Non-Governmental Organisations:

GUIDELINES

FOR GOOD POLICY

AND PRACTICE

Prepared for the Commonwealth Foundation by Colin Ball and Leith Dunn

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Chapter 2
The historical context

Summary

This Chapter provides a historical background. It describes how the current spectrum of NGO activities has emerged from the 19th Century, and been shaped in the past 30 years by the search for alternatives and by emerging new needs and concerns.

2.1 Care and welfare

To understand the role and function of NGOs today, it is necessary to examine their historical roots.

Many NGOs are involved in what can be termed "care and welfare3" activities inherited from the charitable work or philanthropy which flourished in industrialised countries from the 19th Century onwards. Such work led to organisations being formed by the middle and wealthy classes to provide relief and welfare to the poor and less privileged, either to meet their material needs or to help them meet their needs themselves. It was a way, albeit a limited one, of transferring resources from rich to poor. This kind of work has been termed "voluntary action" and has led to the establishment of NGOs called charities, charitable organisations, or welfare organisations.

2.2 Change and development

The philanthropists of the 19th Century recognised the need, however, for other approaches. Some of them were involved in political action and advocacy. From the provision of services thus developed activities of a more strategic nature. As a result, their efforts brought about many changes in society, including the abolition of slavery and of child labour, and the instigation of universal adult suffrage. What they were doing therefore was to address the deeper causes of disadvantage by advocating change and raising public awareness of issues. This is a second historical root of today's NGOs, which can be found in what can be termed the "change and development" activities of NGOs. These activities complement their care and welfare activities both by helping people to help themselves – working with people rather doing unto them – and working to bring about wider changes in society.

While those activities characterised by working with the disadvantaged were often not pursued within the institutionalised social policies and structures established in many countries, they did find expression in many of the community development programmes setup before and after independence in others. Indeed, it can be noted that mutual aid, self-help and social care practices characterised many societies and cultures long before the ages of colonialism and industrialisation, both in the "North" and the "South".

The language used nowadays to describe the change and development activities of NGOs has evolved considerably from that of "helping people to help themselves". But it would nonetheless still be recognisable to the philanthropists and change agents of a century ago. The modern language and practice of change and development is traced and described, for example, in literature from the Caribbean, Asia and Africa in the following ways:

> "While in colonial times, NGO work was concentrated in welfare, the NGOs of today go beyond welfare functions and are working for structural change in the society to remove the dehumanising elements…This group of NGOs identify systemic factors … causing the inequality and exploitation that marginalises various group within … society and …have the goal of working for transformation of existing structures, systems and relationships in order to enhance human dignity among the socio-economically deprived groups …(They) are also increasingly involved in research, public education and advocacy …"[(d)]

3. The word 'welfare' is used here, as by NGOs, in a positive way – i.e. promoting well-being, even though it is recognised that it has, to some, negative connotations (public hand-outs, dependency, etc.).
4. The words 'North' and 'South' are not geographical expressions. They mean, respectively, here and elsewhere in this report, 'developed countries' and 'developing and less developed' countries which are sometimes also differentiated as 'high income' and 'low income' countries.

> "Historically, 'doing some good to the sick, needy, destitute individuals' was … a major starting point for much of the philanthropic, welfarist, social service work of NGOs … The larger social context and rationale arising out of that context serve(d) as the basis for the emergence and development of (other) NGOs … (which aim at) … empowerment of the poor and oppressed …; the building and strengthening of people's organisations …; the strengthening, re-energising and rejuvenation of social movements; … and the promotion of democratic practices and processes" (e)

> "African NGOs do not, and will not, work against the interest of our people and our countries. We are committed to supplementing the development efforts of our governments through socio-political empowerment of grassroots populations. Our goal is self-reliance and improved quality of life for the most vulnerable and deprived people and communities in our countries. We believe that a participatory and democratic approach is best for achieving that goal in a sustainable way"(f)

2.3 The historical evolution of NGO/government relationships

When NGOs were largely concerned with care and welfare activities they carried out their work in fields where government did not, or was unable, to operate. Many of the universal and specialised public services which are taken for granted today were originally pioneered by concerned individuals acting voluntarily to take action. The necessary financial and human resources were provided by members, the public or other agencies to enable the identified job to be done. But NGOs would often seek to get the government to take over programmes they had initiated, and to widen their scope and impact in ways that only governments can. This was one aspect of how care and welfare was linked to change and development. When governments adopted policies, provided financial support or contracted NGOs to deliver services they had initiated, NGOs regarded such responses as achievements.

2.4 Welfare pluralism

As NGOs pioneered some form of needed provision and then secured recognition of its necessity by government, or showed that they could achieve objectives that governments found it difficult or impossible to achieve, the two parties often developed close relationships based on consensus and contract. Such relationships were strengthened when NGOs went on to help government to deliver new public service programmes. Both groups saw themselves as working partners in service delivery and resource mobilisation in a pattern termed "welfare pluralism".

As the scale of provision of public services grew, governments inevitably became the dominant partner. Nonetheless they often recognised that NGOs were frequently better placed to deliver services, especially where there was a need for speed and flexibility, or additional resources. Governments realised that in these and other respects, NGOs could often do things that they could not.

NGOs can, for example, attract financial resources from funding agencies which are not accessible to governments. The public in many countries will give directly and voluntarily to NGOs not just money, but time and other resources as well, through volunteer efforts. While people do donate money and volunteer their help to government institutions and programmes (in hospitals and schools, to take just two examples), they are far more prepared to give to NGOs for a number of reasons. Many people already give to government through taxation, while others, such as private companies, feel that donations to government may be seen as being politically partisan, and therefore prefer to give to NGOs. In addition, in recent years the private sector in many countries has become actively involved in supporting the work of NGOs, by providing both financial and human resources.

Welfare pluralism reached its zenith during the period after the Second World War and up to the early 1970s. There was the general expectation, in both North and South countries, that government-financed, largely institutionalised public service provisions, delivered through welfare pluralism would be the means by which people's basic needs would be met.

2.5 The emergence of alternatives

From as early as the 1960s this expectation began to be questioned. While there was pride in the growing range and number of institutionalised public services in many countries – which were regarded as highly visible signs of development – their inherent weaknesses began to be recognised. They created dependency and often eroded dignity; in them professionals, planners and experts flourished and exercised great power, becoming as one critic, Ivan Illich, observed, "exclusive experts of the public good". While the services consumed public resources ever more greedily, their efficacy, equity and ability to solve old or new problems or meet emerging needs, came to be questioned. Was this really development, was the question being asked. Alternatives began to be developed, especially by pioneering and innovative NGOs.

Much of this will be familiar to people in both northern and southern NGOs who began to pioneer new approaches, rooted more in change and development than in care and welfare activities. These laid renewed emphasis on working with people, rather than institutionally doing unto them, on human resource development rather than just human resource mobilisation, on creating new means for human fulfilment, and on changing policies and systems accordingly. The new approaches also questioned the trend towards market-force economics and their emphasis on competition and individualism. Because all this challenged the prevailing institutional ethic, the relationship between NGOs and government changed. While the consensual and contractual relationships of "welfare pluralism" continued, the new approaches inevitably meant differences of policy and practice between some NGOs and governments.

These alternatives, based on human involvement, participation, development, empowerment and social change, were not untried and unfamiliar notions. As noted previously, in some countries they could be traced back to the 19th Century philanthropists. They had also been a natural part of social, economic and cultural systems in many countries long before industrialisation and/or colonisation, and had later been embodied in many pre- and post- independence government programmes of rural and community development. Thus the new approaches were a rediscovery rather than a discovery. Neither were they the exclusive preserve of NGOs: governments also tried to de-institutionalise their methods. Many young people, who had initially worked within governments to play their part in national development, left to join or form new NGOs through which, they hoped, they could find ways to express their ideals.

The growing disillusionment with institutionalised welfare pluralism which started in the late 1960s was given impetus by two developments. First, the series of world-wide economic crises which began in 1973 with the first oil shock forced governments to realise that their dreams of providing universal, institutional public care and welfare were at an end. The adjustment to this realisation continues. Second, the trends towards globalisation witnessed over the 1980s and 1990s have also limited the powers and abilities of governments to meet social needs, as has been discussed.

2.6 New concerns

Many governments have welcomed and worked with NGOs involved in change and development activities, not least because they recognise that they are both manifestations of democracy and work to extend democratic practices, especially among the disadvantaged and marginalised. At the same time the changes of the 1970s, 80s and 90s have fuelled a debate among many NGOs about their role and function. New global issues and trends have catapulted NGOs onto centre stage, often according them a major role in dealing with new social, economic, political and environmental concerns. This has been particularly challenging for those NGOs which have been active in awareness-raising, social organisation, conscientisation and advocating change to the status quo. The roles played by or accorded to NGOs in the Rio Earth Summit, the Cairo Population Summit, the Copenhagen Social Summit and the Beijing Conference on Women all attest to the importance accorded to them on these major issues of current concern, as does the fact that they will be playing full and active roles in the new United Nations Aids Agency being established in 1996. NGOs have been particularly active in promoting debates about women and development, and more recently, gender and development. The latter recognises that women and men have different social experiences, and that development planning and decision-making processes in all fields must take account of these differences.

Broadly speaking therefore, a "new breed" of NGOs has emerged over the past few decades, spawned by growing concerns about the environment, the effects of globalised economics and trade, population, civil and human rights, poverty, the needs of people with disabilities, unemployment, gender issues, the rights of indigenous peoples, the HIV/Aids pandemic … the list is endless.

Thus, the role played by NGOs in working with and supporting governments and intergovernmental international authorities has come to be complemented by the role of questioning and challenging them. The spectrum of emerging relationships between governments and NGOs is broad. In some places, and on some issues, there is open hostility. In other places, and on other issues, recognition of NGO achievements is tempered by resistance to allow them to participate in affairs which are seen as the preserve of governments or intergovernmental authorities. But on many issues and subjects there is at worst accommodation and at best active understanding and partnership. Most governments recognise that as long as NGOs operate within the law, their activities are legitimate, including those which may at times be discomforting.

Chapter 3
NGOs defined

Summary

This Chapter defines NGOs as organisations which possess four defining characteristics which enable them to be distinguished from other organisations in civil society: they are voluntary, independent, not-for-profit and not self-serving. Each of these characteristics is described.

3.1 Diverse current ways of defining NGOs

The research and consultations carried out in preparing this report revealed that there is wide variation in what the term "non-governmental organisation" or NGO means. The result is a great deal of confusion, and a considerable amount of misunderstanding. Having only defined the term in broad outline thus far (see paragraph 1.7) this Chapter sets out a more complete definition.

Currently, two approaches to defining NGOs can be found, one broad and the other narrow.

The broad definition holds that every organisation in society which is not part of government, and which operates in civil society, is a non-governmental organisation. Thus this includes such organisations as political groups, labour and trade unions, religious bodies and institutions, guilds, sports clubs, arts and cultural societies, trade associations, chambers of commerce, professional associations, as well as small and large businesses. While the broad definition is based on semantic correctness, it is problematic because it embraces a huge number and variety of diverse organisations.

The narrow definition, derived from recent usage, refers to a specific type of organisation working in the field of development – one which works with people to help them improve their social and economic situation and prospects. This definition is also problematic, because it is both restrictive and broad. Because some take development to exclude welfare and also action on broad social, economic and environmental issues, it can be restrictive. Confusion abounds because there are many different approaches to what is broadly called development work, including some which are contradictory and others which are viewed by some as being the very antithesis of development. The term is used, for example, by organisations as varied as the World Bank and small scale community-based organisations supporting economic projects for people adversely affected by the structural adjustment policies of the World Bank and International Monetary Fund.
Between the two ends of the spectrum the research and consultation that has informed this report has found many diverse definitions. This report offers a practical and workable definition which is based on the main distinctive characteristics of organisations which pursue the general goals stated at paragraph 1.7.

3.2 Defining "NGO" for the purposes of this report.

In this report, the term non-governmental organisation or NGO is taken to mean organisations which have all of the four key characteristics set out at *Illustration 2* on the following page.

(continued on page 20)

Illustration 2: Key defining characteristics of NGOs

1. Voluntary: This means:

(a) they are formed voluntarily: there is nothing in the legal, statutory framework of any country which requires them to be formed or prevents them from being formed; and

(b) there will be an element of voluntary participation in the organisation: whether in the form of small numbers of board members or large numbers of members or beneficiaries giving their time voluntarily.(1)

2. Independent: Within the laws of society, they are controlled by those who have formed them, or by Boards of Management to which such people have delegated, or are required by law to delegate, responsibility for control and management.(2)

3. Not-for-profit: They are not for personal private profit or gain, although:

(a) NGOs may have employees, like other enterprises, who are paid for what they do. But in NGOs, the employers – Boards of Management – are not paid for the work they perform on Boards, beyond (most commonly) being reimbursed for expenses they incur in the course of performing their Board duties.

(b) NGOs may engage in revenue-generating activities. They do not, however, distribute profits or surpluses to shareholders or members. They use revenues generated solely in pursuit of their aims.(3)

4. Not self-serving in aims and related values (4): The aims of NGOs are:

(a) to improve the circumstances and prospects of disadvantaged people who are unable to realise their potential or achieve their full rights in society, through direct or indirect forms of action (5); and/or

(b) to act on concerns and issues which are detrimental to the well-being, circumstances or prospects of people or society as a whole.

Notes on the defining characteristics of NGOs:

(1) the word "voluntary" distinguishes NGOs operating in democratic societies from government – i.e. statutory – agencies. It thus has two meanings in the definition. Insofar as the formation of NGOs is concerned it means non-compulsory, or non statutory – i.e. formed voluntarily. It also means that there is an element of unpaid voluntary work contributed to the organisation, most commonly by Board members not receiving payment for their work (see note 3 below), but also (and possibly on a large scale in some organisations) by voluntary, unpaid work performed by members and/or beneficiaries. It should be stressed, however, that it is wrong to assume or require that all NGOs are or should be characterised by being entirely or largely dependent on voluntary labour.

(2) The term "Board(s) of Management" is used as a general descriptive one. The constitutions of individual NGOs and/or the laws under which they register and function may use other terms, such as "Trustee(s)", "Director(s)", etc.

(3) Depending on the nature of the organisations, Boards may be selected or elected. Boards may also include, as voting members, paid employees of the organisation, usually in a minority, or co-opted to be in attendance without having voting rights. In such cases they are, like other Board members, not paid for their attendance or work on Boards, but for their other duties.

(4) These aims give NGOs clear values and purposes which distinguish them from other organisations existing primarily to serve the interests of members or individuals.

(5) This includes self-help and people's organisations formed by or among disadvantaged people in order to help themselves and reduce inequalities between themselves and other sections of society.

The first three defining characteristics begin to suggest essential conditions which should be present in the environment in which NGOs function. Their existence should be enabled, permitted and encouraged but not required by law. The law should also allow them to function independently but nonetheless within the laws which apply to society as a whole. The law should be in terms that ensure that NGOs are *not for the personal profit* of those who direct their affairs.

