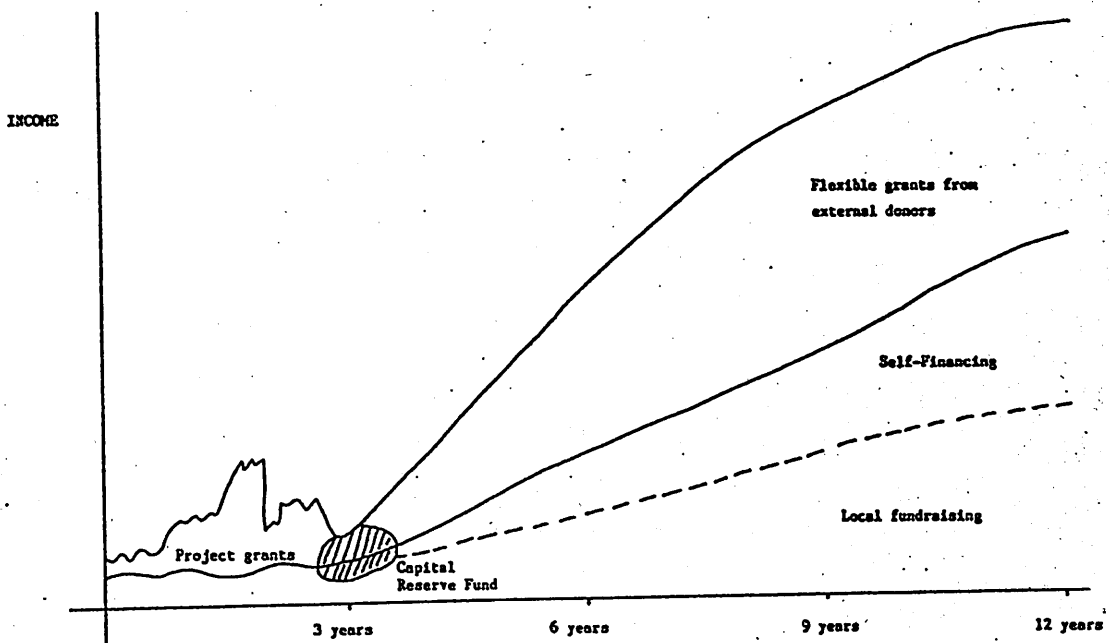
<sup>9</sup>The term "financing" is preferred to "fundraising" as the latter implies grants from donors whether they are individual members of the general public or institutions. "Financing", therefore, covers fundraising and the many other ways of generating funds.

### Alternative Financing

There is a clearly an urgent need for new financing models that are based on the institutional development of NGOs and community associations. This implies that the focus of development must move from the project to the organization itself. It also implies the creation of genuine and viable partnerships between donors and development organizations.

New funding relationships will not, however, solve the entire problem. It is equally important that the NGO significantly increases its own self-financing activities.

An alternative financial model for social development NGOs is summarized below.



In this model, the NGO starts by fundraising for small projects. After about three years, it launches an alternative strategy based on four components:

1. The organization create a capital reserve fund and regularly allocates 10-20% of its income to the fund (depending on the source of the income).

2. It gives priority to self-financing activities, for example: income-generating projects, the sale of services, and in-kind contributions from members<sup>10</sup>.
3. It spends more effort in fundraising locally from the community, businesses, social clubs, and the government<sup>11</sup>.
4. It negotiates long-term, flexible programme grants from its external donors<sup>12</sup>.

As a result, within twelve years, the organization succeeds in generating well over 50% of its income from its own - or local - resources. The dependence on external donors is reduced to less than half.

Social development NGOs are unlikely to be able to eliminate dependence on donors completely and indeed there are significant dangers in even trying to do so, as such NGOs risk turning themselves into profit-making enterprises.

However, an NGO, with more than 50% of its income coming from its own resources, is psychologically and practically independent.

### Small Enterprises

The possibilities for small enterprises and community groups are, of course, much wider as they can have access to credit. The second model shows the development towards full autonomy based on three new elements:

1. Credit from revolving loan funds.
2. Credit from bank guarantees.
3. Credit facilities from local banks.

The revolving loan funds and bank guarantees are essential stages in this process as few local banks are prepared to give credit to young small enterprises in the South<sup>13</sup>.

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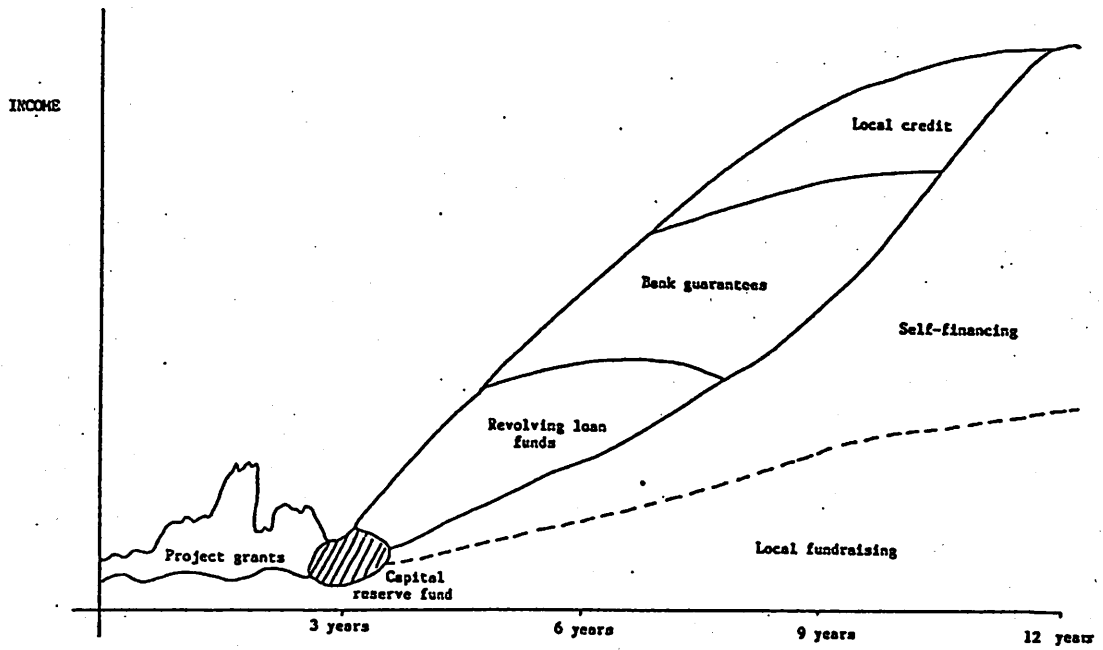
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<sup>10</sup>See Vincent and Campbell (1989) pp 63-73.

<sup>11</sup>See Vincent and Campbell (1989) pp 145-149.

<sup>12</sup>See Vincent and Campbell (1989) pp 74-81.

<sup>13</sup>See Vincent and Campbell (1989) pp 104-109.



Pre-conditions for Success

In recent years, a number of Southern NGOs have successfully launched themselves on the path towards financial autonomy<sup>14</sup> and, from their experiences, it is possible to identify three critical pre-conditions for success:

- \* Effective management
- \* New partnerships between North and South
- \* Entrepreneurial attitudes.

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<sup>14</sup>Examples include the Sarvodaya Movement (Sri Lanka), Six 5 (Burkina Faso), the Bangladesh Rural Advancement Committee (Bangladesh), and FONGS (Senegal).

### Effective Management

The shift of emphasis away from the project towards long-term programmes and self-financing activities will inevitably necessitate more effective management<sup>15</sup> practices by NGOs, particular in such areas as strategic planning, evaluation and financial management. In addition, the new financing strategy means that NGOs will have to negotiate flexible, long-term grants from donors. They will only be able to do this if they can convince the donors that they have the necessary organizational capacity.

### Partnerships Between North and South

Both donors and Southern NGOs agree today that the priority need in the South is for the rapid establishment of **effective, legitimate and autonomous, development organizations.**<sup>16</sup>

Yet, as has already been pointed out, grants are tied to specific short-term projects and the underlying mentality is often based on the traditional welfare approach. Thus, the key issue is the fact that donors are still using out-of-date financing methods which are neither appropriate to the needs of Southern NGOs nor consistent with the stated aims of the donor agencies themselves.

Such funding methods do not facilitate the creation of effective and autonomous organizations. In fact, the current aid system is often directly counter-productive to such efforts.

For these reasons, donors need to move towards more flexible funding based on the following principles:

- \* The main role of Northern NGOs should be to help Southern NGOs establish and strengthen themselves, and to gain a reasonable degree of financial autonomy.
- \* Donors should be prepared to facilitate NGOs' attempts to generate their own resources and, in particular, donors should be positive towards the creation of reserves.
- \* Sufficient funds for institutional development should be made available.
- \* Long-term relationships should be established.
- \* After an initial period, donors should be prepared to provide flexible funds in the form of programme grants, rotating credit funds and bank guarantees.

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<sup>15</sup>The NGO Management Network was founded in 1986 to promote and facilitate improved management of NGOs, primarily through its quarterly newsletter, *NGO Management*.

<sup>16</sup>Campbell 1989b.

- \* Donors should equally finance innovative projects and research studies.

In brief, the relationship should be based on mutual trust and a long-term commitment to working together, with the aim of creating financial self-sufficiency for the Southern NGO.

The new ways of financing NGOs should also be accompanied by alternative mechanisms for deciding who gets the money. This can be best done by forming consortia or collaborative funds where the decision-making power is transferred from the individual donor to the consortium<sup>17</sup>.

Three stages can be identified<sup>18</sup>. In the first, a group of donors form the consortium and decisions are taken by a project committee or the board. In the second stage, representatives of Southern NGOs are invited to join the projects committee or the board. In the third stage, the decision-making power is handed over to the representatives of the Southern NGOs.

### Entrepreneurial Attitudes

The basic changes in attitude that have been suggested for the donors must also occur among the NGOs and community groups themselves.

NGOs are used to being dependent on the donors and to receiving aid as a gift. Some people, in fact, seem to believe that this dependence is permanent and they have little interest in looking for different sources of income.

However, there are alternative approaches that can work, provided that the NGOs concerned fundamentally change their attitudes.

Instead of seeing themselves as charitable activities dependent on "generous" benefactors, they must, in future, become development enterprises that produce goods and services. Such products should be of sufficiently high quality that they can be "sold" at a realistic price and hence lead rapidly to financial autonomy.

It is not suggested that NGOs have to change into businesses and to be governed by the profit motive. But, they should be able to manage their organizations effectively, to develop financial reserves and to offer reasonably-priced, effective services to the local community in the long term.

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<sup>17</sup>See Smillie (1988a).

<sup>18</sup>The Canadian International Development Agency is one of the governmental donors that is experimenting with new financing mechanisms, see CCIC (1988).



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## **EXTERNAL FUNDING**

## EXTERNAL FUNDING

### BRIEF DESCRIPTION:

**NIRADO (NIGERIA):** External funding sources to NIRADO are few. Relative to what is obtained in other ICA locations. This has resulted from 2 main factors: 1. NIRADO conducts only training programmes (and not tangible/physical projects) which are not "attractive" to most funders. 2. The "poor image" of Nigeria in the international community.

**ICA ZAMBIA:** ICAZ managed to maintain and develop close relationships with external funders. The funding ranges from 12 months to three years.

**ICA CÔTE D'IVOIRE:** Long term relationships with external funders has been established to fund evolving agricultural programmes working with women and youth. We are working to diversify our funding base.

**ICA KENYA:** There is a team assigned to external funding. Most major grants come from Europe. The external funding currently covers over 80% of our budget.

### WHAT HAS CHANGED IN THE LAST FIVE YEARS?

- \* Decline in number of funders and amount of funds received.
- \* More Swiss donors interested.
- \* Major grant for institutional development.
- \* Accountability of funds has improved by employing qualified book-keeper.
- \* Financial systems have improved.
- \* Regular project reports are submitted.
- \* Donors have developed trust and confidence in the organization.
- \* Donors visited projects they fund.
- \* Shift from sporadic proposal writing and depending on single donor to continuous proposal research and writing looking for diverse funding sources.

### WHAT HAVE YOU LEARNED?

- \* ICAI has a critical role to play in linking NIRADO with more external funders especially because of the "image problem" Nigeria has with the international community.
- \* In the future, NIRADO may have to explore the possibility of helping rural Nigerians through "tangible" projects.
- \* Maintaining good relationships with a donor can lead you to other donors in supporting your programmes.
- \* Donors give money to people not to institutions.
- \* Regular contact with donors is food.
- \* Personal contact improves relationships.
- \* Project visits builds trust between the donors and the project.
- \* To keep all relationships as consistent and stable as possible.
- \* Donors give money to people not to institutions.

\* Realize desk officers are people (employee) just like I am. They need to look good too.

#### **WHAT ARE THE KEYS TO EFFECTIVENESS?**

- \* Good accountability both financial and narrative with pictures.
- \* Honesty with donors, if it didn't work say so.
- \* Regular site visits.
- \* Arrange regular visits.
- \* Regular communication with donors is important.
- \* Understanding and following agreed upon guidelines and reporting systems.
- \* Programming your work according to the needs of the country and focus of the country e.g. development and women.
- \* Vet working with other NGOs.
- \* Publicity within and outside the country.
- \* Having liaison people.
- \* Access to telephone and fax.
- \* Having staff to write proposals, keep contact and write programme reports.
- \* Being sincere with donors and expressing the issues.
- \* On site visits.
- \* Good track record.
- \* Adequate staff strength.
- \* Effective reporting/communications of NIRADO's activities at the global level.

**STRENGTHS**

BLOCK/FLEXIBLE GRANTS  
LONG TERM PARTNERSHIPS AT  
PROGRAMME LEVEL  
HAVE STRONG SUPPORT FORM DONORS  
DONORS ARE PLEASED WITH  
PROGRAMMES

**BENEFITS**

CREDIBILITY  
RAISE PROFILE  
MONEY FOR WHAT WANT TO DO  
PUSHES ORGANIZATIONAL FORM  
EXCHANGE OF INFORMATION  
ARE SOURCES OF NETWORKING AND  
NETWORKING  
GOES TO TARGET GROUP RELATIONSHIPS  
BUILD GOVERNMENT RELATIONSHIPS

**WEAKNESSES**

SAME FUNDING - BUT NOT TAKING  
RESPONSIBILITY FOR EACH OTHER  
LITTLE CO-ORDINATING OF WHAT WE ARE  
DOING  
HOW TO USE REGIONAL PEOPLE TO  
OPERATE REGIONAL  
HAVE NOT THOUGHT THROUGH HOW TO  
OPERATE AS INTRA-DEPENDENT  
ORGANIZATION  
EVALUATING/MONITORING SYSTEM  
COG/FAME  
LITTLE CONTINENTAL DIALOGUE

**DANGERS**

ORGANIZATIONAL OBJECTS ON CONFLICT  
WITH DONORS  
CAN BRING CONFLICT WITH OWN  
GOVERNMENT  
IN COMPETITION WITH OWN DONORS  
PRODUCE PROTECTIONISM AMONG NGOs  
INDIRECT BUREAUCRACY  
UNREALISTIC DEAD LINES  
POT IS GROWING SMALLER  
ALWAYS CHANGING FOCUS  
NOT SUSTAINABLE  
DEPENDENCY

# Chapter seventeen

## Negotiating with the donors

### SECTION ONE: NEGOTIATION

#### Fundraising Does Not Simply Depend On Good Proposals

Successful fundraising is not simply a matter of preparing a good proposal and sending it off to a variety of donors.

The basic process should be:

- \* Strategic planning: organizational strategy and programme planning (Chapter 2)
- \* Overall financing strategy: long-term flexible grants matched by self-financing sources of income (Chapters 5-7)
- \* Identifying potential donors: see last section of manual
- \* Studying the donor: see below
- \* Drafting concept papers: see Chapter 15
- \* Negotiating with the donor: see below.

This chapter will focus on two aspects: firstly, "studying the donor" and, secondly, "negotiating with the donor".