As noted, a broad range and number of organisations, clubs and associations are found in democratic societies which have a wide variety of social, political, civil, sporting, religious, business, cultural and recreational purposes. Many of them satisfy the first three defining criteria set out. The fourth defining characteristic concerns the aims and values, and thus generally defines the particular types of NGOs with which this report is concerned: *organisations which are not serving the self-interests of members, but are concerned in one way or another with disadvantage and/or the disadvantaged, or with concerns and issues which are detrimental to the well-being, circumstances or prospects of people or society as a whole.*

This is not to imply that the vast range and number of groups which operate outside government, in civil society, but which do not possess the fourth defining characteristic have no value or right to exist. Far from it. Nor is the definition created by the four characteristics watertight in that it clearly separates NGOs from other organisations operating in civil society. Many organisations engage in some activities which are comparable to those which wholly characterise NGOs. This matter is discussed further at paragraph 5.11, and in Chapter 7 but here it can be noted that the fourth defining characteristic is of central importance, both to defining NGOs, and to understanding their activities, which are described in the following chapter.

3.3 Is "NGO" the right term?

There is sometimes an uneasiness about the use of the term NGO. It is a negative term, defining organisations by what they are not, rather than by what they are. In some countries non-governmental is taken to imply *anti-governmental*. Some people therefore prefer the use of terms such as *voluntary* organisation, *private voluntary* organisation, or the American terms *non-profit organisation* or *not-for-profit* organisation.

Chapter 4
NGOs activities described

Summary

This Chapter describes five types of activity commonly practised by NGOs. These fall across a spectrum from those directed at the "care and welfare" of the disadvantaged to "change and development" activities which are directed either at concerns and issues which affect the disadvantaged or are detrimental to the well-being of people or society as a whole. The direct and indirect ways in which NGOs take action are described. This enables NGOs to be described in terms of who their work is directed at, what they do, and how they do it.

4.1 The spectrum of NGO activities

The two historical roots of NGOs described in Chapter 2 find expression in the two principal ways in which NGOs endeavour to achieve their aims: through care and welfare activities; and through activities orientated towards promoting change and development.

These two functions are not mutually exclusive and thus do not create two recognisable types of NGO. Many NGOs are involved in both, for now, as in the past, the two are connected: indeed, many NGOs describe themselves as multi-functional.

Illustration 3 on the next page shows the diversity of modern NGO activities. These activities are best seen as forming a spectrum ranging from those which are principally orientated to care and welfare, at the one extreme, to, at the other, those which are mainly about change and development. Five activities can be distinguished on this spectrum, but again it is important to stress that they are not mutually exclusive: an NGO may be involved in any or all of them.

4.2 Who and what

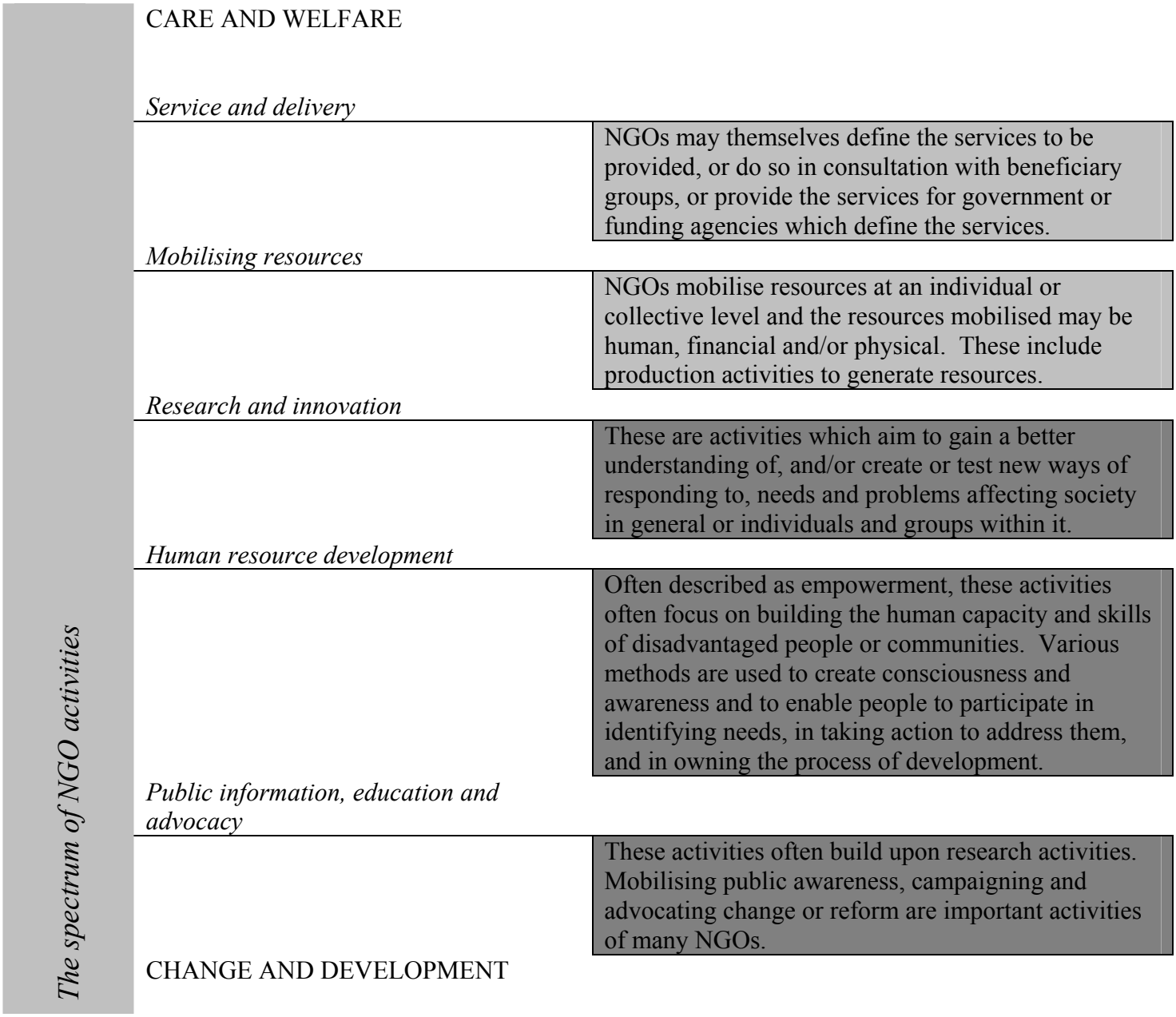
The care and welfare root of voluntary endeavour has given many NGOs a focus on the poor and deprived. Deprivation, however, takes many forms. While many people are still poor in terms of inability to meet basic needs, others lack opportunity, equality of treatment, rights, power, dignity, and self-respect. Yet others lack access to information and resources. All these deny people the opportunity to meet their full potential. Hence the use by NGOs and in this report of the broader term, "disadvantage". Other terms such as "marginalised" are also commonly used.

Many NGOs thus describe themselves in terms of the marginalised or disadvantaged groups with or for whom they work. Others describe themselves in terms of the particular concerns, issues or aspects of disadvantage affecting people or society generally that they are addressing. As disadvantage or marginalisation have come to take many forms, and broadened to affect more and more people, the scope of the work of NGOs has become very diverse. Their concerns and activities now spread far beyond meeting the immediate material needs of the poor. As the report of the first Commonwealth NGO Forum noted:

> "NGOs (work) in fields spanning the whole spectrum of human need and endeavour, including health, education, rural and urban development, environment, population … and many other areas …"[(g)]

As new concerns have arisen, and the capacities of governments to meet the needs of their citizens have been reduced by globalisation and economic constraints, the role of NGOs has expanded. They have come to be involved not only in the fields quoted above, but also in social welfare, employment creation, skills training, economic development, environmental concerns, gender awareness and action, peace and human rights, and the informal economic sector. They have played a major role in highlighting the impact of national debt, structural adjustment and unemployment on the disadvantaged sectors of society. In all these fields, much has been done by NGOs to pioneer new policies and practices and create a better public understanding and awareness of many emerging social, economic and environmental issues and problems.

Illustration 3: The spectrum of NGO activities



4.3 How

As has been noted, NGOs do not necessarily devote all their time and efforts to working directly for or with the disadvantaged. Those activities which are focused on mobilising resources, undertaking research, informing the public and advocating change will involve, in various ways, directing time and energy to engaging the interest and involvement of other groups and institutions in society. NGOs may therefore act directly and/or indirectly, just as the 19th Century philanthropic pioneers did. To draw on medical terminology, their work in treating the symptoms of disadvantage will mean direct action, while identifying the underlying causes, promoting reform, and creating long-term cures will often necessitate indirect action. So too will addressing matters which are detrimental to the well-being, circumstances and prospects of people or society more generally in such fields as human rights, peace, gender awareness, the rights of indigenous peoples and the environment.

4.4 The diversity of NGO activities

Illustration 4 attempts to show how, when *who, what* and *how* are assembled, the result is a great diversity of NGO activities. This is reflected in the wide range of expressions some NGOs use to describe themselves: welfare organisations; development organisations; environmental organisations; indigenous people's organisations; women's organisations; youth organisations; human rights organisations; environmental groups; income generation projects; and job creation programmes, to give just a few examples. The diversity is also manifest in some NGOs having highly specialised target groups or provisions. For example there are NGOs in the health field devoted to one particular disease or disability. Others have a much broader focus, such as rural development organisations engaged in integrated or participatory development programmes across large geographical areas.

Illustration 4: The who, what and how of the work of NGOs

WHO: Work with and for disadvantaged people including groups such as:	*WHAT: Addressing disadvantage through projects or programmes involving any or all of:*
Children Young people Women Refugees/displaced persons Unemployed people People lacking skills People with disabilities Offenders and ex-offenders Indigenous people Elderly people The sick The hungry The poor Agricultural, industrial and migrant workers *or geographical areas and communities, such as those affected by:* Change in the physical environment Natural disasters Epidemics Economic change Marginalisation due to remoteness Poor access to resources Large scale infrastructure projects	Education (formal and non-formal) and skills training provisions Welfare services Housing provision Health services Food production and distribution Manufacturing Agricultural services Transport and communications services Creation of employment opportunities Income generation Credit and financial services *or by seeking to secure governmental and/or public action or awareness through such activities as:* Information and communication Research and training Campaigning and advocacy Consciousness-raising Networking and collective action *or taking action on issues detrimental to the well-being, circumstances and prospects of people or society generally such as:* Peace and conflict Human rights The environment Gender issues Economic structural adjustment
HOW: Direct provisions and actions	*Indirect actions*

Chapter 5
A typology of NGOs

Summary

This Chapter creates both descriptive and organisational components of a typology of NGOs based on: their activities; the ways in which they are controlled, managed and legally incorporated; their location between government and civil society, the levels at which they operate, and their links with other organisations. These components of the typology and the earlier definition provide a means by which NGOs can be distinguished from other organisations in civil society.

5.1 Why a typology is needed

Previous chapters have defined NGOs, so as to distinguish them from other forms of organisation, and generally described their activities. Such definitions and descriptions are but steps along the way, however, to a full understanding. To have this, a typology is needed and this Chapter creates one.

5.2 Component 1: A descriptive typology

The activities of NGOs have been described and discussed in the previous chapter. These provide the elements needed to create a descriptive typology of NGOs:

- at Illustration 3, it was noted first, that the work of NGOs encompasses a broad spectrum, from care and welfare to change and development; and that NGOs are characterised by engaging in any or all of five main forms of activity: service delivery; resource mobilisation; research and innovation; human resource development; and public information, education and advocacy;

- at Illustration 4, it was noted that the work of NGOs can be described in terms of who (target groups and geographical areas), what (activities and forms of provision) and how (direct and indirect actions).

These four ways of describing NGOs form the basis of a simple descriptive typology of NGOs, set out at Illustration 5.

Illustration 5: A descriptive typology of NGOs

Spectrum	Activity	Who	What	How
Care and Welfare	Service delivery	Disadvantaged groups	Provisions	Direct
	Resource mobilisation	Geographical areas/communities	Activities	Indirect
	Research and innovation	The general public		
	Human resource development	Government		
Change and development	Information, education and advocacy	Other authorities		

5.3 Organisational terms

NGOs take many different organisational forms. The words used to describe them include these:

private voluntary organisation (PVO)
non-profit organisation
not-for-profit organisation

voluntary organisation
national voluntary organisation
intermediary organisation
umbrella organisation

community organisation
community-based organisation (CBO)
development organisation
voluntary development organisation (VDO)

people's organisation (PO)
grassroots organisation

development association
self-help organisation

indigenous NGO
domestic NGO

village council

development project
development agency
development programme

community group
community project
community business
community enterprise
community co-operative
voluntary association
community association

charitable trust
registered charity
intermediary agency

5.4 Main forms of control

From the welter of descriptive language – which is confusing to many – two principal forms of NGO can be distinguished:

- What can be termed *private* NGOs. These are controlled privately and independently by their founders or their nominees (i.e. management boards, committees or trustees).

- What can be termed *participatory* NGOs. These have a more democratic structure in that they are controlled by bodies elected by, or otherwise representative of, their membership.

5.5 Location between government and civil society

Reference has been made earlier to the fact that NGOs operate at the interface between government and its institutions on the one hand, and the wider fabric of civil society on the other. The question of precisely where on this interface NGOs are 'located' indicates another way of describing NGOs:

- *First,* there are institutional or intermediately NGOs[5]. These may be private or participatory, and are often characterised by having paid staff and appropriate managerial structures: hence the term "institutional". They are usually formal, legally incorporated organisations. While they are close to the public institutional fabric, some will be providing support and services to the second type of organisation, as described below: this is why the term "intermediary" is sometimes used.