#### Maintain Integrity

Do not forget that the donor agency has the money and hence it has the decision-making power. This means that there is a very real danger that the donor will, directly or indirectly, try to influence or even control you.

Hence, it is very important that you negotiate firmly and openly. Don't let the money become an instrument of domination.

The donor may try to insist on its own administrative and financial rules without taking into account your own situation or it may impose its own technical or ideological solutions. These conditions are basically unacceptable and it may be better to refuse to continue the discussions and to look for an alternative source of funding.

#### What Does the Donor Want To Know ?

Above all, the critical issue for the donor agency is one of confidence. Can it rely on your capacity to deliver effective programmes ?

So it will want to know:

- \* whether your past activities have been successful
- \* whether the basic concept of your project is sound, whether it corresponds to a priority need and whether it is technically feasible
- \* whether the local community has already participated in the planning of the project and whether its contribution, in terms of labour, materials and finance, is guaranteed
- \* whether the budget is reasonable or too large (have you "padded" the figures?)
- \* whether other donor agencies have already promised to help you (and if so, how much and when).

In brief, the donor agency wants to assess your capacity and effectiveness.

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### SECTION THREE: STUDY THE DONOR AGENCY

#### Before Approaching The Donor

Study the donor before you make the initial approach. It is quite common, for example, to send a proposal that is automatically rejected because it does not come under the programme priorities of the donor agency or perhaps because your country is not one of the priority countries.

Therefore, try to learn as much as possible about the donor agency you want to approach. Such information will help you to formulate the request in the best way (remembering, however, the need to maintain the integrity of your own programme priorities).

What should you know about the donor?

- \* Name of the organization, address, telephone and telex numbers as well as the names of the key officials
- \* Its values and principles i.e. the reasons for wanting to help you
- \* The local representation in your country
- \* The sectoral priority areas
- \* Selection criteria for projects (see Annex R)
- \* Maximum grant amounts for different types of projects
- \* The name of the desk officer who will deal with your proposal
- \* The names of the individuals or committees who have the decision-making power in the agency
- \* The administrative procedures that have to be followed
- \* The length of time that the agency take to study the proposal and to come to a decision
- \* The mechanisms for transferring funds from the donor agency to your country and the likely delays
- \* The administrative requirements of the agency concerning financial control and supporting vouchers for payments.

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SECTION FOUR: NEGOTIATING STRATEGIES

A Few Practical Tips

In general, good personal contacts are the key to successful fundraising. This means that regular visits to the donor agency, either to their headquarters or to their field office, is absolutely essential.

First of all, believe in the "cause". Be positive and optimistic. Give examples that bring the project to life. Try to convey credibility in order to gain the confidence of the donors.

Secondly, identify the key people in the organization. Invite them to visit your offices and project sites. Talk about your successes and your failures. Try to make them your friends and supporters.

Don't forget that the personal relationships are much more important than the official relations between the two organizations concerned. Clearly, at the appointed time, formal contracts have to be signed. But building confidence takes place initially at the level of the people concerned and only later between the organizations.

In principle, prepare short concept papers on each programme/project before you meet the donor. Use the concept papers as your notes for the discussions (and to show that you have developed your ideas). Only finalize the proposals after you have met the donor.

Try to convince the donor that you have an original, innovative and realistic idea.

Many donors do not want to appear simply as financing institutions. They also are looking for a partnership. If the aims and needs of the donor agency are similar to yours, a genuine partnership can be achieved. It is necessary, however, to build the relationship carefully, to establish confidence and eventually to request that the financing procedures be simplified.

Don't forget that the donor agency may well be restricted by financial and administrative procedures that are imposed by its government. Discuss these openly with the donors and try to reach a reasonable compromise.

Much of the money granted by NGO donor agencies comes from the people of the North. It takes a major effort to educate

these people about the need for new approaches to development. Be prepared to help the Northern NGO to change the attitudes of people in its own country.

If you have a good contact among the "decision-makers" in the donor agency, discuss your project with him/her and try to get support. But, don't forget that the desk officers play an important role in preparing your dossier and in formulating the key decisions. So, don't give the desk officers the impression that you are going behind their backs. Make friends with them and ask their advice on how best to present your proposal.

Preparing for a Visit to the North

Many directors of established NGOs in the South try to make a fundraising trip to Europe and/or North America once every twelve or eighteen months. If you are invited to participate in an international conference, you may be able to add a few countries to your ticket at very little extra cost. A few practical tips:

- \* Prepare your trip very carefully indeed.
- \* Don't simply write saying that you are arriving for a visit in two weeks' time. It is important to contact a specific individual and to explain what you want to obtain.
- \* Don't send your fundraising proposals in advance. Instead, provide information on your organization, strategy and future activities, together with a report on your past programmes.
- \* Before you go, prepare "concept papers" (i.e. 2-3 page summaries) on each of your key programmes/projects. Don't forget, however, that your main long-term aim is to convince the donor to provide flexible programme and organizational grants.

<u>Contents of a Concept Paper</u>	
Background	
Justification	
Aims	
Implementation Outline	
Resource Requirements	

- \* Once your programme has been fixed (either by correspondence or through a representative), keep to the timetable at all costs and confirm the appointments by telephone as soon as you arrive in the country.
- \* Try to meet both the desk officer (who will be responsible for your proposal) and the decision-maker. Spend twenty minutes with the latter (they are usually very busy - so come to the point as quickly as possible, focussing on your ideas for the future). If you can, spend one or two hours with the desk officer. Present your organization, then your project and finally answer questions. Make sure you have enough time to ask questions about the donor agency, its priorities, decision-making process, and so on.
- \* If you only have 20 minutes, present your organization in 5 minutes, outline your programme in 5 minutes and leave the rest of the time for questions. If the donor seems interested, make sure you leave with all the necessary information on the donor so that you can prepare a good proposal on your return.
- \* If you are presenting the same proposal to several donors, let them know (they often share information among themselves and if they find out, your request can easily be rejected out-of-hand). Be frank.
- \* Send your formal requests for funding **after** your visit, having adapted the drafts according to the information you have gained.
- \* In the evenings, write up your notes and prepare a short report on each donor noting the date of the meeting, the people you met, the areas they were interested in, the projects you have prepared and the follow-up action you will take once back home.
- \* The report on the fundraising trip as a whole should include each of the donor reports plus an overview of lessons learnt and future strategy. File the reports under each donor and in a special file "Fundraising Trips General". So, next year, you will be able to refresh your mind on the best strategy and techniques as well as such practical information as names, addresses, telexes, and local hotels.

\* \* \* \* \*



The following articles are the first part of an inquiry into a number of problems relating to association management. The second part of this survey will appear in the next issue (1/1989) of *Transnational Associations*.

Les articles qui suivent constituent la première partie du dossier que nous ouvrons sur le thème de la gestion des associations. La seconde partie paraîtra dans le prochain numéro (1/1989) d'*Associations transnationales*.

# Improving the Organizational Effectiveness of NGOs

by Piers Campbell\*

## Introduction

There is a growing consensus that non-governmental organizations (NGOs) play – or could play – a vital role in the development process. Many are hampered, however, because they lack the organizational capacity to carry out their programmes in the most effective way. As a result, institution-building has become one of the major issues in development.

Despite the attention, even enthusiasm, for institution-building, commitment has tended to remain at the level of rhetoric. This is due to a variety of reasons. Institution-building implies a significant change in role for northern and international NGOs and there are many that are unwilling to adapt and, in particular, to surrender power. Sufficient funds have not yet been made available to finance management development programmes for NGOs and hence most NGOs do not have access to appropriate management services.

What is institution-building? I suggest that it is essentially the establishment of viable, autonomous, and effective organizations and community groups.

This paper focusses on one particular, but undoubtedly the most important, aspect of institution-building: the issue of organizational effectiveness. It is, therefore, primarily concerned with practical ways of helping organizations improve their effectiveness so that they can achieve the strategies that they themselves have identified. It does not cover the creation of new organizations nor the enlarging of existing organizations, nor specifically the relationships between northern and southern NGOs.

I would like to start by looking at the characteristics of an effective organization and then to consider briefly the NGO as a particular type of organization. This leads on to a discussion of the various ways that the individual NGO can improve its effectiveness. The paper then focusses on the delivery of management services for the NGO community and in the final section, some of the implications for northern and international NGOs are briefly summarized.

## Characteristics of an effective organization

What are the factors that make one organization successful and another one unsuccessful? The temptation is to

analyse the programmes but, in fact, the picture is much more complex. I suggest seven principal characteristics of an effective organization. These are based on an organizational model presented in Annex I and a more detailed analysis of these characteristics is given in Annex II.

In brief, an effective organization should have:

- \* A clearly-defined purpose and a well-developed strategy to which all concerned (constituency, board and staff) are committed.
- \* Effective and appropriate programmes.
- \* The necessary resources in terms of personnel, finance, equipment, materials, technology and information.
- \* Committed and capable staff.
- \* Sound organizational structures and systems.
- \* Well-functioning organizational and management processes, such as problem-solving, planning, monitoring, coordination and evaluation.
- \* Effective relationships with relevant external bodies, such as government, donors, other NGOs and local communities.

## Organizational characteristics of NGOs

These criteria for effectiveness can be applied to all organizations. NGOs are, however, different from other types of organizations (governmental or commercial) in several ways. In the first place, they are non-profit-making and are voluntary in the sense that they are non-statutory bodies (i.e. they are formed by individuals or other NGOs). Secondly, they may be staffed, wholly or partly, by volunteers. Thirdly, their staff often join the organization for ideological reasons and have a strong commitment to social development. Fourthly, NGOs pride themselves on being action-orientated, flexible, innovative, rapid-moving and close to local communities. Finally, they often play an intermediary role: on the one side, they provide programmes and services to the community and, on the other side, they have to seek funding for their programmes from external sources (the general public, foundations and governments).

These characteristics generate a wide range of organizational and management problems that are specific to NGOs. These problems have been analysed in a separate paper entitled « Management Development and Development Management for Voluntary Organizations » (To appear in the next issue of *Transnational Associations*, 1/1989). Briefly, NGOs rarely give priority to management and few NGO executives receive a basic management education or training in man-

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This paper was prepared for the Conference on the « Role of Indigenous NGOs in African Recovery and Development », Khartoum, Sudan, 10-15.

agement skills. Planning, monitoring and evaluation are often neglected. NGOs have a propensity for internal conflict and human resource development is rarely emphasized. Few NGOs have financial security and most NGO managers have to spend an unreasonable proportion of their time to obtain the financial resources. Financial management and other systems are often weak. Finally, it is rarely clear who controls the NGO and to whom the organization is accountable: the members, the board, the donors, the staff, the target groups?

The organizational and management problems faced by NGOs can be broadly divided into two main areas: firstly, the external constraints, over which the NGO has little control and, secondly, the lack of internal effectiveness or organizational capacity. The next two sections of this paper discuss ways in which NGOs can be strengthened in these areas.

### **Improving organization effectiveness: the external constraints**

The external constraints involve such factors as: financing, personnel, programmes, target groups and governments. Some of these issues are both internal and external. For example, access to experienced staff is an external constraint, but the solution may be internal in the sense that the organization can hire inexperienced staff and then train them. Three external issues are briefly discussed below: personnel and programmes.

#### **(a) Financing**

The financing constraints are two-fold. Firstly, the current system, which is based on project funding, does not allow for long-term financial security, and therefore severely inhibits planning and, for example, the recruitment of competent staff. Secondly, NGOs have to devote a significant percentage of their time (and resources) to satisfy donor requesting and reporting demands.

There are several possible solutions. NGOs could try to negotiate long-term, flexible programme funding (rather than short-term project funding). They need to convince donors to provide grants for their core budget. They could try to develop alternative financing strategies based on income-generation, capital reserves and access to credit. They could also negotiate a more reasonable reporting system with the donors.

#### **(b) Personnel**

The NGO community as a whole needs access to a better supply of qualified and experienced staff. In reality, this means that NGOs have to be able to attract staff away from the competitors – governments, international agencies and companies.

Greater financial security would help, but NGOs also need enough resources to be able to pay higher salaries. One alternative is to hire graduates and school-leavers and to invest substantial amounts of time and resources in training the staff in the field.

#### **(c) Programmes**

The management of development programmes (development management) is beyond the scope of this paper but it is clear that NGOs cannot hope to be effective unless the whole organization is geared along development management principles. This implies, for example, a commitment to development as an empowerment process and an emphasis on social learning. The organiza-

tion should give priority to establishing and strengthening community groups as representatives of the poor and its approach should be focussed on long-term programmes rather than the traditional project.

### **Improving organizational effectiveness: internal capacity**

How can we improve organizational capacity? The characteristics of an effective organization (Annex II) provide a list of the issues that need to be analysed. Although a frequent temptation is to bring in an outside specialist to do the analysis (and to implement solutions), there is, in fact, much that an organization can do itself to resolve organizational blockages and weaknesses.

#### **Internal Interventions**

The director or an experienced executive can assess the organization and then propose improvements. Better systems can then be established, new personnel can be hired or staff development programmes can be implemented. Many NGOs have successfully revitalised their organizations in this way, often using a task force or a committee rather than individuals. It is clearly important that the staff is fully involved in the analysis and decision-making phases.

Few NGOs can afford to have consultants and/or trainers on their staff. There are, however, many ways that the organization itself can improve the expertise of its staff. It is always useful to run formal or informal « orientation » courses for staff when they join the organization. Senior managers (but not the direct supervisor) can act as « mentors » or counsellors to junior staff, offering advice and encouragement.

Supervisors should have regular interviews with their subordinates, to define their responsibilities and tasks, and to evaluate their performance. Supervisors should also be prepared to train (or « coach ») their subordinates. Management manuals are often very valuable sources of information and staff at all levels can greatly benefit from meetings of their peer groups (for example top managers, junior executives or secretaries) to discuss common problems.

#### **External Interventions**

In many cases, however, outside support is needed and there are two basic ways that external specialists be useful: consultancy and training.

#### **(a) Consultancy**

Until quite recently, relatively few NGOs used consultants to improve their organizational effectiveness. This approach is, however, growing in importance. There are three basic types of consultants. The « resource » consultant investigates the purpose, strategy, organizational processes, programmes, systems and structure. S/he then recommends (and possibly helps to implement) changes.

The « process » consultant, on the other hand, tends to focus on « how » and « why » things are done in the organization and looks at the patterns of communication, the distribution of power and people's attitudes to the organization's values and goals. S/he tries to clarify the organizational processes and to provide techniques for accomplishing change.

I have termed the third type « facilitating » consultant. In the first two approaches, the consultant functions as

an expert (one on the « content » and the other on the « process »). In the third, the consultant acts primarily as a facilitator to help groups within the organization analyse the problems, develop options and finally to implement solutions. Clearly, these distinctions refer to roles that consultants can adopt and in many cases, the consultant will change role as the situation develops within the organization.

A number of NGOs run consultancy programmes for their members and/or for the NGO community. PRADAN in India places management specialists within NGOs for long periods of time, often up to two years. Development Innovations and Networks (IRED), on the other hand, has a specialised service that offers short-term consultancy and training to NGOs throughout Francophone Africa emphasising, in particular, consultancy support after training. The International Council on Social Welfare (ICSW) has just completed a programme designed to strengthen national NGO councils in Africa, primarily through organization development interventions.

There are also a wide range of NGOs that offer short and long term consultancy to small businesses and NGOs running income-generating projects. Finally, several NGOs (for example, the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and Voluntary Organizations in Community Enterprise, Zimbabwe) are planning to train consultants and to set up consultancy services for local NGOs.

#### (b) Training

Training is the traditional method used by NGOs to improve their effectiveness. Staff members are usually sent outside the organization to attend open courses run by universities, business schools and development training institutes. Such courses are expensive and are rarely geared to the specific needs of NGOs.