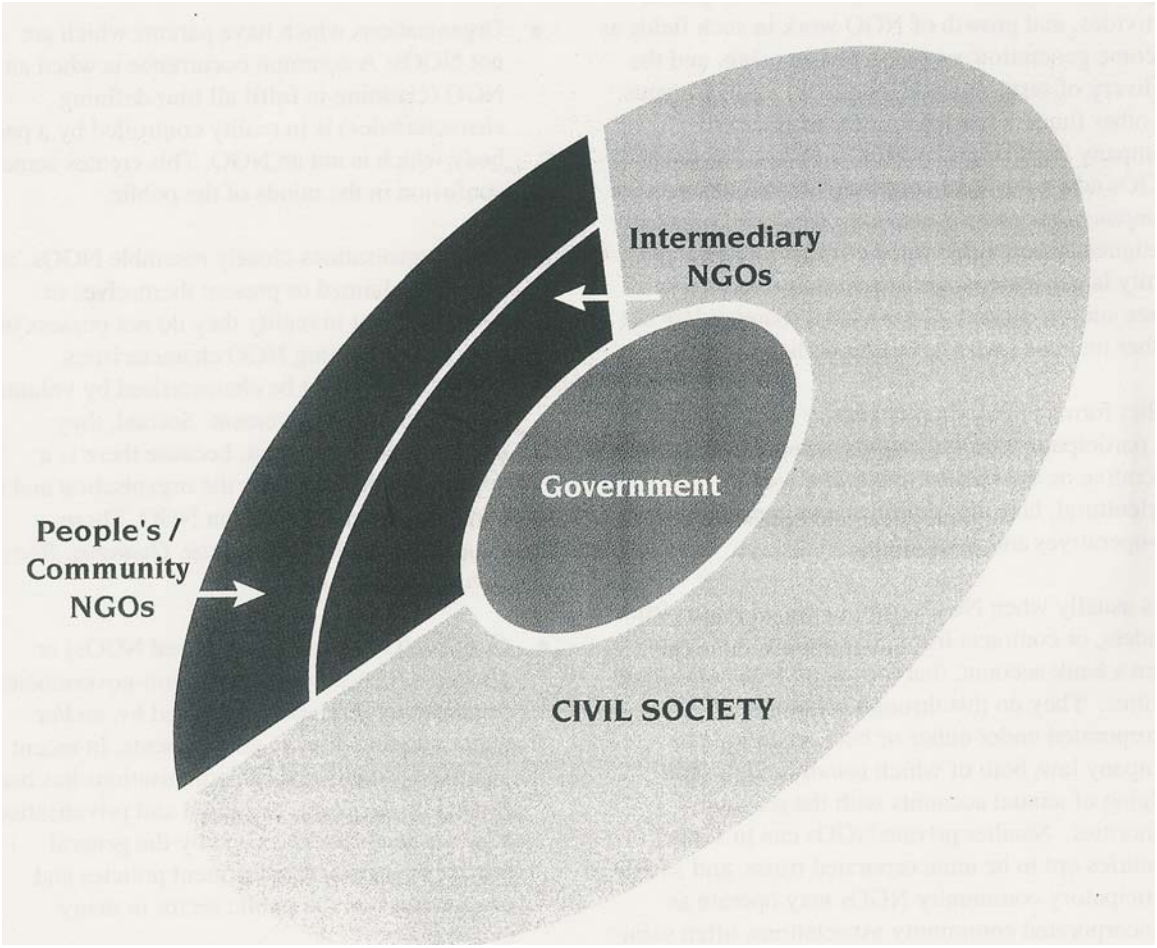
- *Second,* there are people's or community organisations. These are often referred to as community-based organisations (CBOs). Again these may be private or participatory, but are more likely to be the latter, and thus are characterised by being more reliant upon the members themselves to

5 In some countries the expression "intermediary organisation" has a different meaning from that used here. In such countries it means an umbrella organisation formed by NGOs to represent their interests and act as a co-ordinating mechanism between them: see paragraph 5.9.

control and/or undertake the work of the organisation. At the interface they are close to the fabric of civil society. Their contact with the fabric of public institutions will sometimes occur through the institutional/intermediary organisations to which they relate, especially when they are small or based in areas and communities which are relatively isolated from the centres of institutional power. Some people's organisations have however grown to become large social movements having their own direct contact with the public institutions.

Illustration I (Chapter I) can thus be extended in the manner to create the picture shown at Illustration 6.

Illustration 6: The place of NGOs in civil society (II)



Chapter 5
A typology of NGOs

5.6 Level of operation

NGOs also work at different levels and on different scales. Some are international, in that their work extends beyond one country. Others are national or regional (serving one region within a country) in their scope. Then there are local NGOs which work within defined small geographical areas.

5.7 Legal forms

The increasing diversity of the activities and organisational types of NGOs has led to a situation where they operate and are registered and incorporated in a wide variety of legal forms. Care and welfare activities generally led to NGOs adopting legal forms known as charities or welfare organisations. But their change and development activities, and growth of NGO work in such fields as income generation, employment, housing, and the delivery of services under contract to governments or other funders has led to increasing use of company legal forms by NGOs. In many countries NGOs adopt the legal corporate entity known as the company limited by guarantee. While not originally designed to be so, this form of incorporated legal entity is particularly well-suited to private NGOs, since such companies do not have shareholders but rather members who have limited liability.

Other forms of incorporated entity used especially by participatory NGOs include various forms of co-operative or association, including worker, agricultural, housing, producer and consumer co-operatives and associations.

It is usually when NGOs need to attract grants from funders, or contracts from governments, or simply to open a bank account, that they need to become legal entities. They do this through becoming incorporated under either or both, charitable or company law, both of which usually require the lodging of annual accounts with the relevant authorities. Smaller private NGOs can in some countries opt to be unincorporated trusts, and smaller participatory community NGOs may operate as unincorporated community associations, often using model constitutions developed by intermediary NGOs.

5.8 Links with parent and subsidiary bodies

Many NGOs are self-managed individual organisational entities. But a growing number have structures which involve two or more entities which are linked in some way. At the simplest level, a co-operative, community association or non-profit limited company, for example, may have or form a parent charitable trust under which it operates, so that, through the trust, access can be gained to financial resources which could not be obtained directly by the company or co-operative. Or a charity may form a subsidiary in order to engage in trading or revenue-earning activities.

But other situations are more complicated, and these are now described.

- Organisations which have parents which are not NGOs: A common occurrence is when an NGO (claiming to fulfil all four defining characteristics) is in reality controlled by a parent body which is not an NGO. This creates some confusion in the minds of the public.

  Such organisations closely resemble NGOs, and are often claimed or present themselves to be NGOs. But in reality they do not possess two of the four defining NGO characteristics. First, they may not be characterised by voluntary formation and involvement. Second, they may not be independent, because there is a controlling link between the organisation and the parent body which is not an NGO. These organisations include Gongos, Quangos, Bongos, Fongos and Pongos.

- Gongos (Government-organised NGOs) or Quangos (Quasi autonomous non-governmental organisations): These are formed by, and/or under, the direction of governments. In recent years the growth of these organisations has been fuelled by the decentralisation and privatisation of government services and by the general impact of structural adjustment policies and programmes on the public sector in many countries.

- Bongos (Business-organised NGOs), Pongos (Political NGOs), Fongos (Funder-organised NGOs): These are exampled of other organisations which are formed by, and/or under, the direction of other organisations which are not NGOs, such as private business, political parties, funders, and also

religious proselytising groups. These latter are the subject of concern in a number of countries.

When any of the above organisations are wholly controlled by the parent bodies, it is clear that they are not "true" NGOs. But some organisations result from voluntary partnerships or joint ventures established by private companies, funders, NGOs, governments and individuals. Where this is the case they will very likely fulfil the first defining NGO characteristic. The test of whether they are a true NGO will lie in whether they are truly self-standing and independent.

- NGOs controlled by other NGOs: A second common occurrence is the situation where a (subsidiary) NGO is controlled by a parent NGO located elsewhere. In such circumstances is the subsidiary NGO truly an NGO in its own right?

The question applies in many circumstances, among which two are of note. First, when projects are established in particular communities by NGOs which have headquarters elsewhere within the country. Through the characteristics of the parent body the local project will satisfy all four of the NGO defining characteristics. But clarity is needed about the nature of the local NGO. While projects are established to deal with local needs, and may be presented as being local, community-based, and/or participatory, their lines of accountability and control extend outside the community, to the parent body, which may be private in nature. Thus again, honesty and clarity are needed.

Second, a number of international and North-based organisations (often termed northern NGOs) have established operations in developing countries. The same question as above apply: while often using terms such as counterpart organisation or project partner to describe the nature of the local project and the relationship it has with the external NGO, the reality may be that there is external control. Again, through the characteristics of the parent body they will satisfy all four of the NGO defining characteristics. But the southern offshoot or counterpart NGO is often not in itself independent and should not be represented as such.

5.9 Links between NGOs

There are two common forms of affiliative links between NGOs. Some are formed by NGOs for the purposes of joint action, representation of common interests, provision of training and support, information sharing and co-ordination of activities. As noted on page 29 these are called intermediary organisations in some countries. However, since this term has other meanings, they are best described as umbrella NGOs. These organisations operate at a variety of levels, from local to national and international. Some, and especially those operating at the local level, serve and represent all kinds of NGOs and are often called "councils of voluntary service". Others are more specialised, especially at the national and international levels, where different umbrella NGOs may exist for different types of NGOs. To give just a few examples, there may be umbrella NGOs formed by NGOs involved with youth, people with disabilities, women or concerned with unemployment, training, community development, international aid, and other matters.

NGO networks are also established to link them and are discussed in detail at paragraph 6.7. Usually established around a common purpose or issue they are more likely to take the form of associations than be incorporated as formal legal entities, though some do develop to take this latter form. Indeed, there is no great distinction between the more specialised kinds of NGO umbrella and the more formalised common purpose NGO networks.

Illustration 7: An organisational typology of NGOs

Control	Location	Level	Legal form	Links	Affiliations
Private NGO	Institutional/ Intermediary	Inter-national	Company	Self-managed	Umbrella
Participatory NGO or CBO	Peoples/ Community	National	Charity/Welfare organisations	Parent	Network
		Regional	Co-operative/ Association	Subsidiary	
		Local	Unincorporated		

5.10 Component 2: An organisational typology

Putting together all the elements described previously it is possible to create a simple organisational typology of NGOs, and this is shown at Illustration 7.

5.11 Organisations in civil society which engage in NGO-type activities

As noted previously, there are many organisations in civil society which are formed primarily for self-serving objectives, but may engage at times in activities which characterise NGOs of the type discussed here. However, only when these activities are the principal business of the organisation and if they therefore satisfy all four NGO defining characteristics, should they claim to be NGOs. Nevertheless, it is difficult to create a watertight definition of NGOs which distinguishes them clearly from other organisations in civil society, for reasons which are discussed in detail at Chapter 7.

5.12 Fraudulent NGOs

Unscrupulous opportunism, often occurring when funds are on offer from less than diligent donors, has unfortunately led to the emergence of fraudulent NGOs. They are often referred to as *Mom and Pop NGOs, Come'N Gos, or Briefcase NGOs or NGIs (Non-Governmental Individuals)*. Whatever their outward appearance these are in reality the NGO equivalent of phoney private companies set up with intent to defraud or to act as vehicles for other forms of personal advancement. They are often established when there is an emergency, or where funders are perceived to be interested in providing resources for a particular type of project. While having or claiming to have aims which make them NGOs, these types of organisation have in fact the principal purpose of enriching those involved or advancing the personal interests of their leaders. Only close scrutiny of their finances, structures and operations reveals the fact that these organisations fail to meet either or both of the third and fourth defining characteristics of NGOs. They are pests that need to be stamped out. The greater the transparency of all NGOs, the more they will be exposed.

Chapter 6
The governance and operation of NGOs

Summary

This Chapter describes how NGOs are operated and managed. It discusses related issues, which include accountability, management, human resource development/training, evaluation and monitoring, information, networking and alliance-building.

6.1 The accountability of NGOs

NGOs in both the North and the South are being challenged to address issues concerning their accountability and representativeness. The key questions being asked are:

- To whom are NGOs accountable?
- Who or what do they represent?

The debate around these questions has grown as NGOs have come to extend the scope, breadth and depth of their work, and as their structures have come to include both private and participatory forms of control and various forms of incorporated or unincorporated entities.

The questions appear at first sight to have simple answers. An incorporated private NGO is controlled by and thus accountable to a Board of Management or trustees. These people derive no financial gain from the organisation, and thus are independent in the sense that they do not have the vested interests even staff or those served by the NGO may have. In the participatory NGO, the Board is elected by the membership thus making the organisation truly democratic and thus also accountable to its members.

More broadly, NGOs are accountable to the wider public through processes of registration and regulation, described in the next chapter. They will also be accountable to funders through agreed reporting arrangements.

NGOs working with marginalised and disadvantaged people see themselves as representing the interests of such people. Those NGOs which are more involved in a particular aspect of disadvantage or with an issue affecting the well-being of society as a whole see themselves as representing a cause of some kind rather than a specified group of people. In both cases the representation will be stronger where the NGO has a participatory rather than a private structure. But issues of the accountability and representativeness of NGOs are more complex than the above might suggest.

The fact that it is not that simple is implicit in particular aspects of the above discussion. The private NGO can be controlled by a Board which in reality is a rubber stamping device for the employed staff, who in reality control the organisation. Private NGOs, lacking the feature of democratic accountability to membership found in participatory NGOs, can thus in reality be accountable to nobody but themselves. Private NGOs can also be used by individuals to pursue their egotistical or political ambitions under the guise of representing people or causes. Organisations which claim to be participatory organisations can, when closely scrutinised, turn out to have a narrow, disenfranchised or "token" base of membership, and thus in reality be privately controlled or even used for fraudulent purposes.

Just as the existence of a small number of fraudulent NGOs can bring the financial integrity and honesty of the great majority of NGOs into needless doubt, so too do the small number of NGOs that are unaccountable and unrepresentative attract unwarranted doubt and criticism to the majority. Most NGOs are controlled by people acting out of genuine personal concern and commitment, and operating with high standards of honesty and integrity.

There are a number of ways in which NGOs can improve the quality of their governance and operations, and these are outlined in the following sections. Many NGOs already recognise the need for such improvements. Signs of them being made are abundant, as are debates about issues raised by the changes, and the following sections try to reflect them. But changes in the external environment in which NGOs operate will also help achieve such ends, and these are discussed in later chapters.

6.2 Improving NGO governance and operations

NGOs are improving both their governance and operations in the following ways:

- stating their mission, values and objectives clearly and ensuring that their strategies and operations are at all times within them;
- better management processes as well as financial management, accounting and budgeting, systems;
- better human resource development and training within the organisation – of managers, administrators, project staff, Board members, beneficiaries, members and volunteers;
- better procedures to ensure that men and women have equal opportunities to participate effectively at all levels of the organisation, from members to leaders;
- better means by which both the organisation, and its projects, services and activities are monitored, evaluated, and reviewed;
- better information provision by and about NGOs;
- better networking and alliance-building among NGOs.

6.3 Management

Work in NGOs has always been demanding. It has traditionally attracted people having high ideals, boundless energy, creativity, commitment and resilience. It is a sector which has a high level of female participation among volunteers and staff as well as at a leadership level. Indeed in some countries, such as Jamaica, the majority of NGO leaders are women. The explosion of NGO activities over the recent past has not only been quantitative, but qualitative, too. As has been noted, NGOs can now be very large and complex entities, financing and running their own programmes as well as being contracted by governments and others to be providers and deliverers of public services. They may simultaneously operate a number of activities, from service delivery to advocacy and campaigning. At the same time they will be seeking funds for their work from a wide range of sources, and applying these funds to their work in the most effective and efficient manner. They will also constantly review, monitor and plan their work. They have to be able to mobilise the creative energies of a team including paid staff, Board members, volunteers, members and beneficiaries. They need to inspire as well as manage. In participatory NGOs, managers also need to know how to work with people rather than administer unto them. Many NGOs work in insecure circumstances, by virtue of having to rely on funding from external sources.

All this means that NGO managers have to be a unique breed of men and women. It is however recognised that:

- the personal qualities of the unique breed need to be supplemented and complemented by the possession of knowledge and skills relevant to the NGO's activities, provisions and target groups, and to the tasks involved in the management of the organisation as a whole. The personal qualities and dispositions of NGO managers are not enough in themselves to sustain and enhance the work and development of the organisations, in other words:
  - *efficient and effective management and financial systems are essential in NGOs.*

6.4 Human resource development (HRD) and training

NGO work is much more difficult and demanding than many realise, as managers and staff moving from the private sector and public sector to work in them have found. NGOs often undertake projects of a very demanding scale and complexity with limited resources. Yet the myth that NGO work is undemanding lives on.