In recent years, some NGOs (and a few educational institutions) have started to run training courses that are specifically designed for NGOs. These might be « one-off » seminars or regular annual courses, which are either open to any NGO or restricted to members of the sponsoring organization. In addition, attempts have been made (for example, by VOICE in Zimbabwe and the NGO Management Network in Switzerland) to run an on-going series of training workshops for the local NGO community.

Special courses for NGOs tend to be more relevant and less expensive than the programmes run by educational institutions but they cannot, by their very nature, address the specific needs of the organization (as opposed to the participant). For this reason, some NGOs have preferred to organize training courses within the organization (« in-house »). Obviously, the NGO has to be relatively large to be able to afford this option but this approach helps to ensure that the courses are more relevant to the needs of both the organization and of the participants.

In-house courses, however, usually focus on specific management and organizational skills and hence can only indirectly address organizational problems such as inadequate systems or staff conflict. An alternative solu-

tion, which is one that I personally have found to be the most effective, is to run training programmes for specific groups within the organization (for example, all the senior executives, a whole department or all the secretaries). These programmes can start with strategic planning, organizational assessment and team-building activities before any skills training is carried out.

This type of intervention is closely linked with the « facilitating » consultancy approach mentioned above and, in fact, in this way, the trainer often becomes a facilitator. The group is helped to analyse the problems and identify its own solutions – and knowledge and training is only offered as, and when, necessary.

#### Collaboration to improve effectiveness

So far, I have focussed on the different ways that can be used to improve the effectiveness of the individual NGO. The choice of the intervention will inevitably depend on the particular problem and on the quality of the management programmes available. This brings us on to the question of services for the NGO community.

What sort of management services does the local NGO community need? A few ideas come from the previous discussion. NGOs clearly require:

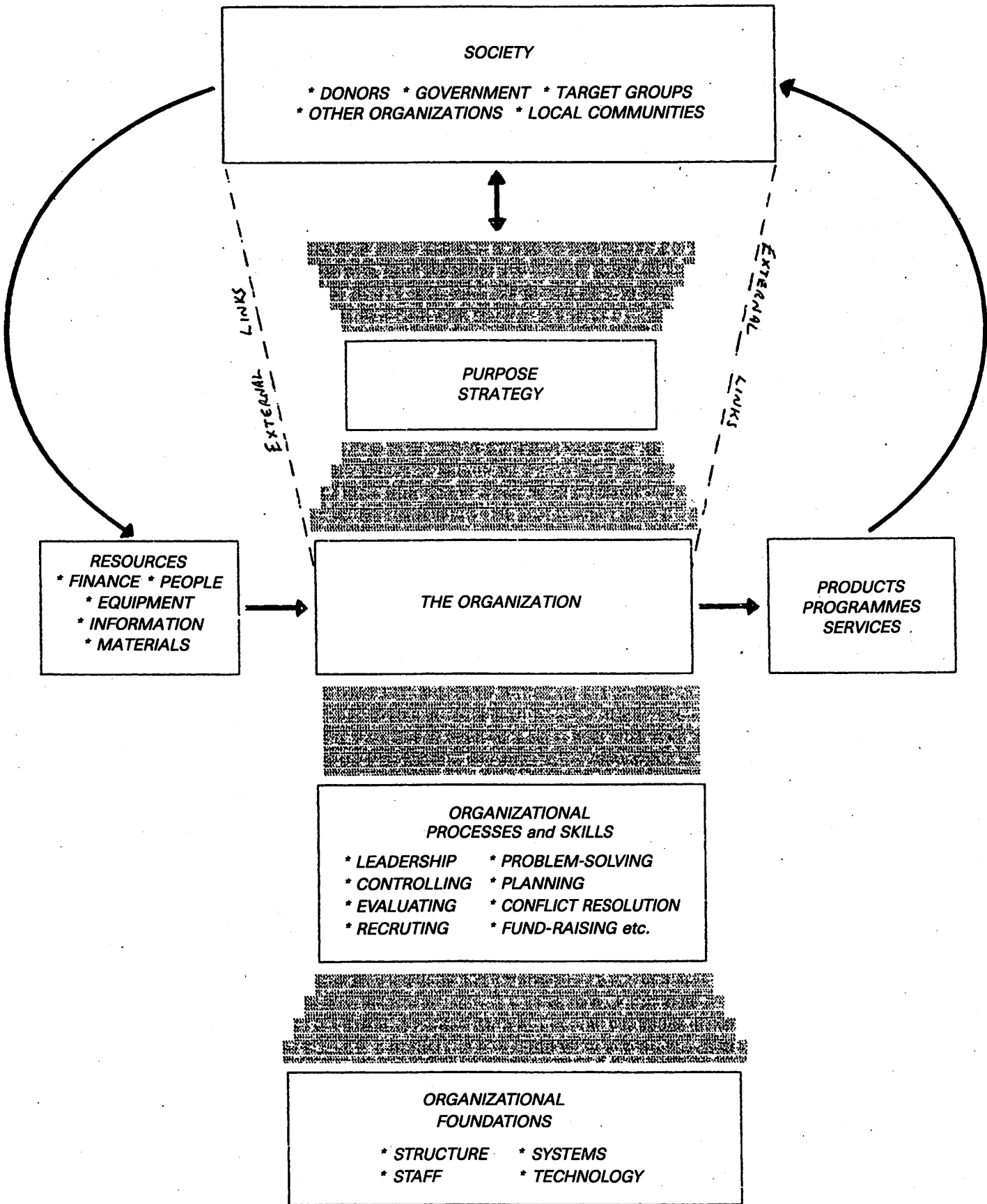
- \* Access to consultants and trainers (who would work within their organization)
- \* Access to « open » training courses (to which they can send their staff)
- \* Management manuals
- \* Meetings for managers to exchange experiences and ideas.
- \* Information on current programmes, resource persons, publications and new concepts in management.

#### NGO-Specific Programmes?

Some management services are already available in the region (Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda). However, they are often based on techniques and concepts that are not appropriate to the indigenous NGOs. This is partly because most of the existing training is geared towards the governmental and commercial sectors, and partly because many of the dominant management concepts have originated from the North.

NGOs are different from commercial organizations in two essential ways: firstly, they operate development programmes and, secondly, they have their roots as community-based voluntary organizations. This means that many of the existing management services may not be – at least in their present state – useful to NGOs.

In a sense, many of the NGO strengths (action-orientation, close links with local communities, and flexibility) are the source of their organizational weaknesses. The challenge is to find creative solutions that will improve NGO's organizational capacity while maintaining these traditional strengths. All these factors would suggest that new management services in the region should be run by, and for, NGOs. The programmes should be staffed by local NGO specialists who should have access to manuals and training materials specifically developed (or adapted) for NGOs.



*National and Regional Action*

The Conference may wish to consider the following issues:

- (a) **Information on Management Programmes, Resource Persons, Ideas, etc.**  
How can we circulate more widely the newsletter « NGO Management » (see Annex III)? In the long term, should the region publish its own occasional newsletter? Should a management resource centre be developed?
- (b) **Focal Points**  
How can we best coordinate, firstly, the flow of information and secondly, the activities of the service providers? How can we organize open courses for local NGO communities? Should focal points be established in each country and also at the regional level? Should the focal point be an existing organization (working perhaps under the supervision of a coordinating committee) or should a new organization be created?
- (c) **Management Resource Persons**  
How can we create a pool of experienced local management resource persons (consultants and trainers)? Should we run « training-of-trainers » courses for the region? Should we send candidates on courses outside the region? How will the management specialists be financed once they have been trained?
- (d) **What is the best way of organizing open courses for the NGO community, at the national or regional level? What subjects should be covered? How will the courses be financed?**
- (e) **Manuals**  
Is there a need for appropriate management manuals and training materials for NGOs in the region? Can we

use (or adapt) publications published in other regions of Africa or elsewhere in the world?

These and other issues are discussed in a separate paper « Management Programmes and Services for NGOs » (see next issue).

**Implications for northern and international NGOs**

I would like to end by briefly discussing two aspects of institution-building that have significant implications for northern and international NGOs.

*Financing Policy*

It is clear that substantial changes are required in the funding policies of donor NGOs. Firstly, long-term programme funding should be established as the norm rather than the exception. Secondly, core-budget funding is essential if indigeneous NGOs are to be able to plan ahead and hire competent staff. Thirdly, substantial funds are required to finance organization and management development programmes for NGOs. Finally, the complex reporting requirements should be reduced (or, at least, paid for by the donor).

*Personnel*

A focus on institution-building requires significant changes in skills needed by the staff of the northern NGOs. Rather than project administrators, managers and evaluators, NGOs should be focussing on developing facilitating, training and consulting skills. NGO staff should have expertise in how to help groups establish themselves, identify their needs, formulate their own solutions, implement their own programmes and finally to evaluate their progress.

*Draft*

*Annex II*

**ORGANIZATIONAL EFFECTIVENESS: SAMPLE EVALUATION QUESTIONS**

**PURPOSE AND STRATEGY**

1. Does the organization have a clearly-defined purpose to which all concerned (constituency, board and staff) are committed?
2. Does it have a well-developed and realistic strategy to achieve its purpose? Has it, for example, taken into account: the organization's capacity to deliver the programmes; the availability of the necessary resources; the needs and wishes of the target groups; and various « environmental » factors (government policy, the political and economic situation, climate, and so on)?

**ORGANIZATIONAL CULTURE**

3. Do the constituency, board and staff have the same values concerning both the purpose and the way that the organization operates?

**CONTROL AND ACCOUNTABILITY**

4. Does the board (and possibly the members) really control the organization? What power do the staff, target groups, or donors have over the decision-making process? Is this power appropriate or unhealthy in the long term?
5. Are there good relations between the board and the staff? Does the

board receive adequate information to be able to take realistic decisions?

6. Is the organization accountable to its various interest groups: target groups, local communities, government, donors, constituency and staff? Does it have a clear policy on accountability? Is this policy implemented?

**PRODUCTS, PROGRAMMES AND SERVICES**

7. Do the target groups participate in the planning, management and evaluation of the programmes?
8. Are the programmes effective and

appropriate? Do they meet the priority needs of the target groups? Are they sustainable in the long term? Do the programmes have a long-term impact on the local community and/or country?

9. Does the organization have the ability to adapt the programmes (and the strategy) to changing situations and needs?
10. Does the organization have the ability to develop and/or expand the programmes without over-extending itself?
11. Does it have the staff with the relevant skills and experience for each programme (sectoral skills, facilitation skills, experience with target groups, etc.)?

#### A LEARNING ORGANIZATION

12. Does the organization have the ability to think critically about itself? Does it have the ability to learn from its successes and failures?

#### GROWTH AND CHANGE

13. Has the organization grown significantly in recent years. What is the attitude of the staff to change? How has it coped with the change?
14. Has the organization diversified recently? Did it over-extend itself? Did the staff have the relevant capacity before diversification? Was the diversification planned or was it forced on the organization?

#### RESOURCES IN GENERAL

15. Does the organization have adequate resources to carry out its activities? If not, does it have a realistic plan for obtaining the resources?
16. Is there a plan for distributing the resources, Are they, in fact, distributed efficiently and fairly? Is there a system for resolving conflict over resources?

#### FINANCIAL RESOURCES

17. Does the organization have several sources of funding? If it is dependent on grants, does it have plans to generate income in alternative ways? What proportion of its funding comes from its constituency?
18. Does the organization have to spend an unreasonable proportion of its time on obtaining financial resources (and on satisfying

donor reporting demands)? Do donors influence the organization's strategy and programmes?

19. Is there a difference between what the organization says it does and what it actually does? Is there any conflict between the fundraising and the operational departments?
20. If the organization does not have sufficient funding, how does it cope with inadequate funding?
21. If the organization is offered more funding than it immediately needs, is it pressurized into expanding or diversifying without planning or possibly without having the necessary capacity?

#### HUMAN RESOURCES

22. Is there an adequate number of staff with the required skills to carry out the programmes and to run the organization?
23. Is there an adequate system for recruiting and firing staff? Do political, family or personal ties unduly influence this process?
24. Does the organization have the ability to resolve conflict among the staff, or between outside groups and the organization?
25. Is there a formal or informal training programme for the staff?
26. Is there a high turnover of staff? Does the organization have the appropriate incentives for motivating and retaining staff?
27. Is there an adequate personnel system for administering staff, ensuring equitable treatment, resolving grievances, and so on?

#### COMMUNICATION

28. Does the organization have an effective system for circulating information to all concerned? Are there aspects of the organization's activities that are kept unnecessarily secret?
29. Is there a spirit of open communication within the organization? Do people work as a team or as individuals? Are office doors kept closed as much as possible? Do the staff get together over coffee and/or lunch? Are there social occasions?
30. Is conflict managed or ignored? How is conflict resolved between: board and staff; volunteers and professionals; headquarters and field staff?

#### LEADERSHIP

31. Is the leadership style(s) used by the directors and/or senior staff appropriate to the organization, its purpose and values; Do staff resent the way that they are managed?
32. Are responsibilities delegated to the appropriate staff? Does the delegation work?
33. Is the organization dominated by the original founder? If so, does s/he control (or try to control) every aspect of the organization and to resist change?
34. Are there any possible successors to the current director?
35. Do the staff feel that they can speak openly?

#### PROBLEM-SOLVING AND DECISION-MAKING

36. Does the organization have a system (and do the staff have the skills) for identifying problems, analysing options and then taking the relevant decisions?
37. Are the staff involved in the decision-making process? Are they consulted about issues before the decisions are taken? Do they feel that their opinions are considered?

#### PLANNING, MONITORING AND EVALUATION

38. Are there well-established systems for planning, monitoring (controlling) and evaluation? Do the staff have the necessary skills? Are the systems actually used? What are the staff's attitudes to planning and evaluation?
39. What happens to the results of the evaluations? Are they gathering dust or are the recommendations put into practice? Are they used in the planning process?

#### STRUCTURE AND SYSTEMS

40. Does the organization have a structure (and administrative systems) that is appropriate to its functions? Is the structure over-complicated for the size of organization or, for that matter, so simple that it is almost non-existent?
41. Do the staff have clear job descriptions? Do they know what authority they have, what results they are expected to achieve and how they will be assessed?
42. Does the organization have ade-

quate systems and administrative procedures?

**FINANCIAL MANAGEMENT**

- 43. Does the organization have an adequate financial management system (and skills)? Are the budgets realistic? Do the financial controls work? Do the programme staff have a reasonably accurate picture of the financial situation of the various projects and activities?
- 44. Is the organization technically bankrupt? Has it pre-financed projects that have not been guaranteed by donors? Has it commit-

ments (for example, staff salaries) that are greater than its reserves?

- 45. Are project funds clearly separated? Is there any danger that temporary credits in one project account could be used to finance (however temporarily) another project?
- 46. How does the organization deal with cash-flow difficulties? Does it have any reserves?

**CROSS-CULTURAL ISSUES**

- 47. Are there any cross-cultural issues affecting the organization? If so, how does the organization deal with them?

**EXTERNAL LINKAGES**

- 48. Does the organization have good relations with government (national and local)? Does its strategy take the government's plans into account?
- 49. Has the organization established links with other organizations working in the same sector or geographical area, or with the same target groups? Is its basic attitude one of collaboration or of competition?
- 50. Does the organization have good relations with the local communities? Can it mobilize participation in its programmes?

*Annex III*

**NGO MANAGEMENT NETWORK**

**Introduction**

The NGO Management Network was established in February 1986 to promote and facilitate appropriate management services for NGOs worldwide. It is essentially an informal, unstructured, grouping of organizations, individuals and networks interested in the management of NGOs.

**How Was It Formed?**

In October 1985 the International Council of Voluntary Agencies (ICVA) approached three other NGO coordinating bodies to see if they would be interested in cosponsoring an international seminar for organizations providing, or interested in providing, management services to NGOs.

It was subsequently agreed to hold the seminar in Geneva on 25-28 February 1986 on the theme "NGO Management Development and Training: Recent Experiences and Future Priorities". The four cosponsors were: American Council for Voluntary International Action (InterAction), Development Innovations and Networks (IREN), International Council on Social Welfare (ICSW) and ICVA.