More and more, NGO management training is regarded as a distinctive task. In a number of countries, agencies have been established to provide it, and such agencies are often constituted as NGOs themselves. The distinctive HRD and training needs of Boards, members, volunteers and programme beneficiaries are also being increasingly identified and responded to. This is based on the recognition that it is as important to have a well trained and effective Board, for example, as it is to have qualified and competent staff, properly trained volunteers and aware, able beneficiaries. Well trained and informed Boards are less dependent on staff and more able to ensure that they are properly accountable.

Some of these new NGO HRD/training initiatives have an international orientation. Others offer research and consultancy services to NGOs as well as training programmes. At the same time more and more NGOs are recognising the need to allow time and resources for training, both in-house and outside. Funders are doing the same: indeed some training initiatives have been set up at their instigation or with their active support and involvement. All that said, there is an oft-repeated view that too little investment is still being made by NGOs and their funders in this aspect of their work.

In NGOs, as in other sectors, HRD begins with being able to attract and retain staff of the right calibre. In part this means being able to offer salaries and conditions of service that are as adequate and secure as possible. Many people involved in NGOs agree that the insecurity of work in them is a major problem. Job insecurity in the NGO sector affects both men and women but not always in the same ways. Labour force studies in many countries show that women tend to be concentrated in the low-waged service sector, which includes many NGOs. This may be one of the factors explaining the large number of women employed in NGOs which have generally emerged from the welfare sector.

Even where NGOs are contracted to deliver public services, as they increasingly are, this is not bringing an end to job insecurity in NGOs. This is because the trend towards contracting out such services is often being accompanied by trends towards applying market place economics to the delivery of public programmes. This means NGOs compete with each other and even with private providers to secure contracts. Trends in this direction are well-advanced in a number of countries. They are stimulating a great deal of debate, not just about security. Many NGOs question whether human needs, issues and problems should be seen as "markets" within which competition takes place. Funders and contracting agencies have key roles to play in this aspect of HRD in NGOs.

From the subject of adequately remunerating NGO staff there has grown another debate, one that is about the general "professionalism" of NGOs and their staff. One view holds that NGO staff should be paid comparable rates with staff in other sectors, based on a recognition of the demanding nature of their work and to ensure the respect of their peers in other sectors. Another view sees NGO staff as people who should be selfless, poorly-paid workers and dedicated amateurs rather than slick professionals. There are undoubtedly NGOs which have gone to extremes here:

> "(NGOs are) now an industry in which lots of money can be made. The director of (national NGO A) gets US$75,000 (per year). The salary of (national NGO B) is kept in line with top (government officials). (This) welfare elite (has developed) while (such) leaders are publicly condemned poverty…"[(h)]

The debate is complex. Other issues come into it, including those of control, accountability and representation discussed earlier:

> "Many voluntary agencies have become generally centralised in power. Their directors have turned autocratic, and are not guided by any democratic process… There is very little identity with the people with whom they work … the very antithesis of that prevailing in genuine people's organisations … To the people (NGOs) are become middlemen … they are the new thekedars, replacing landlords and moneylenders … often seen by people as exploiters and carpetbaggers …" [(i)]

NGOs therefore walk a thin line between having on the one hand professional, and achieving it by paying adequate salaries and investing in staff development, and on the other hand, retaining their traditional values and ability to be effective and efficient. It is not an easy line to walk. The NGO sector is inevitably affected by trends in other sectors in society, by labour market forces, and by prevailing social attitudes which increasingly lean towards individualism. To an extent, NGOs have to live with these trends and are inevitably affected by the. NGOs, however, have to keep in mind the values and non-self-serving aims which drive them, and express them in all aspects of their work. These values are a needed counter-force, especially in societies where self-serving individualism becomes extreme. NGOs are recognising this.

6.5 Reviewing, monitoring and evaluating

Almost by definition, NGOs are organisations that are constantly changing and evolving. Thus monitoring and evaluation activities are of critical importance to them because they are the means by which change and

evolutions can be guided, rather than be serendipitous or opportunistic. Monitoring and evaluation are also valuable ways of capturing accumulated experience and expertise that is all too easily lost when rapid changes occur either within organisations or in the environments in which they operate.

In addition, many NGOs recognise that carrying out their own evaluation and monitoring, as a matter of course, is preferable to having external evaluations, and all the disruption and uncertainty they can cause, imposed on them by others. NGOs are thus increasingly recognising the need to enhance their work by having their own procedures in place for constant monitoring and regular evaluation. More and more NGOs mount such exercises in respect of particular programmes and projects. Less common are wholesale reviews or evaluations of entire organisations, but these do occur. There is a growing body of literature and training related to monitoring and evaluation. A number of organisations have been established to assist NGOs with evaluation and/or with reviewing or generally reflecting upon their work, some national and some international in their scope. They include the Charities Evaluation Service in Britain, the Society for Participatory Research in Asia (PRIA) in India and MWENGO in Zimbabwe.

6.6 Information

The quality and extent of information made available by or about NGOs varies from country to country. Legal requirements (discussed in the following chapter) commonly mean that while NGOs must produce and make available certain information about their work, such requirements are frequently minimal. Indeed, sometimes NGOs are only required by law to supply financial information to the relevant regulatory authorities. As the provision of information requires resources which many NGOs do not have, there is often a dearth of information about NGOs and their work. In turn this can lead to:

- NGOs being accused of consciously being secretive about their work;
- NGOs unconsciously not providing or recognising the value of publishing information about their work.

Neither is healthy and many NGOs are recognising this. But, as with other aspects of improving NGO operations this is an area where NGOs need the support and understanding of others: as noted, information requires resources. In turn this needs a recognition on the part of funders that information, like training, monitoring and evaluating, is a necessity and not a luxury. Like other aspects of NGO improvement discussed here, additional resources expended will in the long run increase the cost-effectiveness of what is done. It is a mistake to see them as simply additional, unnecessary expenditure which brings no return. NGO Directories are a practical way of informing the public, NGOs, government ministries and agencies and funders about the work of NGOs. Depending on the size of the country, and the range and scope of NGOs, they can be produced on a country-wide or more local or sectoral basis. Solomon Islands has an excellent directory produced by a network NGO. It provides much more than names and addresses (as tends to be the rule). It sets out a summary of the objectives and work of each NGO and is updated from time to time.

Shortage of resources, as noted, is one reason why information about NGOs, whether individually or in directories, tends on the whole to be scarce. But another impediment is the lack of an agreed basis on which to present information, including that required for regulatory purposes. It is hoped that the definition and typologies contained in this report might form such a basis.

6.7 Networking and alliance-building

Through networking and alliance-building, NGOs identify common interests and concerns, share information, provide support to each other and maximise the use of available resources to achieve common goals. They are in other words manifestations of co-operative strategies to improve the impact of NGO operations. Many NGO networks now exist at local, regional, national and international levels. The Third World Information Network (TWIN), The Third World Feminist Network, Developing Alternatives for Women of a New Era (DAWN), Disabled People's International (DPI), the International Debt Network and the Commonwealth Association for Local Action and Economic Development (COMMACT) are examples of international ones. There are also international NGO networks associated with the United Nations Summits of

the Environment, Population, Social Development and Women. International networking is increasingly linking NGOs in the North and the South on common issues.

There are also networks which link groups within international regions: the Caribbean People's Development Agency (CARIPEDA) and the Caribbean Network for Integrated Rural Development (CNIRD) in the Caribbean, the African NGOs Self-reliance and Development Advocacy Group (ASDAG) in Africa, and the Pacific Islands Association of NGOs (PIANGO) in the Pacific are among them.

In the national arena networks such as the Community Business Movement in Britain, the Association of Voluntary Agencies for Rural Development (AVARD) in India, the Development Services Exchange (DSE) in Solomon Islands, the Association of NGOs – Aotearoa (ANGOA) in New Zealand, the Development Network of Indigenous Voluntary Associations (DENIVA) in Uganda, and the Canadian Environmental Network are just a few examples of the many networks linking NGOs generally, or those involved in different specialist fields. There are also networks active, both nationally and internationally, in such fields as health, education, and people with disabilities. At all levels of their operation, the revolution in international telecommunications and information-sharing, through the internet and information super-highway, is presently enormously increasing the extent and impact of NGO networks.

Funders are acknowledging the value of NGO networks, just as international agencies are recognising them through admitting them to international fora. While they are not confined to NGOs involved in advocacy for change, alliance-building and networks are proving to be effective for such purposes, notably when the networks extend beyond NGOs to link them with other organisations. Networking and collaborative relationships between NGOs and the private sector are growing in a number of countries, and there is no better recent example of the value of networking links between NGOs and other organisations than what was achieved over the issue of apartheid in South Africa.

Chapter 7
The legal and institutional frameworks within which NGOs operate

Summary

This Chapter begins by examining the political aspects of NGO work and then discusses a key feature of the external environment in which NGOs operate: the laws and associated regulatory processes within which they operate. Widespread limitations apparent in both are noted, and the scope for improvements are set out.

7.1 Freedom to associate

Democratic societies are characterised, inter alia, by giving their citizens the right and freedom to associate. The exercise of this freedom produces the wide array of organisations and associations which operate in civil society. These include, as noted earlier, political groups, religious organisations, trade and labour unions, professional groupings and a wide range of cultural, artistic, sporting, recreational, trade, commercial and business entities. It is within this general freedom to associate in democratic societies that NGOs, too, are formed and operate. In many countries, indeed, voluntarism, as the voluntary act of association to form NGOs and more general volunteer work are sometimes called, is actively promoted by governments. It is at the heart of the first defining characteristic of NGOs. .

7.2 The political dimension

As previously noted, a key general characteristic of NGOs which enables them to be distinguished from many other organisations operating in civil society is the fact that their objectives focus on disadvantage and/or action on concerns and issues which are detrimental to the well-being of people or society as a whole. Whilst this is a means of broadly distinguishing NGOs from organisations and associations which have more self-serving objectives and activities, there remains the question of how to distinguish NGOs from those other main types of organisation in civil society - political groups, labour unions, businesses and religious organisations - that would also legitimately claim to be serving the interests of society generally.
It is not possible to produce watertight distinctions, either in theory or practice. NGOs, political groups, labour unions, businesses and religious organisations share, albeit to varying degrees, one common feature: a concern with the conduct and affairs of society as a whole. There, in wider society, the causes and potential cures often lie. An NGO involved in work with the poor may seek to influence the price of bread. A religious group may lobby against the national lottery. A business may voice its concern over import restrictions. A labour union may be active in seeking the establishment of a national minimum wage. All five types of organisation thus engage in political action.
In the past the distinctions between these five types of organisation could be characterised broadly as:

- NGOs: care and welfare;
- *labour unions:* conditions in employment and the workplace;
- *religious organisations:* matters relating to faith, human conduct, relationships and morality;
- *political groups:* overall governance and advancement of society;
- *businesses:* "the business of business is business" (Henry Ford).

But it is no longer possible to make such distinctions. Change in society, as discussed in Chapters 1 and 2, manifest in the emergence and growing importance of the change and development function of NGOs, has brought them more and more into the arena of societal governance and advancement. Similarly the enormous changes in economic functioning, employment levels and practices, and conditions in the labour market have brought labour unions and businesses into the same arena. In many countries and among a number of different religions the blurring of boundaries between church, temple, mosque and state has been much in evidence in recent years.

It has also been manifest in public expressions of concern by religious authorities about social and economic affairs, and in the tide of so-called religious fundamentalism or extremism in a number of countries.

As organised labour, businesses and religious organisations have become more and more involved in the governmental and political arena, so too have they become increasingly involved in NGO fields. This does not make them NGOs, as defined in this report, but it does mean that the fact that they are involved to an extent in what have been termed NGO activities needs to be recognised. Reciprocally, NGOs have broadened their concerns into those of the other organisations. Their increasing involvement in the economic field, for example, has seen them becoming involved in businesses, for production, job creation or income-generation purposes. At the same time, business organisations have become more involved in NGO-type activities. In many countries businesses practice as well as preach what they call programmes of "corporate social responsibility". They have done this not just out of a sense of charity or to become involved in the care and welfare of employees, their families and communities. They commonly describe what they are doing and why they are doing it as "enlightened self-interest".

Thus the boundaries between the five principal constituent parts of civil society have all become blurred. It is important to understand this and try to find some clarity about the blurring. As far as NGOS are concerned, two observations can be made:

- NGOs engaged in activities that lie at the change and development end of the spectrum are likely to be more political than those that are more engaged in care and welfare work. In addition, some aspects of disadvantage, marginalisation or broader societal concern are more sensitive than others.

- An important difference between NGOs and purely political groups is that NGO political activity will frequently stem from a focus on a particular concern. The NGO will focus on securing general public attention in order to bring about change on that concern. The activities of political groups, on the other hand, will frequently stem from a broad general platform of concern for change, on which particular policies and actions may then be based. Their activities will also be partisan.

- There are many historical examples in several countries of political groups emerging from NGOs, and vice-versa, and of NGOs playing important roles in the instigation, restoration or extension of democracy.

7.3 The law

There is a wide variation between countries in the extent to which the general and specific issues concerning the blurring of the boundaries of NGO activity with those of other sectors of society are recognised and given attention. But on one aspect of this there is little variation:

The law lags 8adly behind the reality of NGO activities and structures in many countries.

The essence of the problem here is that increasing NGO diversity is generally not reflected in the laws under which they operate. In many countries laws relating specifically to NGOs were framed years ago and thus reflect the NGO scene at the time the legislation was passed. In general this means that the laws are suited to NGO work in care and welfare activities but less so to others. The laws of many countries typically refer to NGOs as welfare organisations or as charities. In doing so they reflect the context in which 19th Century charitable law was framed. In broad terms these allow NGOs to pursue objectives which are related to the relief of poverty, the advancement of education, and other objectives which are termed "beneficial to the community" (including in some, the "advancement of religion"). In one African country, for example, the legislation concerning "welfare organisations" (1967) defines these as:

"...any body or association of persons, corporate or unincorporate, or any institutions, the objects of which include or are one or more of:

(a) the provision of all or any of the material, mental, physical or social needs of persons or families;
(b) the rendering of charity to persons or families in distress;

(c) the prevention of social distress or destitution of persons or families;
(d) the provision of funds for legal aid;
(e) the prevention of cruelty to, or the promotion of the welfare of, animals;
(f) such other objects as may be prescribed;
(g) the collection of contributions for any of the foregoing..." [(j)]

This example gives a flavour of how the language of the 19th Century lives on in legislation across the world. That is one problem: the language is outdated. It also illustrates how legal definitions, however outdated their language, do nonetheless tend to be broad enough to allow many NGO activities to be carried out, through terms such as "such other objects...".

But where the purposes of charitable or welfare organisations are thus generally defined, as they are in many countries, they tend to permit objectives, activities and organisations which some feel should not be within the realm of NGOs. In some countries these may include proselytising religious organisations and purely educational bodies, so that private schools can be registered as charities. Yet even such broadly-framed law can exclude many current NGO purposes and activities. Such terms as "other purposes beneficial to the community" or "such other purposes as may be prescribed" are open to interpretation. They can therefore in practice be as restrictive as the statements in some laws which enable administrators to disallow (to take the words used in one country's laws) "such other bodies, associations or institutions as may be prescribed".

One example of how even the enabling catch-all of "other purposes beneficial to the community" produces restrictions is that the creation of jobs or generation of income, even when these are to be done within non-profit forms of organisation, is not allowed as a charitable purpose in part of one country, yet is allowed in another part, where charitable law is administered and interpreted differently.

The laws of some countries use more specific statements. In one country for example no fewer than 27 different specified types of permitted "charitable purpose" are set out in the relevant legislation, passed in 1985. The legislation nonetheless permits charities in such fields as the "provision of schools, colleges, universities and other like institutions" and "the maintenance of the efficiency of the armed forces and the police force and their welfare".

This is not to single out particular countries for praise or criticism, but to illustrate that the law does not reflect the current NGO reality and causes confusion. The problem is that there are no laws which are based upon the definition of NGOs set out in this report. In consequence some legitimate NGOs and activities may not be recognised, and, conversely, some illegitimate ones are permitted.

Many other problems and confusions regarding the laws under which NGOs operate have been identified. These include:

- *the ambivalent or restrictive attitude the law in many countries has towards the realities of the control and management of NGOs, and especially of participatory organisations.*
  Charity and welfare organisation law frequently vests responsibility for the control of NGOs in a Board or committee of nominated, worthy individuals who oversee paid staff or volunteers, who in turn attend to the needs of what are often termed the beneficiaries. It thus broadly favours the private form of NGO. The reality of such practices as empowerment of those served, and of participatory forms of control and management is not reflected, or in some cases the law often does not allow for them and even forbids them. Thus it can restrain NGOs from adopting the activities, structures and systems of management and control which they feel most truly reflect their objectives.

- *the ambivalent or restrictive attitude the law has towards the more political activities of NGOs.* As noted previously it is possible to distinguish between that form of political activity which emerges from NGO work and that form of political activity which is usually termed "party politics". At present, however, no example was found in which the law and the manner in which it is interpreted reflects this.

- *the changes in the ways NGOs secure their income.* In the charitable past, such income came from grants and donations, including directly from the public. It

was not, in other words "earned". Now many NGOs derive income from payments for services rendered under contracts and from trading. Again, the change is not adequately reflected in many laws: while they commonly do not forbid trading by NGOs, they often permit it only to a limited extent.

- *in some countries there are no laws regarding NGOs.* In others the laws apply only to certain types of NGO, while some leave the status of NGOs unclear.

- *in some countries the laws are or have at times been very restrictive. In some cases they disallow the existence of all forms of NGO.* In others there are demanding legal, registration, regulatory and other institutional requirements that NGOs must satisfy. For example, some require separate registration procedures for organisational purposes, for tax purposes, and for purposes of obtaining foreign funding, currencies and imports. In some countries NGOs have to satisfy the requirements of both national and state/regional laws.

- *In some countries, at the opposite extreme, the requirements are relatively undemanding, or even non-existent.* This makes it easy for unscrupulous or ambitious individuals to establish fraudulent NGOs and for organisations which are not NGOs to represent themselves to be them.

7.4 Regulation

Where there is law which sets out the various requirements NGOs must satisfy in order to be registered, it typically sets out arrangements for their regulation after they have registered and commenced operations.

Commonly the law vests the task of regulation, including legal registration, in a Registrar, Commissioner(s), Board or other national body, which is either in, or closely related to, a government department. Very often this department is that concerned with social welfare. Sometimes Ministries of Home/Interior/Legal Affairs, Foreign Affairs, Labour, or Industry have all or some of the responsibility. Where responsibility is vested in the Ministry of Foreign Affairs, the Ministry's role is often concerned with the registration and monitoring of external NGOs wishing to operate in the country. Where Labour or Industry Ministries are involved this is often because some NGOs register as companies rather than as charities or co-operatives.

In some countries central units, sometimes in Central Planning Units of Prime Ministers' departments, co-ordinate both regulation and other NGO matters, especially when several Ministries are involved with them. As noted above, provincial, regional or state governments may also be involved in regulation.

Typically, regulatory requirements mean that NGOs must submit annual accounts to the regulatory body. Sometimes, though more rarely, annual reports of work done and a list of Board members or staff may also be required. It may also be a requirement that these state who the members and Boards of the NGO are.

Commonly expressed problems concerning regulation include:

- NGOs in some countries feel that initial registration and the fulfilment of regulatory requirements are complex and time-consuming, especially where the requirements of several different agencies have to be satisfied.

  For example, an environmental NGO may relate primarily to the Ministry of Natural Resources, but be registered and regulated by the Ministry of Social Welfare and/or Ministry of Justice/Legal Affairs. It may need the permission of the Ministry of Foreign Affairs to secure funding from a foreign source, and to register its youth and women's sections with the Ministries of Youth and Sports and of Women. This is but an example of the complexities of some forms of NGO regulation!

- Government officials in a diverse range of countries have expressed the view that the growth in number and diversity of NGOs has outstripped the ability of registration and regulatory arrangements to keep up with them.

Overall, it is clear that to an extent, inadequate or inappropriate regulatory arrangements stem from the inadequacies of the law. But in addition it is cedar that adequate and appropriate regulation will flow from a proper understanding of what information is actually

required. The definition and typological components set out earlier suggest, it is hoped, what is needed.

7.5 Collective, external and self-regulation

Taken together, trends and developments noted in earlier chapters are beginning to produce a basis on which problems related to regulation, set out above, might be addressed. Improved operations within NGOs represent in a very real sense, them taking more steps to regulate themselves. The more such developments can be encouraged, the less should be required in terms of external regulatory mechanisms.

At the same time, improved networking among NGOs is leading to more and more consensus-based collective regulation, at the very simplest level by enabling NGOs to measure themselves against the benchmarks of others, and at a more sophisticated level, by the collective determination of standards. Such standards have been set down by the collective action of NGOs in a number of countries. These commonly take the form of Codes of Ethics or Codes of Conduct. Those produced by the Association of Development Agencies in Bangladesh (ADAB)[(k)], the Lesotho Council of Non-Governmental Organisations (LCN)[(L)], and the Association of Non-Governmental Associations (TANGO) of The Gambia[(m)] are good recent illustrative examples.

One specific area in which the collective determination of standards is emerging is that relating to gender sensitivity. Through the collaboration of local and international agencies as well as gender researchers, increased attention has been given to how NGO programmes and projects impact on women, and how the different social experiences of men and women can be taken account of in such activities to make programmes more effective.

There will always be a need for NGOs to be regulated by law to protect the public interest. But the extent of such external regulation should, however, be influenced by the level and extent of collective and self-regulatory arrangements put in place by the efforts of NGOs themselves. Funders and governments should thus encourage and support such efforts, as some already do.

Chapter 8
The framework of relationships within which NGOs operate

Summary

This Chapter discusses other key features of the external environment within which NGOs operate. In particular there is an examination and discussion of the relationships between NGOs and governments, and between NGOs and funders. Ways of improving both are also examined and discussed.

8.1 A complex pattern of relationships

Changes in what NGOs do, and in the political, economic, social, and institutional environments in which they operate, have considerably changed the nature and extent of the relationships which NGOs have with others. These relationships are with:

- a variety of central, local, state/regional and local government ministries. The relationships may be at both political and official levels;
- funding and donor agencies, which may include government departments, trusts/foundations, private sector donors, the general public, external (overseas) governmental, non-governmental, international, bilateral and multilateral aid and development agencies;
- the private sector. Relationships with this sector will partly be about funding, where companies act as donors, but also about other ways in which the private sector supports and works with NGOs. While funding and other relationships with the private sector are not common in all countries, "corporate social responsibility" in the private sector, as noted in Chapter 7, is growing;
- other NGOs (locally, nationally, regionally and internationally);
- individual and organisational members;
- beneficiary groups, communities and individuals who are disadvantaged;
- the general public.

Previous chapters having discussed a number of aspects of the relationships noted above, the following sections discuss the ones NGOs have with government and with funders.

8.2 Relationships with government: key issues

As has been noted, NGO/government relationships are complex. They are also dynamic, changing as the nature and purposes of NGOs have evolved, and as the overall context of the work of both has been transformed.

It would be wrong to say that the result of such changes has been the end of the consensual and contractual NGO/government relationships which developed when welfare pluralism was at its height. Far from it: in many countries, and in many aspects of the meeting of human needs, such relationships remain. New approaches by both NGOs and governments to their tasks have *added* new forms of relationship between NGOs and governments rather than replaced the old ones. The result is that the relationships now include: those involved in contracted service delivery and resource mobilisation; and those involved in bringing about broader social and economic change. The issues which arise are now discussed.

Insofar as the relationships between NGOs and governments in the 'arena of contracted service delivery and resource mobilisation are concerned, two major issues arise.

- First, the work of NGOs for governments in this arena generally takes place within the context of working relationships which are often referred to as a "partnership". In some countries NGOs devote a considerable part of their efforts and derive a considerable part of their finance from these contracts. Where this occurs they are held by some to have forfeited their right to regard and present themselves as true NGOs by virtue of losing their second characteristic, that of independence, and thus to have become Quango- or Gongo-like.

- Second, some hold the view that contracted work for government can undermine the sustainability of NGOs:

  "The current arrangements for the (provision of) public funds to the non-government sector... (for service-delivery) ... is via a multiplicity of (government) programs, most of which carry with them substantial responsibilities ... implicit within these funding arrangements is the expectation that ... the (community-managed) non-government sector - which draws its capacity from the available voluntary resources of the community - has the time and the expertise to undertake the necessary administrative, management and legal requirements of accounting for the operation of (government) funded services... Very little support (is) available to NGO sector management committees to undertake these obligations. The stresses of this are posing a threat to the viability of... (NGOs).[(n)]

What these issues amount to is that there is a need, in contracted service delivery arrangements, for both NGOs and governments to ask themselves and each other: what short and long term effects on the status and viability of the organisation is this contract having? To address this they need to communicate, not just on the specifics of contracts, but on the general issues which they raise.

Turning to NGO/government relationships in the arena of broader change and development activities, the major issues which arise are:

- NGOs have often pioneered and promoted innovative programmes and policies subsequently supported or adopted by governments. Both history and current practice abound with examples. Gender and environmental issues have in recent years, for example, largely been moved from the back burner to the forefront of the political stage as a result of the work of NGOs. These are illustrations of how there can be other forms of productive partnership between NGOs and governments, even though it may not appear to be so at first sight or when the relationship appears to be more that involved in the battleground than the debating chamber.

- NGOs which have pioneered new forms of provision or service feel that in taking them over, governments tend to remove the innovative components and swallow them into existing public institutions. Their sense of achievement is thus sometimes tempered by one of failure.

- Reciprocally, governments feel that it is unreasonable and may be undesirable for public policy to be shaped by the whims and experiments of NGOs.

- Some NGOs feel that there are too few lines and means of communication available which enable them to share the results of their research and innovation with government or to make representations about policy changes. Reciprocally, some government officials feel that NGOs are often too secretive about their work and do not wish to share their findings, views and ideas. Some also feel that NGOs are too ready to share these in the public arena before attempting to communicate and discuss them with government.

Thus again the issues tend to come back to the need to communicate. In many countries the ways and means for this to happen appear limited.

The two sets of issues discussed above, arising from different aspects of NGO work and consequent NGO/government relationships are complemented by more general ones. A number of these arise from concerns about NGO governance and operations which were discussed in Chapter 6 and from concerns about regulation discussed in Chapter 7. They include:

- *Accountability:* In theory both governments and NGOs are accountable to the public. But the more this is not evident in practice, the more each tends to be suspicious of the other. In extreme, for example, the relationship between a private NGO operating in a poorly regulated environment and the government of a society which is less than fully democratic will most likely be poor. Both governments and NGOs need therefore to ensure that their lines and processes of accountability are clear. And both need to have good information and communication arrangements between each other and with the public.

- *The blurring of boundaries*: As has been noted, the boundaries between the concerns and interests of governments and those of major sections of interest and activity in civil society have blurred. As a result, issues concerning the roles, rights and responsibilities of the various parties have arisen and will continue to arise, as this is still a fluid and changing situation. Again, only dialogue between the parties will improve understanding between them.

8.3 Relationships with government: ways forward

It will be clear from the foregoing that good, understanding, and respectful relationships between NGOs and governments emerge in part from good, clear information. Mystery breeds suspicion and misunderstanding. Open and accessible information, of the kind referred to in Chapter 6, between government and NGOs, fosters good relationships.

In addition, communication between NGOs and government through regularly convened for a help a great deal. There are many examples of good practice already:

- In one African country for example, there is a formal structure and process through which the government involves and seeks the views of NGOs when policies are being formed.

- In other countries, government conferences accredit NGOs to attend. In at least one northern country, for example, there is a close working relationship between the Ministry concerned with overseas development and the principal NGOs, expressed through regular dialogue as well as contracts for service and grants.

- Many people point to the value of the establishment of a central unit within government which co-ordinates and acts as a signpost between NGOs and all government ministries. This is the case in at least one country. But some people feel that such a unit may hinder rather than foster effective communication.

There are therefore many ways in which NGOs and governments are developing the dialogue essential to good relationships between them. In general, however, more needs to be done.

8.4 Relationships with funders: key issues

A common observation by NGOs of their relationship with funders is that there is often a lack of clarity as to whether funds being provided are contract payments or grants:

- *contract payments* mean the NGO doing what the funder (often a government funder) wants to be done:

- *grants* mean financing the NGO to do what it wishes to do.

Thus different forms of relationships are required in each case. Where NGOs function as contracted service deliverers, funders contracting with them can legitimately expect to have a form of relationship which gives them an influence over the NGO on matters related to the specific service being delivered. Ideally this relationship allows, reciprocally, for the NGO to influence the policy during its formation or review. But where NGOs secure funds for their services, activities or projects through grants, funders should not expect to exert the kind of influence they would have in a contract arrangement. A relationship through which the NGO can report on its work and experience is nonetheless still desirable.

A second issue concerns funding periods. Government funding of work within their own countries is often in the context of policies which tend not to change over long periods. In broad terms, therefore, NGOs feel that such funding should be secure over such periods, and regret that in practice it is actually often only offered on an annual (or at the very best, three-yearly) basis. This is a further way in which NGOs feel that their goals of long-term security and sustainability are undermined. Outside government, the fact that other funders are prepared to commit funds over periods of three or more years is welcomed by NGOs.