The principal outcome of the Geneva seminar was the establishment of the NGO Management Network which was conceived from the beginning as an association of autonomous regional (and eventually national) networks. The participants elected an interim committee whose main task was to help the formation of the regional networks.

**Why Another Network?**

Despite the recent interest in management and the increase in the number of management programmes available to NGOs, the fact remains that comparatively few NGOs have access to appropriate management services in their own country. In addition, many NGO managers and management specialists have to work in an information "vacuum" as they do not have access to information on recent developments and ideas in the management field, current management services, new manuals and training materials. Finally, as in any new field, there are a number of problems that are caused by poor coordination among management service-providers, for example, duplication of training programmes and failure to develop and use local resources.

It is clear that a network is the best mechanism for addressing these issues, particularly by providing an information service facilitating coordination among service-providers, promoting new management services and, where necessary, organizing its own management programmes.

Members of the Network believe that the priority is to establish management services for grassroots community organizations in the South. Hence the focus of the Network's activities will be at the national and local levels.

The founding members argued very strongly that the Network should not be nor seen to be yet another Northern initiative, dominated by international NGOs. They therefore decided that the Network should be constituted by autonomous regional and national networks, which would carry out virtually all the Network activities.

COOPERATIVE DEVELOPMENT  
IN ZAMBIA:

PROBLEMS AND PROSPECTS

Report submitted to the  
Zambia Cooperative Federation  
and the  
Swedish Cooperative Centre

by  
Göran Hydén  
Consultant

July 15, 1991



COOPERATIVE DEVELOPMENT IN ZAMBIA: PROBLEMS AND PROSPECTS

Göran Hydén

Introduction

The ongoing processes of economic and political liberalization that now affect most African countries are having important implications for their institutional set-ups. Patterns that we have got used to accept as part of the continent's post-independence governance structures are disintegrating: the supreme and single state-party is giving way to multiple parties competing for the control of the state; state-party affiliated mass organizations are turning into more autonomous and genuine member organizations; state marketing monopolies are being replaced by more competitive arrangements involving many actors.

Cooperatives find themselves caught in the middle of this institutional transformation. The new policies and the fresh circumstances to which they have given rise pose a series of hard questions to any serious cooperator: (1) what kind of cooperative organization do we want? (2) which strategies help us realize our objectives? and (3) what hurdles do we need to overcome in realizing our ambitions? Systematic attention to these questions and readiness to place them before public policy-makers are at the root of any effort to guide cooperatives through the current process of transition.

For a variety of reasons that will be discussed below, no other country in southern Africa finds itself catapulted further ahead in this process than Zambia. Thus, nowhere else in the region are the cooperative development questions pressing themselves harder on society than in this country. What Zambian cooperators do and what their government leaders allow them to do in the next five years will be of utmost importance not only to the future of cooperatives here but also elsewhere in the region.

It is in this perspective that my study, in all its modesty, is being cast. The questions that it raises are by virtue of circumstances big; the answers, as a result, tentative. Nobody at this stage can pretend to come up with the answers. Yet, as a consultant it is important to be able to provide a basis on which judgements about future steps can be made. Thus, rather than coming up with specific recommendations, this report raises broader questions of strategy, indicates possible measures of realizing such a strategy, and proposes an instrument for measuring cooperative development in the future.

Material for this study has been collected through interviews with GRZ officials, the principal spokesperson for agriculture and marketing in the Movement for Multi-Party Democracy, leading officials in the Zambia Cooperative Federation, provincial and district cooperative unions as

well as primary cooperative societies in Southern and Central Provinces, leaders of a small number of urban cooperatives in Lusaka, the Assistant Director of the Commercial Farmers' Bureau, and the Coordinator and field personnel of the joint ZCF/SCC Cooperative Development Programme. I should also add that I benefitted tremendously from being allowed to participate in the ZCF/SCC Workshop at Mosi-O-Tunya Hotel in Livingstone during the first three days of my stay in Zambia. Special thanks go to Ronald Chansa who accompanied me during my field trips.

The Policy and Institutional Legacy

No study on the future of cooperatives in Zambia can afford to ignore the past. Much of their present predicament is the result of past government policies. This legacy weighs heavy on the cooperatives in the country.

Unlike governments or private companies, cooperatives are member organizations. Their leaders are in principle accountable not to voters nor to share-holders but to members. The first cooperatives in Zambia -- or Northern Rhodesia, as it then was -- were started as independent organizations operating in accordance with these principles. As the colonial government began to take a growing interest in the welfare of the African population in the 1940s, it encouraged the creation of agricultural producer societies, consumer societies and thrift and loan societies. At independence in 1964, the 332 cooperative societies then in existence were quite successful in serving their members. Cooperatives had acquired a good reputation as viable mechanisms of development. But at independence, they touched the lives of only a small fraction of the country's total population.

For understandable reasons, the UNIP Government that came to power in 1964, wanted to change this state of affairs. It saw itself serving all Zambians and adopted the cooperative form of organization as its own preferable means of promoting, especially, rural development in the country. As a tool of an ambitious nation-wide rural development programme, cooperatives were quickly turned into the extended arm of government. It was no longer a question of waiting for people to form a cooperative out of their own initiative. That approach was too slow. Instead, cooperatives were initiated by local political leaders in response to directives from the President. Such was the approach to nation-building not only in Zambia but also in many other countries in the region, e.g. Kenya and Tanzania. The donor community saw no problem in underwriting this strategy.

NOT WHAT  
TO HAPPEN TO  
ALSO WITH  
APPROACH TO  
CO-OPERATIVE

The full consequences of this shift in approach to cooperatives were not immediately discernible, although in Zambia most agricultural producer cooperatives that were started after independence failed. The argument was that the cause of their failure was the attempt to base them on the

[principle of collective production] Other forms of government control of the cooperatives were not being questioned. Thus, nobody really viewed the growing subordination of the cooperatives to UNIP and GRZ as the beginning of a vicious circle.

In 1970 Zambia got a new Cooperative Act, a document that has been hailed as enlightened but which also provided the basis for extended government involvement in the cooperative movement, especially on the promotional side. The language in the act is quite specific but with a growing inclination to engage in a top-down approach to rural development, division of responsibilities and lines of authority were often being blurred in practice. The relationship between government and cooperatives was being legitimized as one of father to son. Operating under the "parental" authority of government, cooperatives were expected to be deferent to its authority and operate within the confines of its policies.

The effects of this centrally directed development approach, which came to encompass all sectors of the country's economy, were to strangle local initiatives and generate a very costly public management set-up. To serve this, it became necessary not only to nationalize private sector enterprises but gradually also to tap the financial resources of these state-owned companies. The constitutionalization of the one-party state in the early 1970s helped reinforce this process of turning public accountability away from the people and transforming public policy-making into a closed affair carried out by a small group of politicians with no executive responsibility.

As long as the country's economy was growing in the early 1970s, the costs of this approach were overlooked. Little attention was paid to how efficient the public sector really is. The lead role of government in development continued to be accepted. With the generous support of foreign donors, this perception continued well beyond the point where the economy shifted from growth to stagnation. In fact, for a long time it was being sustained primarily through donor funds. The outside support had the effect of making the government leaders insensitive to the continued decline of the domestic economy.

Because this process was being allowed to continue for such a long time, the task of adjustment has become particularly painful. As the running inflation is a reminder of, Zambia lives beyond its means. This has become increasingly apparent in recent years as the donor community with the International Monetary Fund as its spearhead has changed tune and insisted on greater prudence and efficiency in the use of public resources. These efforts to rein in government expenditures have been moderately successful but sufficiently strong to make the public feel the pinch through higher costs of living. The growing discrepancy between what Zambians perceive as official rhetoric and political practice has also

THE VIOLENCE FROM ABOVE - WHAT PEOPLE NEED IS THE COURAGE TO SURVIVE

GOOD  
BETTER  
THE GOVT  
WOULD  
NOT  
ALLOW  
GROWTH  
TO  
NEED

made many of the more educated members of the public increasingly critical of the political establishment. Grudgingly, it seems, the incumbent leaders have had to accommodate this criticism by acceding to the introduction of multiple political parties.

This story is by no means unique as trends of development since independence in other African countries suggest. Its features have been dramatized, however, in Zambia because of its extensive dependence on only two commodities: copper and maize. Copper was once the hen that lay the golden egg, but with declining state revenue from the mines, it has been necessary to rely more and more on the country's agricultural producers, both large and small. Through a system of subsidies of the mealie-meal sold to the consumers, fertilizer subsidies to the rural producers, and a pan-territorial producer price that necessitates transport subsidies as well, Zambia's economic woes are especially serious. To be sure, since they are all the result of government policy, they can be undone, but the extent to which the present system is entrenched is making it very hard. Not only do subsidies amount to some 20 per cent of the annual budget, but the control of these transfer payments is very poor.

Zambia's cooperative movement finds itself in the midst of this messy business which depends on government being able to guarantee bank overdrafts to ZCF and the provincial unions so that they can purchase the produce from the farmer. In the last two years when maize production has been particularly high, cooperatives have been unable to sell all their maize to millers. As a result, they have not had the money to repay their high interest bank overdrafts. Often stored under inadequate conditions, much of this maize has furthermore been lost to rodents and insects. For several cooperatives, therefore, it has been a double loss.

The details of this story are well known to Zambians and informed observers. They have been recounted in several reports by both officials and consultants. They need not to be reiterated here. Suffice it to say that not surprisingly, cooperatives in Zambia have often been made scapegoats for failures, the causes of which go well beyond the confines of these organization. Because of their key role in maize marketing, Zambian cooperatives find themselves entangled in relations over which they have little control. It becomes necessary, therefore, to stress that the circumstances under which they are expected to develop are not easy. Throughout the 1980s when they took over principal responsibility for maize marketing in the country they were shielded from conditions that normally encourage cost consciousness. When asked in the 1990s to use their own legs, many organizations, especially the provincial unions, look like giants on clay feet. They are very top-heavy and often clumsy and inefficient in their services to the primary societies.

The ongoing process of economic liberalization is going to expose these weaknesses even more and there is little doubt that Zambian cooperators in the next few years must make may tough decisions to streamline their organizations if they are going to survive in a more competitive environment. It is against this background that cooperative development must be discussed. It can be achieved, but it implies greater involvement and activism by the cooperators themselves. How well situated are cooperatives to respond to this challenge?

### The Survey of Select Zambian Cooperatives

In order to find an answer to this question, the bulk of the work for this study consisted of a survey of 23 cooperative unions and primary societies in Eastern and Southern Provinces and in Lusaka. On the assumptions that greater performance awareness and competition among cooperative organizations to do better are important ingredients of any effort to promote cooperative development, the purpose of my survey was twofold: (1) to develop an instrument to measure cooperative development; and (2) to assess where on the "cooperative development ladder" Zambian cooperatives find themselves. Before going on to the second dimension, it is necessary to say a few words about the first.

Cooperatives in Third World countries have been subject to numerous evaluations. None of these, however, has tried to provide a basis for comparing performances over time and space. These evaluations have been providing "snapshots" that are peculiar to the time period and country in which they were carried out. We have very little longitudinal data that allow us to compare performance of cooperatives within one country or between countries over time. I believe that the renewed interest in the development of cooperatives as genuine member organizations in a more competitive economic and political environment provides a strong justification for laying the baseline for more systematic assessments of cooperative performance in the future.

This study is a modest first step in this direction. It must be stressed that it is a pilot study aimed at developing such an instrument and indicating its potential usefulness. It is not meant to provide exact answers to the question of how developed Zambian cooperatives are but to stimulate further thoughts in cooperative circles in Zambia and elsewhere about how to measure cooperative development.

In putting together this study I have been guided by the notion that any instrument aimed at measuring cooperative development must have the following qualities:

- \* comprehensiveness
- \* relevance
- \* simplicity
- \* reliability
- \* comparability

"Comprehensiveness" means that the instrument must include indicators that enable us to measure not only one dimension, say the financial, but also others that are important for the performance of the organization. Thus, it must include other managerial dimensions and, in particular, how far members are involved and being served.

"Relevance" refers to the fact that there must be an arbitrary selection of criteria. There are so many aspects that could be covered but only those that are most relevant to understanding cooperative development should be included.

"Simplicity" indicates the need for including only those dimensions that lend themselves to relatively easy data collection and interpretation. An instrument that requires labour-intensive and costly data collection will not be very useful.

"Reliability" is an important quality which refers to the need for designing the instrument in such a way that the values accorded to individual indicators can be trusted. This means limiting the data collection to factors that can easily be double-checked.

"Comparability", finally, is important if the instrument is going to allow us say something meaningful. The indicators must be such that they are present in each organization in each country. In short, the indicators must be universal.

Cooperative development is here centred on the concept of autonomy. As voluntary member organizations, cooperatives are expected to be as autonomous as possible as it enhances the ability of the organization to make its own choices. It makes sense, therefore, to argue that a cooperative organization is developed the more autonomous it is. Conversely, a cooperative is weak if it is undercapitalized, poorly managed, and hemmed in by government policies restricting its choices.

Using this definition of cooperative development I prepared twelve indicators in advance of the study that could be used to measure the extent to which cooperative organizations are developed. In the field, these were subsequently refined and in a few cases considerably revised. On the basis of their ability to yield interesting and relevant information, I settled for the following twelve indicators:

- \* Capital (Assets/Liabilities)
- \* Prices (Unregulated/Regulated)
- \* Investments (Profitable/Unprofitable)
- \* Cost Consciousness (High/Low)
- \* Accounts (Maintained/Not Maintained)
- \* Audit (Acceptable/Unacceptable)
- \* Staff Retention (High/Low)
- \* Terms of Service (Satisfactory/Unsatisfactory)
- \* Training (Adequate/Inadequate)
- \* Member Involvement (Extensive/Inextensive)
- \* Member Benefits (Effective/Ineffective)
- \* Representation (Active/Inactive)

These twelve indicators can be divided into three categories. The first is the financial, of which there are six indicators. The second is the leadership category, of which there are three. Finally, there is the membership category, of which there are also three. In this study, the same value is assigned to each indicator, using a scale from 1-5 with 5 being the highest and 1 the lowest. With twelve indicators, the highest possible score, therefore, is 60, the lowest 12.