A third issue concerns what is termed "funder faddishness" or "funder paternalism":

> "Donors' funding strategies … many-a-times determine programmes, policies and priorities of the NGOs … instead of encouraging the latter to evolve their own priorities and programmes in response to their (own) analysis of the local conditions and situations" (o)

Many funders frame their policies on their own perceptions of how their resources are best expended, and on where they feel they can secure the maximum possible impact. In the case of trusts and foundations, there may also be requirements placed upon them by the stated objectives of their founders, or the companies or endowments from which their resources are obtained. So, typically, they will have their own priorities, perceptions and objectives. NGOs point out that this has the effect of causing them to shape their work according not to their own perceptions and knowledge of needs but to the perceived interests and sensitivities of funders. Even funders having flexible mandates – including those that raise their resources through donations from the general public – are felt by NGOs to change their priorities and objectives from year to year or even more frequently, without warning or consultation. This not only distorts NGO activities – forcing them to shift from one activity to another as funder policies change – but where they actually work. One NGO worker in Asia, for example, pointed out that a number of external funders had shifted their geographical priority from one state to another: "So region A is now out and region B is in," she said, "where does that leave us?" Similarly, some NGO programmes supporting the development of women were adversely affected after the Rio Summit, when funding trends shifted from women to the environment.

Growth in funder faddishness has a number of other effects:

- *It undermines as well as distorts.* Since many big funders publicise their work and concerns in order to secure funds from the public, their fads and perceptions therefore influence public opinion. In turn this can restrict the ability of many NGOs to raise funds directly from the public.
- *It confuses the distinction which should exist between contract and grant funds.* NGOs often find themselves securing resources which restrict them to doing what funders determine to be needed, even when the funders describe such resources as grants.
- *It fosters fraudulent NGOs,* the operators of which are very adept at exploiting "funder fads".
- *It leaves smaller NGOs at a disadvantage*, especially those working in the fields of relatively unknown or unpopular causes and needs and those not in the know about what the latest funder fads are.
- *It fosters competition among NGOs*, for NGOs having close relationships with particular funders are able to know about new trends and priorities at an early stage, and respond accordingly. Others get left out. It thus also tends to discourage positive development in the field of NGO co-operation and networking.

A final issue concerns funding purposes. NGO expenditure can often be divided into two broad headings: what can be called *core* or *administrative costs*, and what can be termed *activity* or *programme costs*. One of the reasons why NGOs are effective and efficient is that commonly, a greater proportion of their resources is expended on their activities and programmes, compared to public institutions. But this can, some NGOs feel, become a threat: an expectation grows that their administrative costs will not just be low in proportion to programme expenditure, but minimal, even non-existent.

The problem is compounded when funders, even those who make genuine grants available, impose conditions or have expectations which restrict the proportion of the funds that can be used for core, administrative expenditures. In consequence there are NGOs which are under-administered and under-managed, even by the admission of those running large-scale programmes. It leads some NGOs to think that they are valued by others not for their speed, creativity, efficiency, understanding, values and commitment, but rather because they are merely a cheap way of getting things done.

It also means that NGOs often do not have sufficient resources to expend on the task of improving their governance and operations, as discussed in Chapter 6. When in consequence they are accused of mismanagement, their frustration is understandable.

8.5 Relationships with funders: ways forward

As in the case of NGO/government relationships, the way forward here is clearly in the direction of information, communication and dialogue. There are many good examples of funders communicating clear and detailed information about their policies and priorities. Few funders, however, appear to inform the development of such policies and priorities through dialogue with NGOs. While many funders communicate among themselves, this can have negative as well as positive effects, for dialogue among them can as easily reinforce "faddishness" as produce complementarity of diverse policies and priorities. What funders need most of all to do is to establish mechanisms to include NGOs as partners in policy and programme goal-setting and decision-making.

8.6 Other strategies to strengthen relationships

Relationships with funders can be and are being strengthened by action among NGOs themselves. First, by communicating and networking with each other. It was noted in Chapter 6 that NGO networking has many other purposes and dimensions than sharing information and collaborating over funding and funders. The tendency, noted above, of the potential or actual availability of funds of promoting competition among NGOs needs to be counterbalanced by co-operation. The ASDAG network in Africa was stimulated by a concern to do this, the group noting that:

> "...competition among NGOs for funds greatly erodes their capacity and commitment to mobilise collaborative action and achieve consensus around issues of common interest..." (p)

In partnership with an international NGO, ASDAG has prepared and published a code of practice which it hopes others will follow when dealing with external funders. Those involved in this network noted:

> "...the tendency of (NGOs) in the region to place a high priority on their external links. This externally-focused orientation undermines local NGOs' legitimate mission as co-actors in the struggle of...peoples and ... communities for ... effective empowerment and participation, and for sustainable development..." (q)

Among the many policies and practices proposed in the code is that:

> "...NGOs must exercise adequate institutional caution in entering into funding relationships with external partners. Funding/donor contracts must be studied in detail, and the implications of every condition must be weighed carefully against the receiver's own true objectives. In particular ... NGOs must avoid opportunistic funding; although such funds may provide short- term gains, they are likely to compromise the receiver's autonomy and genuine institutional development in the long-term..." (r)

The objectives of ASDAG go beyond networking and co-operation in fact, and illustrate a second strategy. Increasingly NGOs are recognising that dependence on governments and other funders will always place some limitation on their activities and can create a culture of dependency which limits their ability to achieve long-term sustainability.

There is therefore a growing trend among NGOs to find ways of increasing their ability to be self-financing. The starting point for many is the realisation that they have specialist (and often advanced) knowledge and expertise. This may be in dealing with particular needs and problems, or in activities such as resource mobilisation or research in particular fields. In this, organisations which choose to remain focused upon activities and services which relate closely to their objectives (rather than branch out into various activities in an opportunistic manner, regardless of their objectives or knowledge and skills) are at an advantage. In the

search for self-sufficiency this specialist knowledge and expertise is the greatest asset of NGOs that can be capitalised upon. Doing so includes selling the expertise by providing services or goods: for example, NGOs that have become expert in providing training for the unemployed can sell such expertise by selling training services to the private sector. This in turn means setting up enterprises to do so. Mechanisms for self-sufficiency also include establishing endowment funds, making investments, and increasing fund-raising abilities generally. Networks and individual NGOs are pursuing such strategies more and more.

Chapter 9
The international dimension

Summary

This Chapter briefly examines the various forms of linkage that exist between NGOs in developed and developing countries, including those related to funding, operations and partnerships.

9.1 Forms of international linkage

There are several forms of linkage between NGOs in the "South" and their counterparts in the "North". The principal among them are:

- *funding links:* a number of North NGOs, and other agencies, including governments, international agencies 6 and private foundations, fund NGOs in the South;

- *operational links:* a number of North NGOs operate projects and programmes in South countries. Sometimes they establish their own offices and branches in order to do this, and sometimes they establish operational partnerships with existing South-based NGOs;

- *partnerships:* where NGOs in the North and the South work together for common purposes, such as educating people about debt and structural adjustment, running sporting and cultural exchange programmes and generally promoting international understanding and friendship;

- *networks:* around common concerns or among organisations engaged in similar activities.

The last of these has been examined in Chapter 6 and at the end of the previous chapter. This Chapter examines and discusses the other forms of linkage.

9.2 Funding links

There is a widespread concern among South NGOs about how general funder fads and paternalism discussed generally in the previous chapter appear specifically in the North-South funding context. This concern is shared by some people within North funders, as these observations illustrate, since they both originate from North NGO funder staff:

> "Some international NGO activities or initiatives are breathtaking in their neo-colonial style and approach..." (s)
>
> "...when it comes to Northern NGOs funding Southern NGOs, rarely are funds released for southern partners to allocate as they see fit. Instead a 'project obsession' comes into play - money must be earmarked for a neatly packaged project, so that the Northern NGO can market it for fundraising purposes..." (t)

In southern NGOs, experiences abound which reiterate and elaborate on such observations. North funders are often accused of:

- regarding the southern NGO as inexpert or inexperienced;

- undermining co-operative networking among southern NGOs by encouraging rivalry and competition among them;

- in the aftermath of the fall of the "iron curtain", faddishly switching funding priorities to Eastern Europe as if needs in the South had suddenly disappeared;

- surrounding funding with onerous or complex conditions about accounting (even to the extent of insisting the funders' own accounting systems of hard- and soft-ware and practices were faithfully repeated in the NGO in one case);

- constantly demanding reports or making demands about their format (one very large North funder brought staff from funded projects in one country together for a 3-day training course so as to ensure that all funded projects presented their reports in the format prescribed by the funder); and

6. These agencies – including those of the United Nations – while not necessarily based in the North are treated here, for the sake of simplicity, as "North" funders or operational agencies.

- sending in external consultants and evaluators (some funders insist on appointing their own consultants and evaluators), often lacking knowledge of local circumstances, without any consultation with or reference to the South NGO.

Southern NGOs also point to failures on the part of northern funders to gather information and consult with NGOs and their networks before making decisions on priorities, interests, policies and funding. The result is that some resources end up in the hands of fraudulent operators, or at best, certain favoured organisations receive the greater part of the available resources year after year. This undermines NGO networking, as organisations see themselves as either competing with one another, or failing to secure resources. Allied to lack of information from funders about their objectives, priorities and current interests, this has led to a good deal of disillusionment, mistrust and scepticism among southern NGOs. Many feel unable to raise their concerns with the funders, on whom they are after all dependent, especially in countries where local funding sources are few in number or non-existent.

While many governments welcome the resources they contribute (in some countries resources contributed by external funders represent a significant proportion of gross domestic product), some have become mistrustful of northern funders. Others have special registration and regulatory procedures which enable foreign funding to local NGOs to be monitored closely. Some NGOs feel that the effect of this is to penalise them for the secrecy and other inadequacies of funders which caused the regulations to be introduced by the government.

Dependence among South NGOs upon North NGO funders is, in poor countries, inevitable, because of the nature of the global economy and trade system, historical atrocities such as slavery and apartheid, and the legacies of colonialism. All these have left an entrenched inequality between developed and less developed countries. If the kinds of practices which many South NGOs report are to be modified it is clear that to a large extent it is incumbent on the funders themselves to put their houses in order. But South NGOs recognise that there are steps they must take themselves. A large NGO in a Southern African country has published what it expects from its donors and other development partners, and these have improved its relationships with them. Networking and collaboration among South NGOs is growing and can also help deal with some of these problems, as discussed in the previous chapter.

9.3 Operational links

Much of the content of the previous section could equally well be applied to the operational links between North and South NGOs. Here, further criticisms are made by those working in the South.

Some North NGOs establish their own offices within countries in which they run or support projects and programmes. While some have long-standing policies for these offices to be staffed by citizens of the country itself, many still employ expatriates from the North, even where there is an abundance of suitably qualified and experienced national citizens. Some of these expatriate staff are young, inexperienced people, including some volunteers who are then in fact actually paid at higher rates than locally recruited staff. The local presence of North and international NGOs also has an impact on wage rates and lifestyles among local NGOs. It has sometimes influenced the movement of staff from local to external NGOs, in the search for higher salaries and better working conditions and facilities. Few, if any, northern agencies are perceived, by NGOs in the South, to have properly addressed such issues as equity, parity, representation and unionisation of staff working in different economic environments.

In addition, there is a perceived tendency among some of the North NGOs, like North funders, to determine work priorities on the basis of their own preconceptions, head office decisions or reports from consultants sent on 'fact-finding missions', rather than through consultation with local NGOs and networks. The content of media campaigns in the North to raise funds for supporting work in the South has also been criticised by South NGOs as well as by some staff working in the northern agencies.

On this particular matter at least networking among NGOs in the North is emerging as a response. In two countries, organisations of NGOs which operate and/or fund in South countries have drafted Codes of Ethics which deal with matters relating to their own governance, integrity and finances, with communications to the public and with implementation. On the question of messages one of the Codes states:

> "An organisation's communications shall respect the dignity, values, history, religion and culture of the people supported by the programs. In particular, organisations should avoid...: messages which generalise and mask the diversity of situations; idyllic messages (which do not reflect reality, however unpleasant) or 'adventure' or exotic messages; messages which fuel prejudice; messages which foster a sense of Northern superiority; (and) apocalyptic or pathetic messages..." (u)

On the question of relationships the other Code states that member agencies agree to:

> build creative and trusting relationships with the people of the developing countries, treating their needs and interests as paramount; and affirm that development is a process in which people change their own lives by their own efforts and that the agency should facilitate this process by providing assistance that encourages self -help and self-reliance and avoids creating dependency... (v)

9.4 Partnerships

Partnership describes a relationship in which the parties involved acknowledge each other as equals. In consequence they have mutual respect for each other. Partnership means working together to find solutions and achieve goals. It also assumes a willingness to learn from each other, for while equal, the parties may have different but complementary skills, experiences. It means sharing power and pooling resources.

While comparable terms such as *project partner, counterpart organisation* or *partnership* are often used to describe relationships between North NGOs and funders and South NGOs, these words often tend to be hollow. In addition, North-South relationships usually involve only NGOs and funders in the North which have international operational or funding interests. Many local and national NGOs in the North are parochial in their outlook, and regard links with the South as the preserve of the international bodies, and as irrelevant to their needs.

It is encouraging to note, however, that this is changing. This is in large measure due to the impact of pressure from southern NGOs and international NGO networks, including the growth of international associations in which both northern and southern members participate as equals.

A common basis of understanding

This part of the report has attempted to provide an account of what NGOs are and do in today's world. Its first section, Chapters 1 and 2, provided current and historical contexts for their work, showing how their forms and actions today have been shaped by various forces. These include their roots in 19th Century philanthropy, in traditional cultural norms, and in post-World War II and post-independence development techniques. More recently, they include forces which include the search for alternatives of the 1960s and 70s and the global and local trends and issues of the 1980s and 90s.

The result is that today there are large numbers of NGOs, having a diverse range of interests, actions and concerns. This diversity confuses many. Chapters 3, 4 and 5 therefore attempted to create, from the confusion, a basis for understanding.

Chapter 3 set out a definition which reflects and accommodates NGO diversity, but which nevertheless provides a broad means of distinguishing NGOs from other organisations in civil society, and of distinguishing the NGO sector from others. Chapters 4 and 5 then described the activities, methods and forms of NGOs, and developed two complementary typologies by which they can be simply described.

Having established this basis of understanding NGOs, Chapters 6-9 then identified and discussed a number of detailed aspects of NGOs, and the related emerging issues concerning their functioning.

Chapter 6 examined key aspects of the governance and operation of NGOs, including how they endeavour to improve their work in such fields as management, evaluation, training, information-sharing and networking. Chapter 7 examined the legal and institutional frameworks within which NGOs work. The focus of Chapter 8 was on relationships between NGOs and two key parties with whom they work and interact: governments and funders. Chapter 9 then examined the international dimension of NGO work. In all these chapters strengths and weaknesses were identified.

From understanding to guidelines

NGOs cannot be seen and addressed in isolation. A report such as this, which has the aim of helping to increase their impact, needs to address not just NGOs but the other key parties to whom they relate: governments, funders and international agencies in particular. A common basis of understanding NGOs, from defining them to recognising the issues involved in their work, is essential to the achievement of that aim. Equally essential is action, developed from the common understanding, both to build on strengths and deal with areas of weakness. The guidelines which form Part II of this report set out what action is needed. They are comprised of five groups. The first group (**Guidelines 1 -4, in Chapter 11**) is directed at governments, and focuses on the various policies and practices they can adopt to promote the work and impact of NGOs and foster productive relationships with them.