The justification for having as many as six financial indicators is that cooperatives are expected to operate as a business enterprise competing in the marketplace with other forms of organization. Thus, the state of its economic and financial affairs is crucial to understanding its degree of development. The three leadership indicators -- staff retention, terms of service, and training -- are themselves determinants of financial performance. It is reasonable to expect, therefore, that there is a positive correlation between strong financial performance and good leadership, and vice versa. Especially important is the relationship of the elected board/committee members to the hired management staff, their ability to provide a hospitable working environment, and their readiness to invest in proper staff remuneration and manpower development. The three membership indicators are meant to appraise the extent to which cooperatives live up to their status as member organizations. Unlike ordinary business organizations, cooperatives are expected to reward its members and defend their unique organizational form. In short, a strong cooperative is one where member involvement is evident, members enjoy regular benefits, including an end-of-the-year bonus, and where members strongly identify with the organization as theirs. These qualities are determinants of both the way finances are being handled and how leaders behave. An attempt to measure cooperative development, therefore, is incomplete without adequate attention to this particular dimension of the organization. The three dimensions that form the basis of this study may be summarized as follows:

Figure 1. Basic dimension of cooperative performance

leadership

membership

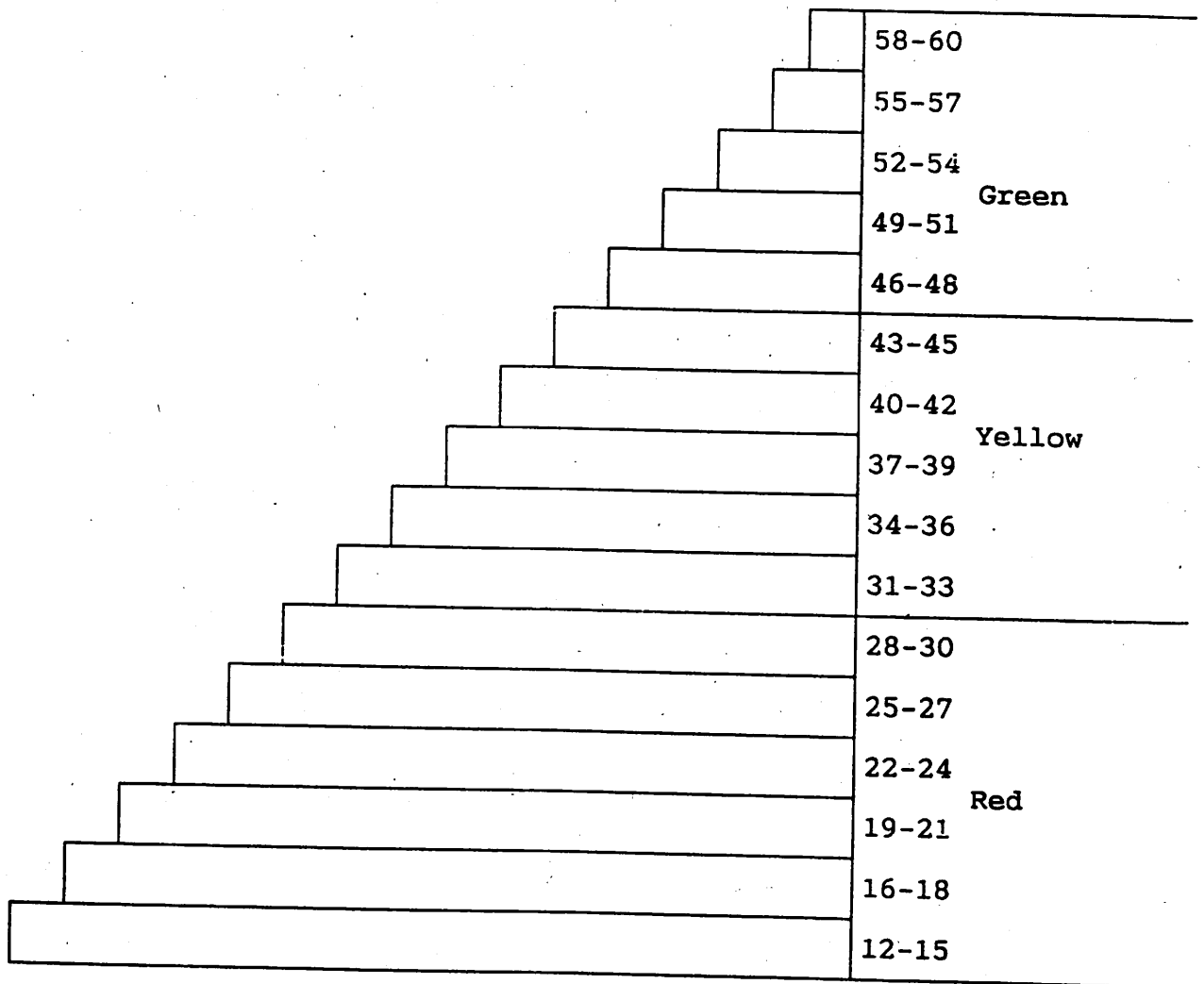
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financial

Using the framework presented above, the next step was to create a "cooperative development ladder" that provides an opportunity to identify the location of cooperatives along the performance scale and to differentiate between those that are in trouble and those the are doing well. A model of such a ladder is presented in Figure 2.



Figure 2. The Cooperative Development Ladder



There are a total of sixteen steps on the ladder, each signifying three points on the numerical scale. I suggest a further division into three zones: (1) the "red", where the aggregate score indicates that the cooperative is in trouble; (2) the "yellow", where the situation is satisfactory but where clear room for improvement exists; and (3) the "green", where there is no doubt that the cooperative is strong and well managed.

Full details of the instrument and how it can be managed are contained in the Annex to this report. Before proceeding to a closer examination of how the select Zambian cooperatives fare on this ladder, it should be said that if applied on a bi-annual basis, this method of measuring cooperative development will provide an easy and quick indication of how individual societies fare over time. In order to make it meaningful, the same societies must be included each time. To make it significant, the sample should include approximately 10 per cent of all cooperative societies that have been registered for a minimum of five years. It may also be desirable to stratify the sample so that different types of cooperative societies are included. For a particular type to qualify for inclusion in the sample, a minimum of 20 societies must be registered. It is also possible to work out aggregate averages per sector or per country so as to get relevant comparisons.

I believe an instrument of this kind under the auspices of the International Cooperative Alliance can be used to encourage cooperative development. It provides systematic information that fairly easily lends itself to interpretation of trends of performance for individual societies, types of societies or countries. The cooperative development ladder can also be used to stimulate competition among societies and countries to improve their positions. The instrument, furthermore, provides relatively specific information which allows the analyst to determine what corrective measures may be necessary. It is not a substitute for more exhaustive evaluations but it does provide national cooperative leaders with a more systematic and easily digestible way of reading the trends of performance among their organizations and of placing more specific evaluations in a proper perspective. In short, it enhances local capacity to make use of outside advice.

It is of course important that the survey on which this measurement relies is competently and diligently carried out. Academically qualified local consultants can be hired to carry out this exercise, although some initial coaching and direction may be necessary to ensure consistency and accuracy.

Development profile of select Zambian cooperatives in 1991

It is now time to turn to the findings of the Zambian survey. I wish to reiterate that the sample used in this study is not representative of the country's cooperative movement. It is, however, indicative of many of the characteristics of these organizations in the early 1990s as they try to make the transition from a highly government controlled to a more liberal, market-oriented economy.

The sample includes the provincial union, two district unions plus six and eight primary societies respectively in Southern and Central Province. In addition, one Ward multipurpose society, one Parents-Teachers Association society, and one marketeers society in Lusaka are included. Using the indicators and values described in the previous section, Figure 3 provides a profile of these cooperatives.

Figure 3. Development profile of select Zambian Cooperatives 1991.

Name of Union/ Society	Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Southern Province Marketing Cooperative Union		2	3	1	2	2	2	2	1	1	1	1	1	1	2	1	3	3	2	3	1	2	2	1	1						
Central Province Cooperative Union		2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	2	1	1	2	1	1	3	2	1						
Chama District Cooperative Union		2	3	2	2	3	2	2	1	2	2	2	3	3	2	2	2	2	2	4	1	2	1	1	1						
Morze District Cooperative Union		2	4	2	1	3	2	1	1	1	1	2	1	2	1	4	1	1	1	2	1	2	1	3	2						
Masabi District Cooperative Union		1	2	1	1	2	2	1	1	1	1	1	2	2	1	4	1	1	2	1	1	3	2	2	2						
Kabwe Rural District Cooperative Union		2	4	2	2	3	1	2	1	1	1	1	3	2	2	2	2	1	3	2	1	4	3	2							
Makala Multipurpose Cooperative Society		3	3	3	2	2	2	1	1	1	1	1	1	1	2	1	1	1	2	1	2	2	1	1							
Damu Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Siasikabole Multipurpose Cooperative Society		1	1	1	1	2	1	1	1	1	1	1	1	1	1	3	1	1	2	1	1	1	2	1							
Silwili Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Kaloba Multipurpose Cooperative Society		1	1	1	1	2	1	1	1	1	1	1	1	1	1	3	1	1	2	1	1	1	2	1							
Mujika Multipurpose Cooperative Society		2	2	1	1	2	1	1	1	1	1	1	1	1	1	2	1	1	2	1	1	1	1	2							
Iweshika Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Ityerok Panoxi Multipurpose Cooperative Society		1	1	1	1	2	1	1	1	1	1	1	1	1	1	3	1	1	2	1	1	1	2	1							
Masabi Farmers Cooperative Society		2	2	1	1	2	1	1	1	1	1	1	1	1	1	2	1	1	2	1	1	1	1	2							
Kasakola Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Chikoko Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Kalola Multipurpose Cooperative Society		1	1	1	1	2	1	1	1	1	1	1	1	1	1	3	1	1	2	1	1	1	2	1							
Kalola Farmers Multipurpose Cooperative Society		2	2	1	1	2	1	1	1	1	1	1	1	1	1	2	1	1	2	1	1	1	1	2							
Chankanda Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Iunkhya Primary School Cooperative Society		3	3	3	2	2	2	1	1	1	1	1	1	1	1	2	1	1	2	1	2	2	1	1							
Ludwa Ward Multipurpose Cooperative Society		2	2	2	2	3	1	2	1	1	1	1	1	1	1	1	1	1	2	1	2	1	1	1							
Chintanzano Marketeers Cooperative Society		2	2	1	1	2	1	1	1	1	1	1	1	1	1	2	1	1	2	1	1	1	2	2							
<b>AGGREGATE TOTAL:</b>		21	30	19	18	29	19	17	12	13	13	14	17	18	14	32	18	14	27	14	17	22	21	17							

The aggregate figures confirm what we have seen glimpses of in other studies: that in the context of a universally applicable measurement, Zambian cooperatives score on the lower levels of the cooperative ladder. With one exception -- Mkushi Farmers Cooperative Society -- all societies and unions visited fall into the red zone. There are, however, considerable variation within this category. Unions and primary societies in the Eastern Province fare generally better than those in Southern Province. The urban-based societies do not perform better than their rural counterparts. The location of Zambian cooperatives on the cooperative development ladder is illustrated in Figure 4.

When examining the specific indicators, it is evident that the Zambian cooperatives are generally undercapitalized. Share capital in primary societies has depreciated as a result of inflation and in most cases no fresh capital has been injected. At the level of provincial and district unions, liabilities tend to exceed assets and working capital, as a result, is inadequate in relation to current turnover.

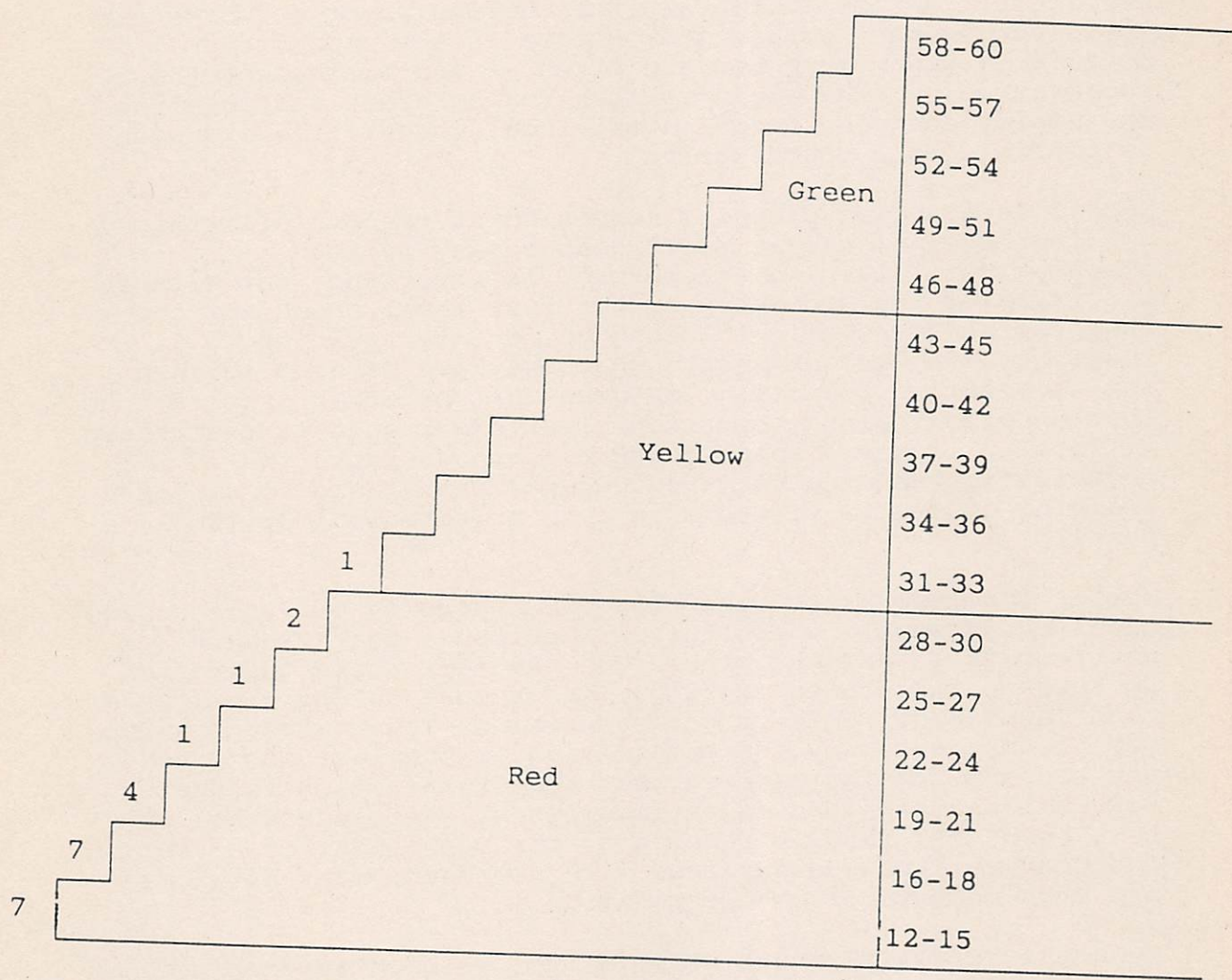
Cooperatives have little, if any, control over the prices of the commodities in which they trade. Because government sets maize and fertilizer prices and so much of the cooperative business centers on these two commodities, their hands are tied. Only where other types of business are sufficiently important to make a difference in the annual turnover do cooperatives have some control of price setting.

Following the support that cooperatives have received in the past ten years, first from SIDA direct and later from SIDA through SCC, a fair number of investments have been made in storage sheds, hammer mills, oil presses, vehicles, etc. The record of these investments is generally mixed and there are more unprofitable than profitable examples in this sample.

My probe into the cost consciousness in the leadership of the cooperatives indicates that it is very low. There were only a couple of examples of organizations where measures have been taken to reduce costs and where some sense of the relation between benefit and cost was articulated and details of it known.

Book-keeping has been weak in Zambian cooperatives, especially at the primary society level where the main trading account has been kept by the provincial union. This practice has limited the extent to which society managers have a chance to keep and manage the financial activities of their organization adequately. With a few exceptions, directors and -- leave alone members -- have no clear picture of the affairs of their society.

Figure 4. Location of Zambian cooperatives on the cooperative Development ladder.



The capacity for auditing the accounts and books of the cooperatives is too limited and serious delays are common, a factor that in many instances enable cooperative leaders and managers to get away with very poor and, sometimes, dishonest performance. In some societies no Annual General Meeting has been held for three years. It is not surprising if members in such situations are disillusioned and show little interest in the organization.

Board directors are supposed to represent the membership and act in such a way that the management of the cooperative is facilitated. There are few societies in my sample where the prescribed role of the directors is fully understood. There is either too much interference in the day-to-day operations or outright suspicion that the manager is dishonest. This tension in the relation between owners and management often causes high turnover of scarce human resources.

Staff motivation is lowered further by unsatisfactory terms of services. There is very little understanding, especially at the primary society level, of contractual arrangements. Managers and other staff are often hired because they are local residents whose personal record is known to the directors. In some instances, this hiring practice works out well, but in many others the outcome is the opposite. Especially when young men are hired -- and trained by the cooperative -- they begin to look for "greener pastures" as the employment conditions in the local cooperative are seen as confining and unattractive.

Poor understanding of roles, division of responsibilities, and low level of skills still plague many of the cooperatives. Training, therefore, is important, but with the exception of the secondary or tertiary level organizations there is no systematic thinking going into training. Cooperative societies accept what they are offered through the Cooperative Education Training Unit or other institutions that provide training opportunities. The result is that there is little, if any, sense of how training assists the organization as a collective venture. Being able to attend a training course is viewed more as a private or individual benefit.