The second group (**Guidelines 5-11, in Chapter 12**) is directed at NGOs, and focuses on the actions they can take, both internally and externally, to enhance their work.

The third group (**Guidelines 12-15, in Chapter 13**) is directed at funders. The guidelines set out policies and practices which will enable funders to support more effectively the work of NGOs.

The fourth group, (**Guidelines 16 and 17, in Chapter 14**) is directed at international and North-based agencies which operate in other countries, to strengthen partnership relationships.

The final group is a single guideline (**18, in Chapter 15**). It sets out suggestions on how this report can be used.

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Part II:
Guidelines for Good Policy and Practice

Chapter 11
Guidelines for good policy and practice on the part of governments

Guideline 1: Creating the right environment

In order to create an enabling environment for NGOs, government should promote voluntarism generally and acknowledge the validity of the role of NGOs in civil society. Governments should also have appropriate legislation and official procedures for the registration and public accountability of NGOs.

1/1 Definition: Legislation and official procedures established by governments should enable the formation and operation of organisations which possess the defining characteristics of NGOs:

- voluntary formation and an element of voluntary participation;
- controlled and managed independently, but nonetheless operated within the laws of society as a whole;
- not for the personal private profit or gain of those who control and manage their affairs, and using earned revenues in pursuit of the aims of the organisation;
- not self-serving: aim to improve the circumstances and prospects of disadvantaged people and/or act on concerns and issues which are detrimental to the well-being, circumstances or prospects of people or society as a whole.

1/2 Recognition: Legislation and official procedures established by governments in respect of NGOs should enable.

- NGOs to be independent, while operating within the law;
- NGOs to pursue a variety of activities in the course of their work, including:
  service and project delivery and management
  mobilising human and other resources
  research and innovation
  human resource development
  advocacy, campaigning and reform;

- NGOs to operate at local, regional, national or international levels;
- NGOs to operate under legal structures which are appropriate to them, including: private trusts and foundations; not-for-profit limited liability companies; associations, co-operatives, friendly and provident societies;
- NGOs to be linked to parent bodies, provided these are NGOs themselves; and to form subsidiary bodies in pursuit of their aims;
- NGOs to secure resources from a wide variety of sources in order to carry out their work, including private citizens, the public sector, the private sector, and grant-giving agencies.

1/3 Consultation and partnership: Governments should at all times endeavour to work in partnership with NGOs. This should include open information provision and consultation on all matters affecting the work on interests of NGOs, including consulting with them before decisions are made or agreements entered into with other parties which may affect their work or interests; and cooperation on matters of mutual benefit, such as in seeking funds from international and intergovernmental bodies. The development of legislation and official procedures should also be done in consultation with NGOs.

Guideline 2: Frameworks and mechanisms

Governments at all levels should have appropriate frameworks and mechanisms to facilitate communication and consultation with NGOs and to utilise their experience and expertise in the general policy-making process and in the planning and design of relevant government programmes. The frameworks and mechanisms should maximise the use of available resources and ensure reciprocal transparency, while nevertheless maintaining the freedom and ability of both parties to act independently. They may have any or all of the following features:

- a main focal point for NGO/government relations, in order to facilitate contact between government ministries and NGOs;
- focal points/desk officers for relations in each ministry having areas of common interest with NGOs;
- ensuring NGO representation on relevant government working parties and committees established to advise on matters of common interest to NGOs;
- organising consultative meetings with NGOs, and issuing relevant documentation to them;
- organising for a which bring government and NGO personnel together to develop strategies for strengthening NGO/government understanding and partnership in general.

Guideline 3: Support for NGOs

3/1 Grants and contracts: In providing grants or contracts to NGOs, governments should:

- adopt the good policy and practice guidelines (12-15) which apply to funders of all types;
- recognise that NGOs can:

  provide good value for money, since all their resources are devoted to the pursuit of their objectives although they should not be seen as a cheap option for service delivery;

  pioneer and innovate with new ways of working and deal with needs and problems that governments are unable to respond to as effectively;

  be efficient and effective programme and project managers, because they can often mobilise human and other financial resources;

- recognise that different funding terms and conditions should be applied to:

  grants for activities designed and managed by NGOs;

  contract fees paid to NGOs for services provided for or on behalf of governments;

- ensure that when an NGO is contracted to deliver services:

  such contracts are within the capacity of the NGO and do not place a burden on the organisation which is greater than it is capable of absorbing;

  such contracts do not undermine the independence of the NGO, nor distort its stated objectives and purposes.

3/2 Other ways of financially assisting NGOs: Governments should also support the work of NGOs by:

- granting NGOs exemptions from or reductions in taxes and duties;
- facilitating foreign currency importation;
- providing tax relief for donations made to NGOs;
- assisting or giving official support for the production of directories and handbooks which provide information about both government and NGOs and their work;
- supporting and assisting initiatives which aim to improve the work and impact of NGOs, and the technical and managerial capacities and abilities of their staff, volunteers and members/beneficiaries.

Guideline 4: Government-established organisations

Governments may from time to time establish national, regional/state or local organisations outside the mainstream state institutions to carry out certain functions. While these may have similarities with NGOs as defined in Guideline I, neither government nor the organisations themselves should present such organisations as true NGOs. Governments should, before establishing such organisations or taking over existing NGOs to fulfil the desired purposes, consider, in consultation with relevant NGOs, if existing NGOs could carry out the necessary functions, or if the organisations could be established and operated as independent bodies fulfilling all the defining characteristics of true NGOs.

Chapter 12
Guidelines for good policy and practice on the part of NGOs

Guideline 5: Values

The values which underpin the objectives of NGOs should be based on the desire to advance and improve the human condition. They should be evident in:

- respect for the rights, culture and dignity of men and women served or affected by the organisation's work, taking into consideration their special needs and abilities;
- devoting the maximum possible proportion of resources available to the task at hand;
- ensuring that the organisation remains true to its mission and objectives and that its identity, integrity, methods and activities are not distorted, subverted, taken over or corrupted by external or internal personal or organisational self - interests;
- involving, whenever possible, beneficiaries as partners;
- willingness to collaborate and network with other agencies around issues of mutual concern and interest rather than compete with them;
- maintaining high ethical standards at both an organisational and personal level.

Guideline 6: Transparency

6/1 Information: NGOs should make clearly known who they are and what they do. Information made available by NGOs should include statements of:

- the organisation's mission, objectives and policies;
- its methods, activities and achievements, including evaluations and analyses of them;
- its geographical scope;
- its organisational structure, and in particular how it is controlled and managed;
- its constituency, affiliations and links to other organisations, if any; and
- its sources and uses of funds.

6/2 Means of communication: In order to be transparent about their work, and secure and maintain open relationships with other organisations, as well as the general public, NGOs should:

- publish and disseminate annual narrative and financial reports, as well as reports on particular activities, and on the results of reviews and evaluations;
- use the media as a means of informing the public about their work;
- mount public education programmes where appropriate;
- maintain regular dialogue with government and other relevant organisations;
- participate in NGO networks.

Guideline 7: Legal structure

In order to give them proper legal protection, including defining the powers and/or liability of Board members, NGOs should adopt appropriate legal structures. The legal entity chosen should be that which is most appropriate to the objectives of the organisation and its control and management arrangements. Appropriate legal structures include: private trusts and foundations, not-for-profit and limited liability companies; associations, co-operatives, friendly and provident societies.

Guideline 8: Governance

8/1 Accountability: The adoption of a legal entity, and/or government regulatory arrangements will require each NGO to have a constitution, by-laws, memorandum of association or similar document which establishes a framework for the governance of the organisation. This should vest control of the organisation in the hands of a Board of Management, through which the NGO is accountable to:

- the public, both in the manner defined in the relevant company, charitable, trust or other law, and through the means of communication set out in Guideline 6/2;
- members and/or beneficiaries of the organisation;
- funders, and those organisations with which contracts are entered into.

8/2 Boards: Members of the Boards of NGOs may be either nominated or elected, according to the dictates of the legal entity adopted. They may delegate responsibility to others, including the paid staff, but must accept ultimate responsibility for governance over all aspects of the NGO. This will include responsibility for:

- safeguarding the vision, integrity, objectives and policies of the organisation;
- ensuring high standards of planning, operation, administration, evaluation and reporting in the organisation;
- ensuring that statutory obligations are met;
- ensuring that adequate resources are available to the organisation for all aspects of its work and administration;
- ensuring that resources provided to the organisation are used for their intended purpose and are properly accounted for.

8/3 Basis of participation on Boards: Members of Boards should work in a voluntary and unpaid capacity but may nonetheless receive reimbursement of expenses incurred.

Guideline 9: Management

The management practices of NGOs should be of a high standard and aim to strengthen institutional capacity and sustainability. Management practices in NGOs should include established procedures for:

- the maximum utilisation and development of the human resource skills and capacities possessed by the organisation, whether by Board members, paid staff, volunteers or beneficiaries and based on the principle of equal opportunities and gender equity;
- the planning and effective management of activities, projects and programmes;
- accountability and transparency;
- continuous monitoring and review of activities, projects and programmes;
- regular and rigorous evaluations of activities, projects and programmes, carried out with the participation of beneficiaries wherever possible, and of the functioning and impact of the organisation as a whole.

Guideline 10: Financial management

The financial management practices of NGOs should be of a high standard and aim to strengthen institutional capacity and sustainability. In managing their financial affairs, NGOs should:

- when negotiating with funders on grants and/or contracts, ensure that the terms and conditions of funding agreements and the procedures and timetable for reporting are mutually acceptable;
- only pursue or accept grants or contracts that:

  are fully consistent with their mission and objectives and do not cause their identity, integrity, methods and activities to be distorted, subverted, or corrupted;

  do not compromise their independence;

  do not place more responsibility on their organisation than they can manage;
- seek to avoid dependence on single, narrow or insecure sources of funding or contracts. Wherever possible NGO income bases should be broad and orientated to long-term sustainability. Other means of achieving such sustain ability should include developing and capitalising upon the organisation's specialist expertise and skills;
- ensure that their own fund-raising efforts do not undermine the viability and sustainability of other NGOs;
- in preparing budgets and costings, ensure that the full organisational and administrative costs are recognised and included and adequate resources obtained to meet them;
- have adequate and appropriate procedures for financial review and monitoring;
- ensure that funds provided are always used for their intended purpose.

Guideline 11: Co-operation and networking

NGOs should work to establish and participate in mechanisms, including umbrella and network NGOs, through which joint action, representation of common interests, provision of training and support, information sharing and co-ordination of activities can be pursued. Such common interests may include, *inter alia*:

- the development of common practices and standards in reporting and accounting;
- the development of common codes of conduct, ethics, policy and practice;
- the development of management practices and standards;
- the development of monitoring and evaluation practices and standards;
- the provision of professional and legal services to NGOs;
- the provision of information directories;
- other co-operative activities, including that of monitoring NGO policies and practices.

Chapter 13
Guidelines for good policy and practice on the part of funders

Guideline 12: Funding policies

12/1 Partnership: Funders' policies and actions should be underpinned by a policy and philosophy of partnership, both with those who supply their funds, and those NGOs to which they are made available.

12/2 Consultation: Funders need to honour responsibilities and be accountable to their funding sources. In formulating their policies, they should, nevertheless, consult with relevant NGOs and NGO networks, with other funders, and where appropriate with governments about:

- overall funding policies, strategies and priorities;
- the social, legal and economic environments in which NGOs are operating;
- the needs of NGOs, their capacities, potential and limitations;
- criteria and practices for funding, including procedures, conditions, agreements and time-scales for the disbursement of funds;
- management, reporting, accountability and evaluation arrangements.

12/3 Research: As well as consulting NGOs and others in the process of developing their policies, funders should also inform the development of such policies through undertaking appropriate research.

12/4 Communication: Funders should be transparent by:

- communicating their mission, objectives, policies, activities, geographical scope, decision-making, fund-raising and grant-giving methods and procedures and criteria both to their sources of funds and to potential NGO recipients;
- producing and disseminating reports on their income and expenditure;
- engaging in regular dialogue with NGOs.

Guideline 13: Funding purposes

13/1 Internal costs: In formulating their policies and criteria, funders should recognise that as well as requiring funds for their programme, project and service activities, NGOs also require funds to meet the internal and often hidden costs of:

- training and human resource development, including gender equity;
- administration, management and financial management;
- research and development;
- evaluation;
- communication.

13/2 Sustainability: Funders should also be prepared to consider support which will strengthen the long-term sustainability of NGOs. Such support could include:

- making investment possible by NGOs or by funders on their behalf;
- offering long-term, comprehensive and flexible support rather than short-term, partial or project-specific funding;
- encouragement and support for co-operation and networking among NGOs.

13/3 Umbrella NGOs and NGO networks: Funders should also be prepared, individually and collaboratively with other funders, to provide financial support for umbrella NGOs, NGO networks and organisations which provide services to support and strengthen the management and organisational capacities of NGOs.

Guideline 14: Funding practices

14/1 Procedures and conditions: The procedures and conditions of funders should:

- not undermine the integrity and independence of NGOs;
- not distort their identity, objectives and activities nor promote division or discrimination.

14/2 Agreements: When funds are supplied to an NO0, funder and NO0 should have a written agreement or other form of formal understanding or contract which specifies:

- the overall purpose of the grant or contract fee supplied, and the methods and activities to be undertaken;
- intellectual property rights, including material designed for fund-raising or educational purposes;
- reporting operational and financial arrangements and general communications procedures;
- a detailed budget, specifying amounts allocated to external activity costs and internal costs;
- procedures regarding visits by the funder to the NGO and activity being supported;
- procedures for periodic review of the grant or contract;
- procedures for grant or contract amendment by either party;
- procedures in the event of a dispute;
- procedures to be used by either party for contract termination.

Guideline 15: Fund-raising

15/1 Standards: Organisations raising funds from the general public should ensure that the messages they convey accurately describe:

- the work and purposes of the recipient organisations;
- the nature of the problem or need being addressed;
- the contributions made by others, including the people themselves.

In particular, fund-raising practices should avoid:

- the use of messages and images that might be construed as racist, elitist, sexist or paternalistic;
- projecting messages and images of dependency and helplessness or backwardness.

15/2 Monitoring: Through collaborative arrangements, funders and/or NGO network/umbrella organisations and/or recipient organisations should monitor and review the practices of fund-raising organisations to ensure that agreed fund-raising standards are maintained.

15/3 Organisations established by funders: While funders (including private sector organisations) may from time to time establish organisations for particular purposes, having similarities with NGOs as defined in Guideline 1, neither funders nor the organisations themselves should present such organisations as true NGOs. Funders should, before establishing such organisations or taking over existing NGOs to fulfil the desired purposes, consider, in consultation with relevant NGOs, if existing NGOs could carry out the desired functions or if the organisations could be established and operated as independent bodies fulfilling all the defining characteristics of true NGOs.

Guideline 16: Operational policies

16/1 Partnership: The policies and operations of northern NGOs and international agencies operating in countries other than their own should be underpinned by a policy and practice of partnership with organisations in the country of operation, and especially with relevant NGOs, based on mutual trust and respect.