Member involvement is generally low. There is only one or two cases in my sample where there is evidence that members participate in any way other than the AGM. While they often do speak out at these meetings, it is more out of disillusion than commitment. This is not surprising. The way cooperatives have been treated by the authorities in the past has erased any sense among the members that the organization is theirs. For instance, in some cases incompetent but elected boards have been unilaterally removed by the Department of Marketing and Cooperatives and replaced with nominees, many of whom are not even members of the cooperative.

Member interest in their cooperative has been further reduced by the relative absence of direct member benefits. There is little distinction being made between members and non-members in the way they are treated, although with the ongoing diversification the notion that members should be treated favourably is developing. Thus, for example, they can usually have their maize ground at a lower price than non-members. When goods are scarce in the consumer shop, members in some cases have priority over non-members. The benefit that is the ultimate test of satisfactory economic performance -- the end-of-the-year bonus -- is, however, something that no society in my sample has issued in the last three years.

Against the background of all these shortcomings, it is not surprising that the cooperative identity is weak. To be sure, cooperatives keep complaining to government and party authorities about specific problems they encounter, notably delays in payment, but the notion that cooperatives stand for ideals that have a value in their own right is never fought

for in the open. There is no public lobbying and to the extent that cooperative ideals are being represented, it is taking place in discussions behind closed doors at the highest policy level. While these representations should not be underestimated they do not have the effect of enhancing cooperative identity and pride. In short, very little is done to defend the cooperative against much of the public criticism that circulates freely in the country and that is being advanced although the real blame lies somewhere else.

This summary of the most obvious shortcomings revealed by my survey confirms much of what is already known. The principal advantage is that it does so in a cost-effective way. This form of "rapid appraisal" provides the basis for quick scanning and the possibility of zeroing in on specific societies or problems as revealed by the survey. It provides an overview that helps the analyst avoid getting lost in data. The mass of individual trees do not get in the way of the view of the whole forest, so to speak. I think this is important because the principal challenge in Zambia, as elsewhere in much of Africa, is not that we do not know what the problems are but that we must prioritize support and create a sense of forward movement by the cooperators themselves.

#### What Can Be Done?

At a first glance the task of cooperative development in Zambia seems overwhelming. Most societies are at the very bottom of the cooperative development ladder. Any move upwards is going to be long. There is no reason, however, to lose all sense of hope. Much of the cooperative predicament in Zambia is due to past government policies. They are now being changed. Thus, they create the needed windows of opportunity that the cooperatives have lacked before. In short, this is the time to make an investment in cooperative development in the country.

As is already being recognized by Zambia Cooperative Federation and the Swedish Cooperative Centre the overall objective must be to return the cooperatives to the cooperators. They must feel that they have a stake in the organization. It must be worthwhile spending one's energy on the cooperative. Being part of the organization must not merely be an obligation but a joy.

The question is of course how this can be achieved. As Zambian cooperators and their friends and supporters inside and outside the country continue to find answers to this question, I wish, in all modesty, to offer my own advice. I believe that the key to success lies in finding a catalyst for action that brings members, directors and managers together in collaborative and constructive pursuits. They must be encouraged to engage in dialogue. Given the legacy of the past, this is not necessarily going to be easy.



Considerable attitudinal changes will be needed on the part of all.

One possible way forward is the creation of a "cooperative development strategy map" that everybody can use as a guide for common action. To be effective, such a strategy map must have the following qualities:

- \* accessibility
- \* simplicity
- \* inclusiveness

There is always a tendency among experts to make matters more complicated than is necessary. Although I believe many of the managers and advisors in ZCF and SCC are aware of this, I would like to see more concrete evidence of how this awareness is being translated into concrete action. There is a tendency to get hung up on "technical" matters; to evolve documents that are so specialized that the average director finds them hard to comprehend. This has the effect of creating suspicion and misunderstanding. A strategy map, therefore, must be able to overcome any such shortcomings.

The map must be so designed that it makes it easy for every user to understand. It must not contain too many tasks, but be such that it lends itself to easy interpretation and thus can serve as an instrument of mobilizing interest in the core issues facing the organization. Simplicity becomes a virtue.

Thirdly, it must be inclusive in the sense that it provides an opportunity for analysis and discussion to be guided by local initiatives. The content that participants give to this map must be allowed to evolve within a framework that is open-ended, yet provides a sense of direction.

I suggest that the cooperative development strategy map be constructed using the following simple set of concerns:

PROBLEM IDENTIFICATION ---> STRATEGY OBJECTIVE ---> CONCRETE ACTION ---> CONSTRAINTS TO OVERCOME ---> ACHIEVEMENTS.

An illustration of how the map can be used is provided below in Figure 5 and the ensuing discussion. In providing this illustration I am using material from my own survey. The idea, of course, is that the content of the strategy document will be evolved from within each cooperative organization. Thus, the discussion below is only indicative and not meant to be a prescription for how Zambian cooperatives should necessarily act in the future.

The problems identified in the left column have already been discussed in the previous section of this report. On the basis of my own analysis, I would suggest that four strategic objectives be identified:

- \* Strengthen the capital base
- \* Improve operations
- \* Develop human resources
- \* Strengthen cooperative identity

Each one of these responds to a given set of a problem in the left column and points to the concrete sets of action that are listed in the third column. It may be worth discussing each of these in brief. In this conjunction I will also touch on the constraints identified in the fourth column.

The first concrete action relates to the need for raising more share capital. This can be done by raising the value of existing shares and by recruiting more members. Both methods are currently being considered or acted upon. The principal constraint to implementing these actions is the image the cooperative has as somebody else's organization. Another constraint is the eroded value of the local currency which makes cost of living very high.

Figure 5. The Cooperative Development Strategy Map  
(with illustrations)

PROBLEM	OBJECTIVE	ACTION	CONSTRAINT	RESULT
Undercapitalization	Strengthen capital base	Increase share capital	Poor organizational image	TBI
Price Control		Encourage savings	Inflation	TBI
Low Creditworthiness		Diversify operations	Limited management capacity	TBI
Cost consciousness low	Improve operations	Decentralize accounting	Union power	TBI
Books not in order		Standardize book-keeping	Lack of trained staff	TBI
Audit late		Strengthen audit capacity	Shortage of transport	TBI
Poor relations between directors and manager	Develop human resources	Improve understanding of key organizational roles	Rapid turnover	TBI
Low staff morale		Link pay to results	Political ambitions of directors	TBI
Training viewed as private benefit		Develop training plans	Little grasp of business flow	TBI
Low member involvement	Strengthen cooperative identity	Carry out cooperative campaigns	Legacy of subordination	TBI
Marginal member benefits		Insist on distinct member benefits	Buyer of last resort	TBI
Weak cooperative identification		Encourage competition for resources	Donor policy approach	TBI

TBI = To Be Identified

Inflation is also a constraint to higher levels of savings, but it seems that if cooperatives are going to raise their levels of creditworthiness they need to demonstrate that they can accumulate capital on their own. The overall impression I have is that most investments so far have come about as a result of outright donations under the SIDA-funded ASSP or credit extended by ZCF (again SIDA-funded) on which repayment appears to be very poor. The newly formed Cooperative Bank may be a vehicle for fostering greater savings in the rural areas, but there are also other institutional means of mobilizing savings that may be tried.

The extensive dependence on maize marketing and government price regulation of both inputs and the produce itself have made diversification a natural strategy to enhance the capital base of the cooperatives. The most common measures taken, such as the purchase of hammermills or oil presses and the opening of consumer shops, are in line with a move towards greater self-reliance at the primary society level. Operational results of these investments in many societies, however, are alarming and it is clear that management capacity is often inadequate to cope with increased volumes of business. This applies also to the district and provincial unions where there may be a tendency of spreading one's resources too thin in an effort to diversify business.

An improvement of the operations of Zambia's cooperatives -- at all levels -- is a prerequisite for any future progress. A concrete first action seems to be the decentralization of accounts to district unions and primary societies so as to enable each cooperative entity to control its own business. One can expect that provincial unions are going to be reluctant to give up their trading accounts with the primary societies since the latter often provide free credit and shield their own inefficient performance. Such a transfer of accounts, however, must be done in an orderly and planned way with book-keeping skills being developed so as to meet the new challenges.

One way of ensuring that this process succeeds is to ensure a standardized system of accounting for which a common training system exists. There appears to be a lack of trained accountants in the cooperative movement at the moment and one would expect that the more standardized and the simpler the book-keeping system is, the more likely it is that primary societies will be able to manage their own affairs.

An essential way of tightening operations is to strengthen the audit function. In the past much of this was done by DMC staff and it was done in accordance with the Act so that inspectors acted as advisors to the directors and members. In recent years, however, inspection and audit has either ceased altogether because of lack of transport or become a matter of punishing the society leadership. While such punishment may be warranted in some cases, the practice has not served to strengthen the cooperatives, particularly as DMC has often

unilaterally appointed its own new directors without local consultation. It seems that an emergency plan for updating the audit of all books in the cooperative movement is necessary. In association with such a plan, or independently thereof, one may wish to pick up the idea of "barefoot auditors" who are able to make a first inspection of the books and alert ZCF Professional Services and DMC in cases where serious problems appear to exist.

Development of human resources in the cooperatives should involve both directors, members and staff. There has been an understandable priority given to directors and staff, although Zambia is ahead of most other countries, at least in the region, in fostering member training. Both MTP and CMMP make valuable contributions to member understanding of their role in the organization and how they can contribute to problem-solving. Even so, it is important to point out that roles continue to be poorly understood by directors and members alike. This leads to rapid turnover of leaders and the need to start anew in building leadership and management capacity. As long as the cooperative movement was viewed as a wing of the ruling party, it is understandable that cooperative organizations were treated as spring-boards for political careers. As member organizations, they provided a base that no other organization, at least in the rural areas, do. This has been a constraint to committed cooperative leadership and may continue to be so as long as there is no insistence by the membership that leaders must adhere to the principle of political neutrality.

One way of stimulating better performance from staff is to begin relating pay more closely to performance. Thus, for example, staff would be guaranteed a basic minimum salary, but they could earn more either on a piece-rate basis or in relation to overall performance. The former may apply to lower-level workers while the manager may be rewarded in accordance with how well the overall results at the end of the financial year are. This approach makes a lot of sense in the more competitive economic climate that cooperatives find themselves. It may in fact be the only way that cooperatives can become competitive with private business. A major constraint in realizing such an action is the lack of business acumen in the cooperative movement.

One of the problems with any capacity-building exercise on the scale that one encounters in the cooperative movement in Zambia is the tendency for it to be disjunctive. There is a proliferation of efforts that separate staff from directors and directors from members. While it is obviously true that the needs of each of these categories differ, this often becomes an excuse for institutionalizing separate "tracks" that in the end has the effect of removing the benefits of training from the needs of the cooperative as a collective venture consisting of all three categories: directors, staff and members. This is most obvious in the case of staff who are typically sent for training at a residential institution

and who, upon successful graduation, acquire a certificate. This certification usually turns the individual into a human commodity who is ready to make his or her skills available to the highest bidder. It is also obvious in the separation between directors and members. By virtue of being elected leaders, directors tend to expect a separate treatment from that of members. They believe that they need to know more than the members. While this is true, the effect of this differentiation is to increase the distance between members and their elected leaders. I see no reason why members and leaders cannot be trained in the same context so they will understand each other's roles and members get better prepared to take over when incumbent leaders leave. Whatever way Zambian cooperators decide to go, it seems that, at a minimum, much more attention needs to be paid to how training can be better linked to performance.

Although the cooperatives in Zambia have come a long way since the early 1970s and ZCF must count as one of the best apex organization in Africa, the country's cooperators have to date been mute. Much of that can be explained by the fact that as a mass organization under the UNIP Constitution, it has not been expected to make public statements on its own that could be interpreted as deviating from the official party line. With the coming of multi-party politics this practice is no longer necessary. For the first time in at least two decades, it is becoming possible for cooperators to enhance their own identity, not that of a particular political party. For the first time, it is possible for the country's cooperators to be in the public limelight without first having to look over the shoulder to see what the political boss may be saying. This new situation creates opportunities for enhancing the identity of cooperative forms of organization. This can be done in various ways. For example, one can organize public campaigns or rallies that highlight a certain effort or achievement of which the cooperators are proud. Such efforts could be organized both nation-wide and in specific localities wherever and whenever it is warranted. The main objective of any such campaign or rally must be to enhance pride in cooperative ventures and to strengthen the confidence among members in their organizations. One may assume that the legacy of subordination or deference to authority that still is very evident in many circles in Zambia will be a constraint, but not one that would necessarily prove insurmountable.

Pride and confidence in the cooperative is likely to be further enhanced by strengthening the extent to which persons derive benefits from membership. Much of that is of course contingent on the financial performance of their organization, but within the opportunities that satisfactory of good performance provides, a more systematic attention to how members may benefit first is desirable. A clear line must be drawn between members and non-members so that only those who really make a contribution to the organization get the benefits. One constraint that Zambian cooperatives may

continue to encounter in this effort is its expected role as "buyer of last resort". This means that cooperatives are often forced to send trucks way out into distant villages to buy maize from members and non-members alike, even though this does not make economic sense. With the possibility that government subsidies for such transportation will dry up, it becomes necessary, as ZCF already recognizes, to cease such operations. The notion of differential prices, depending on what effort the member has made to bring his produce to a depot or accessible point along a major road, is also worth exploring in this context.

Generally speaking, Zambia's cooperatives should be systematically encouraged to behave like their competitors in the market-place; they must recognize that resources are scarce and must be treated with care. Much of the current ZCF/SCC programme is geared in this direction but I believe that there is still too much "pampering" going on. Donations or loans should not be provided quite as lightly as the case is now. I find the current approach of identifying 100 societies in ten districts for some form of integrated support particularly questionable. I can see that the Zambian Government raises objections because it is not nation-wide or that the beneficiaries are being identified independently by consultants hired by ZCF/SCC. I also question this approach because a) it tends to create a two-tier structure within the movement and b) it fails to acknowledge the extent to which there is a genuine demand for the prospective resources. I believe everybody would be better off with a system whereby individual cooperative societies, in response to a public announcement, are invited to apply for these resources on a competitive basis. In such an approach, nobody would be ruled out a priori, and only those who have gone out of their way to prove both interest and competence would have access to these resources, much in the same way as banks provide credit. I would suggest that a separate cooperative development fund should be set up that is being managed by an independent board, recruited from among cooperators but with a few non-cooperators as well. Such a fund could be affiliated with the Cooperative Bank or ZCF but should be operationally independent. To ensure that project requests are not thrown out prematurely, the more promising but incomplete requests could be sent back to their initiators with a note suggesting that they contact the nearest cooperative technician for help to refine the proposal. The most important conditions with an exercise of this kind are that it is able to stay free from political or other vested interests and that all requests are processed in a professional and reliable manner. If these conditions are not being met, it is questionable whether cooperative development is going to be fostered.

I must add here that I am disturbed by the way in which donors have related, and continue to relate, to cooperatives in Zambia. Without any question, they seem to have accepted the official GRZ approach of treating the cooperatives as the

extended arms of the government. The result is that the cooperatives have been relegated to non-organizations -- with no objectives or life of their own. They have become convenient "conveyor-belts" for donor-funded inputs going into ambitious but often ill-conceived rural development programmes. ZCF/SCC have managed to carve out a little niche for independent cooperative development by convincing GRZ and SIDA that support for cooperatives should be on a "movement-to-movement" basis. This is an important victory and a precedent that needs to be taken seriously by other donors who continue to treat any organization outside GRZ as non-existent or irrelevant. The point is that in an economically and politically liberal milieu, everybody is a winner with such an independent approach.

I have used the presentation of the "cooperative development strategy map" as an excuse for providing my own personal reflections on what may be done with Zambian cooperatives. I realize that many of my opinions are contentious and it is not my intention to let these views get in the way of the method of strategizing that I have advocated in this report. The point about this approach is that it is expected to serve as a catalyst for local participation in cooperative decision-making. By emphasizing the importance of "process", it has similarities with the approach used in CMPP. The difference is that my approach involves everybody in the cooperative. The experiences from CMPP, however, are directly relevant to this approach and I expect that they can be transferred and modified without too much extra work.

#### Zambia and the Future of Its Cooperatives

While in Zambia I was being asked on "Kwacha/Good Morning Zambia", the country's weekend morning TV programme, what I think about the future of its cooperatives. It is not a question that I find easy to answer but which, it seems as a consultant, I am expected to have an answer to. In thinking through what such an answer would be like, I believe it is important to divide it into two parts: one dealing with Zambia, the other with the cooperatives. After all, much of what is going to happen to the cooperatives will be determined by how well Zambia makes use of its resources and advantages.

The potential for Zambia is enormous and after years of wasting its resources one can only hope that the time has come for the country to wake up to its own possibilities. For a start, Zambia has 24 million hectares of arable land, of which at present only some 5 per cent is being cultivated. Furthermore, some of this land has been turned into ranching because of the pricing policies that have prevailed in the past. Much of this land could be supported by irrigation as water is not a problem. With the right policies and incentives, Zambian farmers could feed the rest of southern Africa. With Angola still suffering from years of civil war, farmers in the western parts of Zambia could sell to people



in that country. Zairians are still to realize their agricultural potential and Zambian farmers in the north can take advantage -- as they already do -- of the growing demands on the other side of the border. Land scarcity in Malawi limits its ability to grow maize and farmers in Eastern Province can expect growing demands for their produce inside Malawi. Mozambique suffers from the same weakness as Angola and there is plenty of scope for export of produce also to that country. It is questionable whether Zimbabwe is going to remain an agricultural surplus country, at least as far as maize goes, as many of the country's large farms are now forcibly being acquired by the state and apparently sold to individuals in political positions or with connections to such persons. If the experience of Zambia in the 1960s is anything to go by, such a land transfer could spell decline in production. Many of the white farmers in Zimbabwe are already inquiring about the possibility of coming to Zambia, a move that now is being facilitated by the country's new investment code. To the southwest, finally, Botswana and Namibia are both desert countries and the market for maize and other agricultural produce there quite considerable. The prospects for Zambian agriculture are just daunting!

Zambia is also well placed politically, if the current transition to multi-party politics continues to go well. No other country in the region, with the exception of South Africa, is currently acquiring as much attention as Zambia. What is going to happen here in the next year or so will no doubt have dramatic consequences for the rest of the SADCC region. The multi-party transition is also going to be of utmost importance to the future of independent organizations in Zambia. Cooperatives probably stand a better chance in a pluralistic political context.

The combination of an untapped economic potential and an uncertain political transition places the cooperators of Zambia in a difficult but challenging position, where the loyalty to their organizations will be put to many hard tests. Economic liberalization is likely to turn several unions and societies insolvent and one can expect that many cooperatives will be deregistered in the next five years. This may be a blessing in disguise as that will leave the movement with a core of strong organizations. It is to these that cooperators and their friends will be able to pin their hopes.

If the cooperative leaders of this country fail to save and develop this core, there is a strong possibility that the slack will be picked up the country's Commercial Farmers' Bureau. It already has 70 per cent of its members drawn from peasant farmers. It is wholly self-financed and it serves its members satisfactorily. As a result, it is not surprising that it continues to attract new members from among the country's small farmers. The current flow of new members could be turned into a flood, if cooperatives fail to turn the tide and demonstrate their ability to act as genuine member organisations.

## A N N E X

Proposal for the Establishment  
of a Cooperative Development Ladder

Objectives

- (1) To provide a comparative and systematic basis for measuring cooperative development among organizations within one country and between countries.
- (2) To assist cooperators better understand the various performance dimensions of their organizations and encourage them to take needed initiatives to further improve these.
- (3) To provide a method of rapid appraisal that is both reliable and cost-effective.
- (4) To encourage involvement by local researchers and consultants in assessing cooperative performance and advising cooperative leaders on issues concerning the future development of their organizations.

Sample

To make the exercise meaningful and representative, 10 percent of the cooperative organizations that have been registered for a minimum of five years should be included. The sample may be drawn from all categories of cooperatives where the minimum number is 20 registered such organizations.

Methods of data collection

Necessary data for this exercise are of two kinds: (a) financial and other written records available in the organization; (b) information obtained through interviews. Interviews should as much as possible be conducted with the same set of people in each cooperative. It is proposed that interviewees include (1) the senior manager, (2) the Chairperson and one other board/committee member, and (3) two ordinary members. It is also being proposed that the interviews are conducted with everybody present, i.e. in a group.

Interval

Measurements of cooperative performance would preferably be done every two years with exactly the same sample of cooperative organizations. No substitutes are expected for societies deregistered during the two-year interval. Review of the sample could be done every ten year and explanation given as to what the implications of any changes in its composition are likely to be.

### Executors

The exercise should be carried out by a group of local researchers/consultants who are independent of the cooperative movement, yet familiar with the issues facing these organizations. It would be preferable to keep the same consultants for as long a period as possible so as to ensure consistency and good quality. In order to provide opportunities for cross-country comparisons, the International Cooperative Alliance may wish to serve as coordinator and overall supervisor by providing necessary coaching of consultants and follow-up assistance and advice as required.

### Dissemination

Results of these appraisals should be made available in as easily comprehensible ways as possible. One proposed way is to issue loose-leaf summaries on each society that in a visual way identifies its strengths and weaknesses and helps stimulate discussions among members, leaders and staff of what to do next. Summary sheets may be prepared for each sector and each country and compiled by the ICA so as to illustrate performance variations over time and among different countries.

### Awards

With a system like this of measuring cooperative performance in place, it becomes possible to issue various kinds of awards or certificates, e.g. "The Cooperative of the Year" for the organization that has demonstrated the most impressive performance improvement during the two-year period of measurement. It is also possible for the ICA to issue a certificate or an award to the national movement that in aggregate terms manifests the most substantive performance improvement.

### Indicators

#### (a) general observations

The proposed cooperative development ladder is based on a composite of twelve indicators that measures performance particularly in terms of the organization's ability to enhance its autonomy. The premise is that various dimensions of autonomy are crucial in understanding the development of member organizations like cooperatives. The scale of values (1-5) is the same for each indicator, but a certain weighting has been made in the selection of indicators. On the assumption that cooperatives are fundamentally operating as business organizations, half of the indicators relate to that dimension, one quarter to the leadership dimension and the remaining quarter to the membership dimension. The advantage of this composite set of indicators is that it combines quantitative and qualitative measures. As such it is broader

than other assessments of cooperative performance which tend to be confined to available records of financial performance only.

Coding of information obtained from records and interviews will vary in difficulty, but it must be stressed that in particular with reference to non-quantitative types of data, the quality of the judgement of the consultant becomes very important. A few hints of how to resolve difficulties may be helpful:

incomplete information: if it proves very difficult or impossible to obtain the necessary information, that in itself should be considered a shortcoming and the lowest possible value should be assigned;

contradictory information: it is quite possible that during the five-year period for which information is being sought, performance has varied; the following guide to assigning values in such a situation may be helpful: 5 - consistently improving or good, 4 - improvement in the past two years, 3 - performance up and down, 2 - at best spotty evidence of any achievements, and 1 - little or no evidence of any achievements during the five-year period.

Actual coding may be done as each indicator is being covered but it may also be important to double check any assignment of values after the interview is over so that any uncertainty can be removed.

b) specific information

Below follows a presentation of the twelve indicators, the questions that accompany each (and should be asked of the interviewees) as well as the coding instructions for each of the five values associated with the indicators:

1. What is the capital base of the organization?

Capital (Assets/Liabilities)

- |  |   |
|--|---|
| 5 - strongly capitalized   | (assets far exceeded liabilities; all members paid up)        |
| 4 - adequately capitalized   | (assets barely exceed liabilities; all members paid up)       |
| 3 - inadequately capitalized   | (liabilities exceed assets although all members have paid up) |
| 2 - grossly undercapitalized   | (liabilities far exceed assets; members have not paid up)     |
| 1 - relations between assets and liabilities unknown or not available) |   |

2. Who sets the prices for commodities handled by the organization?

Prices (Unregulated/Regulated)

- 5 - completely free to set price on all commodities
- 4 - largely free (sets price on most commodities; any regulation exercised only by the coop movement itself)
- 3 - somewhat free (government controls prices of some commodities traded by cooperative)
- 2 - largely unfree (government controls most important commodity prices)
- 1 - completely unfree because government sets all commodity prices

3. What investments has organization made in the last five years?

Investments (Profitable/Unprofitable)

- 5 - very profitable (has made several profitable investments and no real mistakes)
- 4 - profitable (has made several investments, the balance of which is profitable)
- 3 - mixed (records of investments both profitable and unprofitable)
- 2 - unprofitable (investments have been largely incurring losses)
- 1 - no investments made

4. What steps has organization taken to reduce costs?

Cost Consciousness (High/Low)

- 5 - very high (has initiated studies and taken follow-up steps to reduce costs of operation)
- 4 - high (no evidence of systematic studies but some important steps taken to reduce costs)
- 3 - mixed (measures initiated but results inconclusive)
- 2 - low (no studies but forced by outside intervention to cut expenditures)
- 1 - very low (no studies or no measures taken)

5. How well are the accounts of the organization maintained?

Accounts (Maintained/Not maintained)

- 5 - very well maintained (accounts for all activities are properly kept and information easily available)
- 4 - well maintained (most accounts properly kept but overall picture dim)
- 3 - mixed (records vary in quality over the five-year period)
- 2 - not well maintained (records not up to date and overall information hard to extract)
- 1 - very poorly maintained (records not kept by org. or in such poor state that no overall picture is possible to acquire)

6. What is the record of audit during the past five years?

Audit (Acceptable/Unacceptable)

- 5 - very acceptable (books properly audited on time every year by professional auditors)
- 4 - acceptable (books properly audited but not always on time)
- 3 - mixed (record very mixed, but evidence of some improvement)
- 2 - unacceptable (books audited but with on average a year's or more delay)
- 1 - very unacceptable (consistently late for two years or more)

7. What is the retention rate of senior management personnel in the past five years?

Staff Retention (High/Low)

- 5 - very high (all senior managers retained and working to satisfaction of board/committee)
- 4 - high (limited turnover and little evidence of tension between board/committee and senior staff)
- 3 - mixed (record of retention mixed but currently satisfaction among board/committee members)

- 2 - low (some changes due to problems in relation between board/committee and senior management)
- 1 - very low (several changes due to poor relations between board/committee and senior management)

8. What are the terms of service for staff?

Terms of Service (Satisfactory/Unsatisfactory)

- 5 - very satisfactory (written contracts, good emoluments, staff satisfied)
- 4 - satisfactory (written contracts, acceptable emoluments but not all staff satisfied)
- 3 - mixed (conditions and views vary among staff and over time)
- 2 - unsatisfactory (written contracts for some, poor emoluments, staff generally dissatisfied)
- 1 - very unsatisfactory (no written contracts, poor emoluments, great dissatisfaction among staff)

9. How aware is organization about importance of training?

Training (Adequate/Inadequate)

- 5 - very adequate (training plan for staff, directors and members being implemented with own funds)
- 4 - adequate (plan for training all categories exists but funds inadequate)
- 3 - mixed (expresses awareness of need for training but no systematic own effort)
- 2 - inadequate (recognized importance of training staff and directors but responds only to outside opportunities)
- 1 - very inadequate (recognition of training very weak and no own initiative)

10. How extensively are members involved in organization affairs?

Member Involvement (Extensive/Inextensive)

- 5 - very extensive (members regularly participate in both oversight, major decisions and volunteer their resources when asked)
- 4 - extensive (members volunteer their time and resources and exercise oversight through participation in general meetings)
- 3 - mixed (member involvement not consistent but at present growing)
- 2 - inextensive (member may volunteer labour or money but confirming participation in general meetings to complaining)
- 1 - very inextensive (little or no evidence that members participate except at annual general meetings where they are mainly complaining)

11. How effective is organization in providing member benefits?

Member Benefits (Effective/Ineffective)

- 5 - very effective (members enjoy a variety of benefits, including annual bonus)
- 4 - effective (members enjoy a few benefits, including bonus in a good year)
- 3 - mixed (members enjoy some benefits but no bonus)
- 2 - ineffective (no bonus and other benefits not regular)
- 1 - very ineffective (no bonus and no or very marginal other benefits)

12. What has organization done to defend or promote coop ideals?

Representation (Active/Inactive)

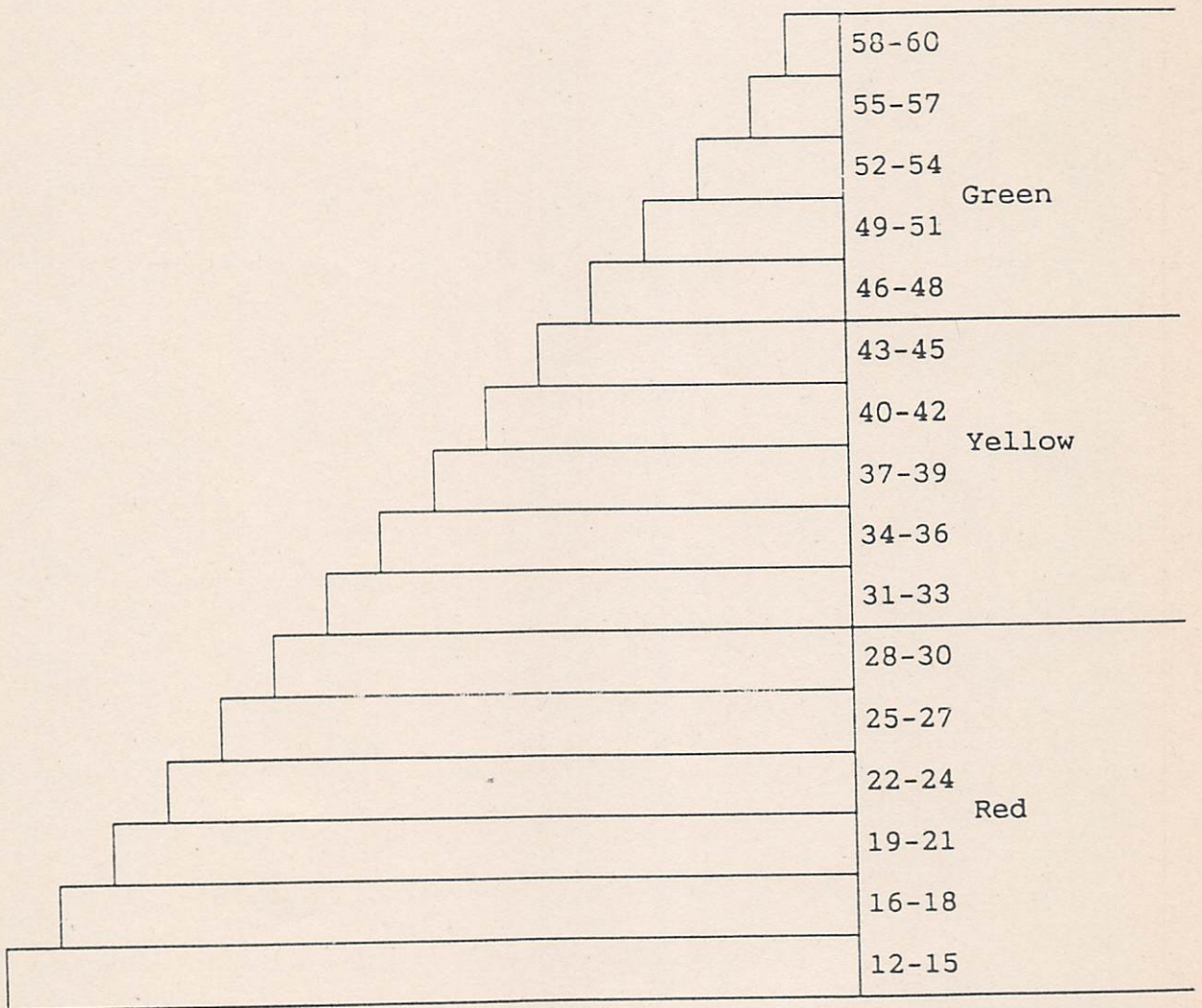
- 5 - very active (has carried out systematic campaign to recruit new members and presented petitions to higher authorities on behalf of cooperators)

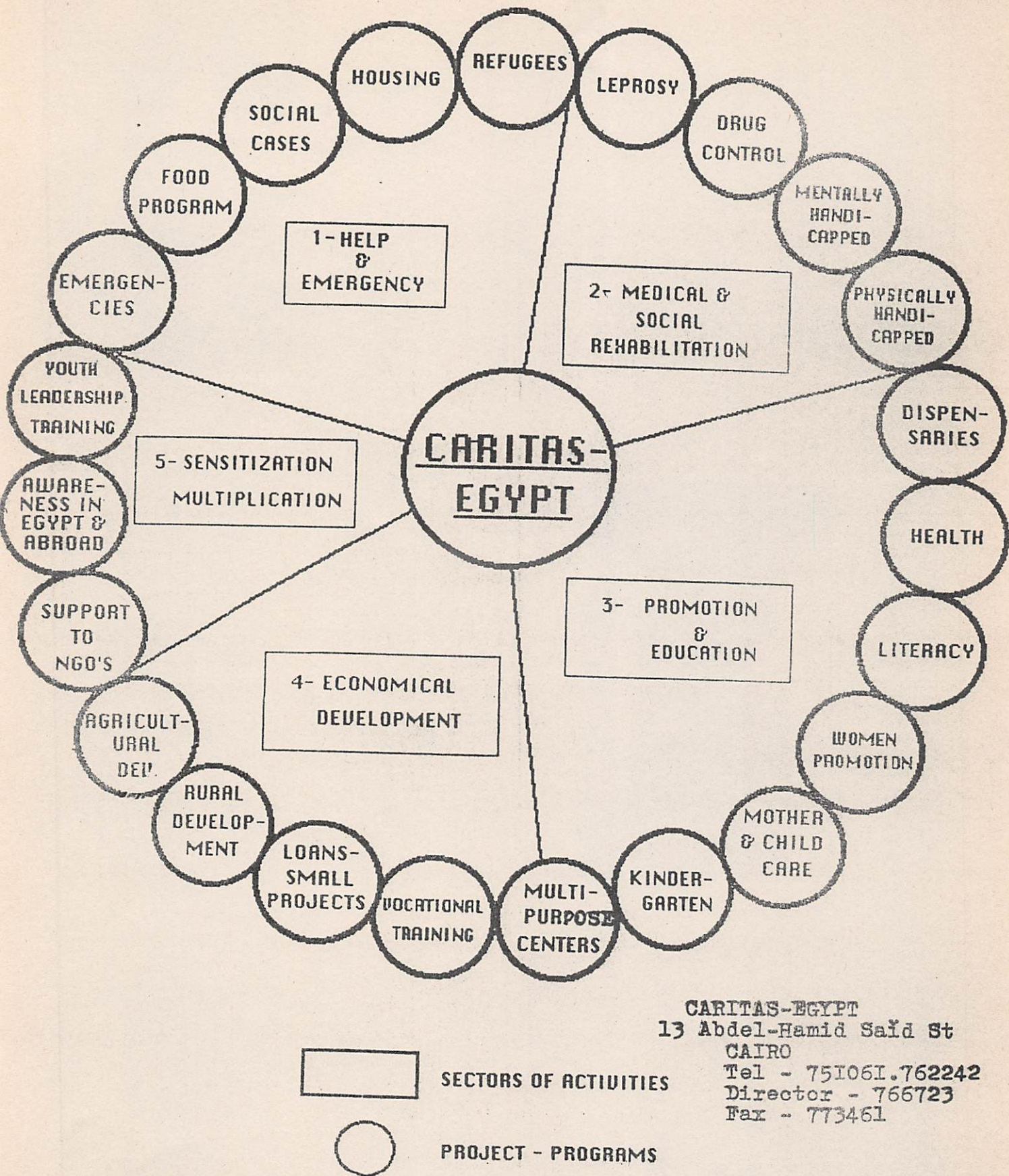


- 4 - active (evidence of membership campaigns and some petitions over the past five years and strong awareness of cooperative ideals)
- 3 - mixed (evidence of campaigns and petitions but not very consistent, nor much consciousness)
- 2 - inactive (little evidence of either campaigns or petitions)
- 1 - very inactive (no evidence of campaigns or petitions and consciousness of cooperative ideals and how to defend or promote them quite low or dim)

### Model Illustration of Cooperative Development Ladder

Using the scale of values above, it is possible to create a sixteen-step cooperative development ladder, where each step is three points and the ladder is divided into three zones: one red, where organizations are in trouble, one yellow where performance is satisfactory, and one green where performance is generally very good.





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# جمعية حماية البيئة من التلوث



## تعريف الجمعية

هي جمعية أهلية تنموية هدفها حماية البيئة من التلوث خاصة مشكلة التعامل مع المخلفات الصلبة عن طريق مشاركة جامعي القمامة بالمقطم من أجل رفع مستوى معيشتهم والإرتقاء بهم من الناحية الصحية والإجتماعية والتعليمية وخلق كوادر فنية مدربة من أبناء الزبالين بما يسمح بتنمية مستمرة وحياة أفضل .

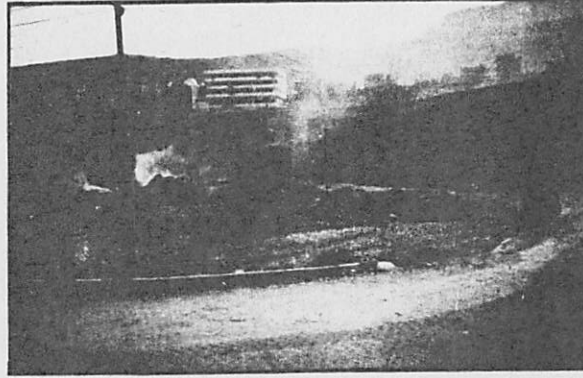
وتتكون الجمعية من ثلاث لجان هي :

### ١ - لجنة السماد :

وهي مسئولة عن وحدة السماد .

- تعمل وحدة السماد على تدوير المخلفات الصلبة والرطوبة القليلة القيمة إلى مركب عضوي ذو قيمة

## Association for the Protection of the Environment (A.P.E.)



The Association for the Protection of the Environment is a private, voluntary organization registered with the Ministry of Social Affairs in 1984 .

It combines its aim to protect the environment and improve the livelihood of the garbage collectors by engaging in recycling solid, urban household waste. It seeks to build the technical, professional, educational and health capability of the garbage collectors within the concept of sustainable human and environmental development

### I - Organic Compost :

Recycles and refines crude compost into a high grade, marketable product ideal for reclaiming desert land. This invariably leads to a cleaner home environment for the garbage collectors who empty their animal pens regularly at the association composting center . Constant vigilance is exercised in training technicians, improving the composting process and product and researching innovative methods for recycling waste and producing new organic products .

Address : P.O.Box 32, Qal'a, Cairo Tel.: 5102723

### II - Rag Recycling Project for Women :

A model of an alternative 'learning and earning' training center which allows illiterate girls and women to learn a skill and continue as cottage industry weavers and patchwork quilters in their homes. Literacy, personal and environmental hygiene, field trips, socio- dramas are integrated into the income generating component. The Association is responsible for marketing and quality control .

### III - Health and Development Committee :

Seeks to coordinate between A.P.E. and other associations and entities working in the community. Provides a forum for debate, reflection and interaction focusing on urgent and long term needs in the area of health and human development. Special emphasis is placed on Mother and Child care and building support networks for all community-based groups .

### IV - Additional Projects :

- 1 - Paper Recycling for Women using Appropriate Technology
- 2 - Children's Club
- 3 - Garbage Separation at the Source Project
- 4 - Auto mechanic training center for garbage collectors



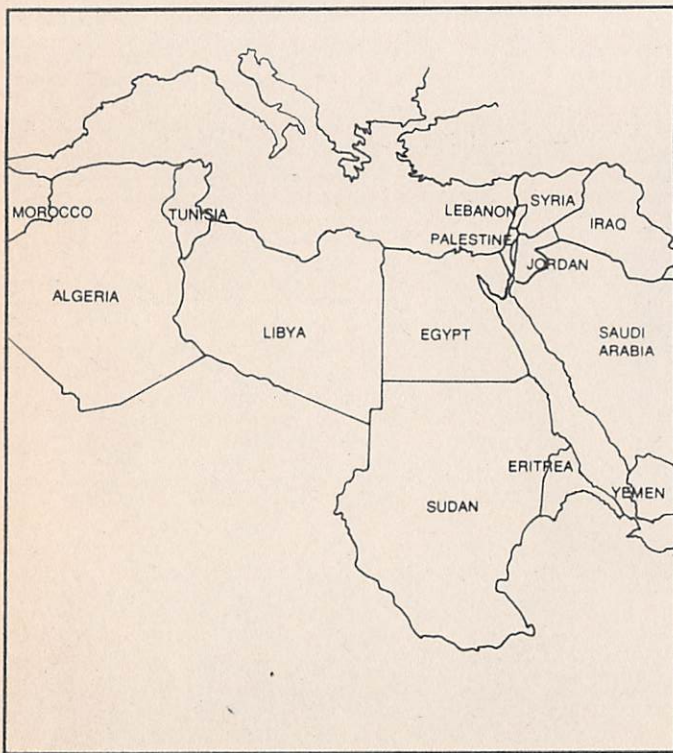
# NEAR EAST FOUNDATION

## CENTER FOR DEVELOPMENT SERVICES

*Promoting Sustainable Development in a Participatory Context*



*Assuring equitable access to and efficient use of resources, enhancing human resource capabilities and stimulating the improvement of service delivery systems within the context of host country interests and priorities*



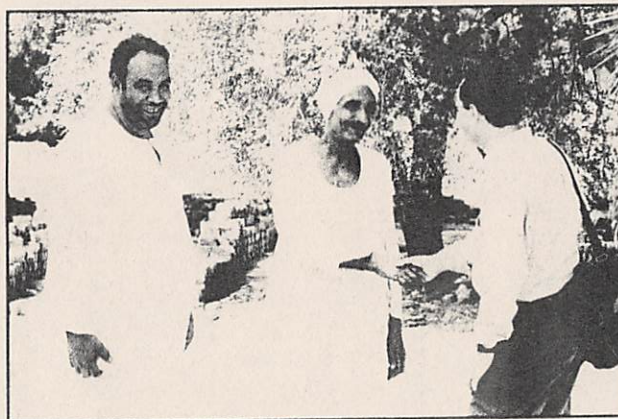
**CDS**

# NEAR EAST FOUNDATION

## CENTER FOR DEVELOPMENT SERVICES

*"Strengthening the development community's capacity to foster self-determined, self-sustaining change"*

Founded in Cairo in 1990, the Center for Development Services is a semi-autonomous organization sponsored by the Near East Foundation and recognized by the Egyptian Ministry of Foreign Affairs. Through CDS, qualified Arabic-speaking and bi-lingual professionals are available to serve the development community throughout the Middle East and Africa. CDS staff have extensive practical experience in community development, adult education, training and technical assistance provision.



*CDS staff and community members explore local needs and priorities. Respecting the knowledge and skills of others is a CDS trademark.*

Services and assistance, both on-line and custom-designed, are provided in the fields of small and micro-enterprise, management & organization development, communications and training, agricultural extension, local economic development and institution building, community health, and social science applications.

### — MANPOWER DEVELOPMENT & TRAINING —

CDS cooperates with a host of agencies and educational institutions to prepare and deliver custom-designed

training to local institutions throughout the region. Topics to date have included health education and nutrition, outreach and extension, management and supervisory training, community development and community action, new lands development, business skills for new careers, functional literacy, communications, project planning and evaluation, community participation, leadership, gender analysis, women's reproductive health, and participatory rapid appraisal, among others.

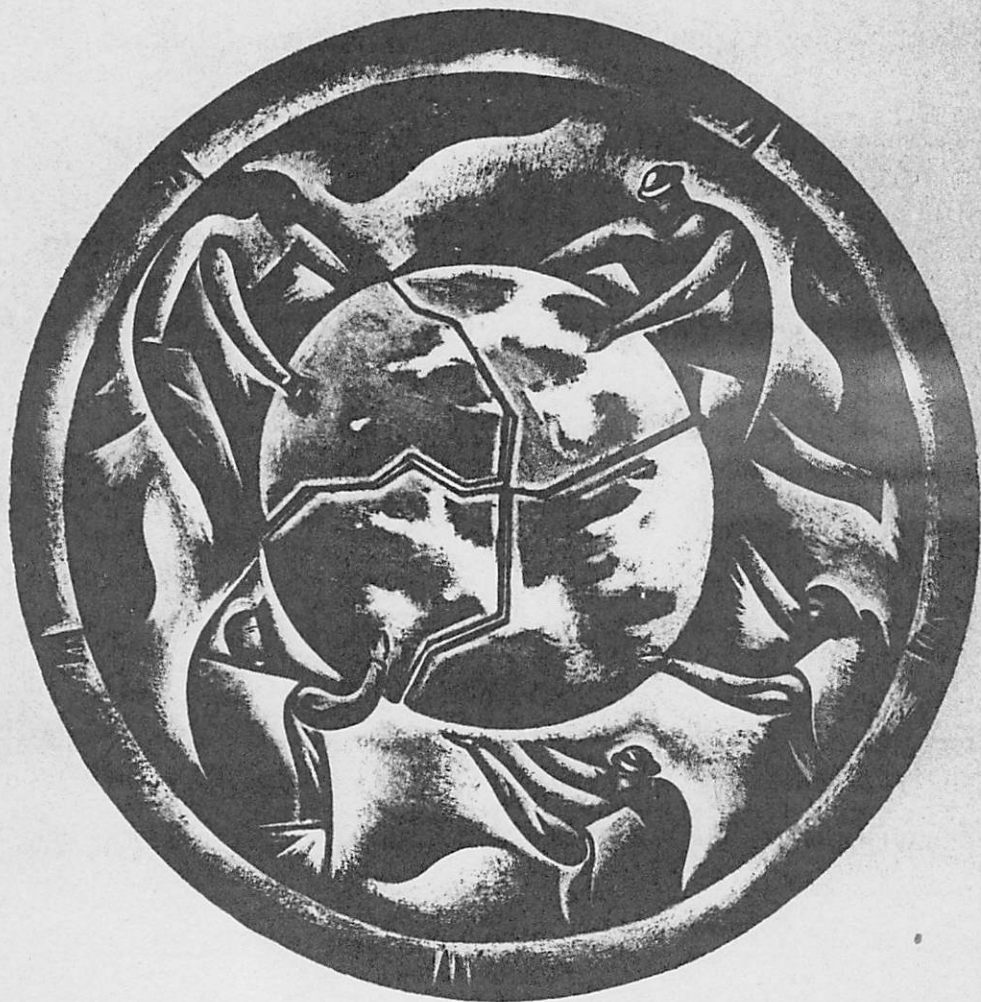
Building on its own experiences through a variety of pilot projects and demonstrations, CDS has developed a series of short courses for staff and Board Members of small grassroots organizations. These programs are offered in the community or in nearby towns where small groups of agencies can come together and share experiences.

Other CD training programs, offered on a regional basis, have helped development professionals and volunteers from many countries in Africa and the Middle East to come together, to explore common interests, exchange information, and gain access to new ideas.

One of CDS' most popular regional programs, "Training-of-Trainers," focuses on enhancing the knowledge and skills base of training and human resource development staff in NGOs as well as in government and private sector companies, educational and training institutions.



CDS brings together professionals and volunteers from throughout the region to share information, expertise and hopes for the future.



*A Resource for Innovative  
People and Institutions  
Worldwide*

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