16/2 Consultation: In formulating their policies, they should consult with relevant NGOs and NGO networks and with other relevant agencies in the country of operation, about:

- overall policies, strategies;
- operational and management practices;
- the potential and limitations of working with local NGOs;
- actual or proposed agreements with other bodies, including governments.

16/3 Research: As well as consulting NGOs and others in the process of developing their policies, they should also inform the development of such policies through undertaking appropriate research, including taking account of local research and the prior experience of local NGOs in the country concerned.

16/4 Communication: They should be transparent by communicating their mission, objectives, policies, operational practices, methods, and activities, and management and decision-making procedures to all relevant parties, including NGOs and NGO networks in the country concerned.

Guideline 17: Conduct

In carrying out their operations and in communicating information about their work, North and international agencies operating in countries other than their own should:

- respect the laws of the countries in which they operate;
- respect the cultures and traditions of the peoples and communities in which they operate;
- at all times act to foster and promote the capacities and abilities of local NGOs, including by participating in relevant NGO umbrellas and networks, and avoiding actions which might cause rivalry or competition with or among local NGOs;
- avoid acting in paternalistic, sexist, racist or elitist ways.

Chapter 15
Implementing the guidelines: A plan of action

As noted in Chapter I (paragraph 1.3) the Guidelines set out in the previous chapters should be seen not as a prescription but as a set of principles and goals to which those involved in or with NGOs can aspire. They represent a common foundation on which individual organisations and countries can build their own unique policies and practices. How can this be done?

Implicit or explicit in the Guidelines has been the principle of partnership. It is essential for any programme of implementation of the Guidelines to be guided by the same principle. The final Guideline concerns implementation.

Guideline 18: Implementation

18/1 Collaborative action: Working in partnership, NGOs, government, funders and (where appropriate) externally-based operational agencies working in each country should work towards the implementation of the Guidelines by establishing a representative working party to consider and report on:

- how existing policies and practices concerning NGOs in the country compare to those proposed in the Guidelines;
- how the Guidelines would need to be developed in order to be relevant and appropriate in the country;
- what changes to existing policies and practices of all parties concerned would be needed, how such changes could be achieved, and over what time-scale.

18/2 Individual action: Working in close association with the national working party and in line with its report, the government, individual NGOs, funders and externally-based operational agencies should adopt and implement the Guidelines relevant to them.

18/3 Action by the Commonwealth Foundation: As well as publishing this document in full, the Commonwealth Foundation should:

- seek the endorsement and commitment of the 1995 Commonwealth Heads of Government Meeting to the document and Guidelines it sets out;
- seek the endorsement and commitment of international agencies and non-Commonwealth governments to the document and the Guidelines it sets out;
- promote, support and make financial assistance available to enable NGOs and other relevant parties, including governments, to carry out the implementation proposals set out in 18/1 and 18/2 above and take such other actions as may assist in the implementation of the Guidelines;
- prepare, publish and disseminate a booklet which distils the essence of the full document and Guidelines.

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Annex 1
THE PROCESS OF RESEARCH AND CONSULTATION

The process of research and consultation which has led to the production of *Non-Governmental Organisations: Guidelines for Good Policy and Practice* began in November 1992, when:

- an information note was prepared and circulated, through the Commonwealth Liaison Units of the Commonwealth Foundation, and other NGOs;
- the first of a series of meetings in selected Commonwealth countries to seek views and information was convened. (These meetings are listed in Annex 2).

The text of the information note was as follows:

> In response to proposals made at the First Commonwealth NGO Forum held in Zimbabwe in August 1991, the Commonwealth Foundation has commissioned a research project which will aim, on a Commonwealth-wide basis:
>
> - to gather information about the roles and functions fulfilled by NGOs in society today, and the manner in which they carry out their work;
> - to gather information about the forms of relationship that exist between NGOs and their funders, their beneficiaries, government agencies, and other NGOs and organisations in society;
> - to gather views from interested parties about important issues concerning NGO functioning and relationships, including existing published material;
> - on the basis of the information and views gathered, to prepare a draft NGO Charter which identifies good practice in the field of NGO functioning and relationships.
>
> The research commenced late in 1992 and will take up to one year. It aims to gather information and views from NGOs (including those designated as Commonwealth Liaison Units (CLUs)), government and other agencies in as many Commonwealth countries as possible. A substantial amount of literature has already been collected.
>
> To supplement and add detail to this, interviews and consultative round-table workshops are being carried out by the researchers in a small number of Commonwealth countries. Countries in which such meetings have taken place, or are to take place early in 1993 include India, Solomon Islands, Zimbabwe, Canada, the United Kingdom and Jamaica.
>
> In addition, the Commonwealth Foundation will be including discussion of the proposed Charter on the agenda of a series of regional workshops being held in the first half of 1993 in the Caribbean, West Africa, Pacific and Asian regions.
>
> *If you have material relevant to the research, please contact:*
> *Colin Ball* *Leith Dunn*

Annex 1
THE PROCESS OF RESEARCH AND CONSULTATION

Information was collected and individual and group consultations (individuals consulted are also listed in Annex 2) carried out throughout 1993 and into 1994.

In early 1994 a First Consultative Draft of this document was prepared by the researchers. It was published by the Commonwealth Foundation in May 1994 and widely circulated through Commonwealth Liaison Units and other organisations, including all Commonwealth governments, under the title *Non-Governmental Organisations in the Commonwealth: Guidelines for Good Policy and Practice*. Recipient individuals and organisations were strongly encouraged to circulate the draft as widely as possible, and to make responses which would inform the production of the second draft.

In May 1994 planning for the Second Commonwealth NGO Forum, to be held in New Zealand in June 1995, began, with the first meeting of a Task Force brought together by the Commonwealth Foundation to assist in planning and preparing for the event. At this meeting the researchers led a discussion on the first consultative draft. It was agreed that:

- the Second Forum should "...finalise and approve the...document (presently) entitled *Non- Governmental Organisations in the Commonwealth: Guidelines for Good Policy and Practice...* ";

- a detailed discussion of the document by the Task Force should take place at a later meeting, in the light of feedback received in response to the circulation of the first draft. It was hoped that for this discussion the Task Force would be joined by a small number of other experts in NGO matters.

Responses to the first consultative draft were received throughout the second half of 1994, and were collated and summarised by the researchers. In February 1995, the final meeting of the Task Force in New Zealand was followed by a two-day workshop specially convened to discuss the first draft and the responses to it received by that time. For this workshop, the Task Force were joined by other experts in NGO matters, and those attending are listed at Annex 2.

Immediately following the workshop this Second Consultative Draft was produced by the researchers. It was circulated for comment and responses by the Commonwealth Foundation in April 1995. A volume of amendments proposed in response was prepared for the Second Commonwealth NGO Forum, which was held in Wellington, New Zealand, from 18 to 23 June 1995.

The Forum endorsed the Guidelines and it is hoped that the Commonwealth Heads of Government Meeting to be held in New Zealand later in 1995, will do the same.

Annex 2

LIST OF THOSE SUBMITTING INFORMATION, CONSULTED OR RESONDING

Consultations were carried out:

- as part of the agenda of a series of Regional Commonwealth Liaison Unit Planning Workshops held during 1993/94 in:

  Solomon Islands (Pacific region), February 1993
  Bangladesh (Asia region), March/ April 1993
  The Gambia (West Africa sub-region), May 1993
  Guyana (Caribbean/Canada and Europe regions), August 1993
  Uganda (East and Southern Africa sub-region), February 1994

- at meetings convened specifically to discuss NGOs in the Commonwealth held between November 1992 and May 1993 in:

  Britain (convened by the Commonwealth Trust)
  Canada (convened by the Delphi Group and Royal Commonwealth Society)
  Jamaica (convened by the Association of Development Agencies)
  Solomon Islands (convened by the Development Services Exchange)
  Zimbabwe (convened by the National Association of Non-Governmental Organisations)

A meeting at which representatives of NGOs based in New Delhi, India discussed the first consultative draft with Sir Richard Luce, Chairman of the Commonwealth Foundation, was held in early 1995.

The following were consulted individually, and/or submitted information or views during the preparation of the first consultative draft in 1994:

- Peggy Antrobus, Women and Development Unit, University of the West Indies, Barbados
- Abdullah Malim Baginda, formerly Director of Social Welfare, Malaysia
- Claire Ball, Help Age International, Barbados
- Abraham Beanisia, Solomon Islands Development Trust, Solomon Islands
- Mrs H Bedi, Community Aid Abroad, India
- Norma Shorey Bryan, Canadian International Development Agency, Barbados
- Mrs Chakadini, Ministry of Social Welfare, Zimbabwe
- Embert Charles, Folk Research Centre, St. Lucia
- Matthew Cherian, Oxfam Bridge, India
- Chris Chevalier, Save the Children Fund, Solomon Islands
- Rose Chinheno, Ministry of Foreign Affairs, Zimbabwe
- Rudo M Chitiga, IRED, Zimbabwe
- Tadeous Chivaba, Ministry of Foreign Affairs, Zimbabwe
- Edward Cumberbatch, Caribbean Council of Churches, Barbados
- Janet Cupidon, Council of Voluntary Social Services, Jamaica
- Noel D'Silva, Jeevan Nirwaha Niketan, India
- John Fowler, Commonwealth Youth Programme
- Joan French, Caribbean Policy Development Centre, Barbados
- Cherry Gallo, Solomon Islands Planned Parenthood Association, Solomon Islands
- Ron Green, Small Projects Assistance Team, Dominica
- Mostyn Habu, Ministry of Natural Resources, Solomon Islands

Annex 2
LIST OF THOSE SUBMITTING INFORMATION, CONSULTED OR RESPONDING

- Chris Henderson, Delphi Group, Canada
- Mark Henley, Port Employment Project, Australia
- Richard Holloway, PACT/PRIP, Bangladesh
- Annie Homelo, Young Women's Christian Association, Solomon Islands
- Rob Johnson, Consultant, Australia
- Philip Joinisia, Development Services Exchange, Solomon Islands
- Dennis Jones, Association of National Development Agencies, Belize
- George Joseph, Centre for Social Action, India
- Manju Kala, Association of Voluntary Agencies for Rural Development, India
- Subhashini Kohli, Sasha Association of Craft Producers, India
- Pauline Knight, Planning Institute of Jamaica, Jamaica
- Ezra Mbogori, MWENGO, Zimbabwe (formerly at the Undugu Society, Kenya)
- Colin McDonald, Caribbean Network for Integrated Rural Development, Trinidad and Tobago
- Fr Michael KJ, Janodaya Trust, India
- A D Mukwewa, Ministry of Social Welfare, Zimbabwe
- John Mwaniki, IRED, Zimbabwe
- Gemma Tang Nain, Caribbean Association for Feminist Research and Action, Trinidad and Tobago
- Peter Ngobese, ZERO, Zimbabwe
- Ivaline Nickie, Caribbean People's Development Agency, St. Vincent
- Garth Nowland-Foreman, Australian Council of Social Service, Australia
- Paul Nyathi, Zimbabwe Project, Zimbabwe
- Bolaji Ogunseye, International Institute for Environment and Development, Britain
- Ingrid O'Marde, Canadian University Service Overseas, Antigua
- Pravin Patkar, TATA Institute of Social Sciences, India
- David Pell, Community Business Centre, Canada
- Philip Pupukar, Greenpeace, Solomon Islands
- Vanda Radzik, Red Thread, Guyana
- William Roe, formerly CEI Consultants, Britain
- Russell Rollason, Australian Council for Overseas Aid, Australia
- Professor Elsa Leo Rhynie, Centre for Gender and Development Studies, Jamaica
- Roderick Sanatan, Caribbean Community and Common Market, Guyana
- Joseph Junior Scaria, Co-ordinating Committee for Vulnerable Children, India
- Prunella Scarlett, Commonwealth Trust, Britain
- Rajesh Tandon, Society for Participatory Research in Asia, India
- Selena Tapper, Canadian University Service Overseas, Jamaica
- Alan Teli, SIART, Solomon Islands
- David Thompson, National SkillShare Association, Australia
- Laila Tyabji, DASTKAR Association of Craft Producers, India
- Joseph Waleanisia, University of the South Pacific
- Judith Wedderburn, Association of Development Agencies, Jamaica
- Sarah Williams, National Council for Voluntary Child Care Organisations, Britain
- Senator Maxine Henry Wilson, Office of the Prime Minister, Jamaica
- Greg Zador, World University Service, Canada
- Valentine Ziswa, Ecumenical Co-operative and Development Service, Zimbabwe

Annex 2
LIST OF THOSE SUBMITTING INFORMATION, CONSULTED OR RESPONDING

Responses to the first consultative draft were received from the following in the period up to February 1995:

- ActionAid (Britain): Janet Williamson, Policy and Research
- Association of NGOs - Aotearoa (New Zealand): Robert Reid, Chairperson
- Association of Professional Bodies of Nigeria: O M Adesanya, Secretary-General
- Association of Voluntary Agencies for Rural Development (India): P M Tripathi
- CARE Canada: Judith Sullivan, Health Adviser
- Centre for Women's Development Studies (India): Narayan Banerjee
- Commonwealth Engineers' Council: J A Whitwell, Director, Education Training and Membership
- Commonwealth Liaison Unit of Barbados: B Taylor
- Commonwealth Liaison Unit Cyprus: Chr Karakannas, President
- Commonwealth Liaison Unit, East Zone, India: c/o Women's Co-ordinating Council: Aloka Mitra
- Commonwealth Trust (Britain): Prunella Scarlett
- Development Network of Indigenous Voluntary Associations (Uganda): Ikoja Odongo Jr,
- Programme Officer Resource Centre
- Development Services Exchange (Solomon Islands): Paul Miles
- Department of Environment and Conservation/United Nations Development Programme
- (Papua New Guinea): Benjamin Gewebing, NGO Facilitator
- Dhaka Ahsania Mission (Bangladesh): Md Zia Uddin, Executive Director
- East-West Center (Cook Islands): Ron Crocombe
- Foreign and Commonwealth Office (Britain): G C Livesey, Commonwealth Co-ordination Department
- Forum on Sustainable Agriculture (Botswana): R Kashweeka
- Health Canada: Jean Lariviere MD, Senior Medical Adviser
- Hong Kong Council Of Social Service: Miss Kay Ku, Assistant Director (Development)
- Intermediate Technology (Britain): John Twigg, Institutional Relations Unit
- Liaison Unit of Non-Governmental Organisations of Seychelles: E C D Esparon, Secretary/Manager
- Loughborough University of Technology: Professor A J Evans, President, Commonwealth Library Association
- Malta High Commission: Dr H J Bonavia, for High Commissioner
- Mauritius Council of Social Service: H Hurrynag, Secretary Manager
- Ministry for Human Services and Health (Australia): Dr Carmen Lawrence, Minister
- Ministry of Foreign Affairs (Republic of Maldives): Mohamed Nashid, Deputy Director, International Affairs
- Ministry of Labour and Social Insurance (Cyprus): K Sammad, Permanent Secretary
- Ministry of Labour and Social Security (Zambia): N I Zimba MP (Minister)
- Ministry of National Health and Welfare (Canada): Diane Marleau, Minister of Health
- Ministry of Planning, Human Resources and Environment (Republic of Maldives): Asim Ahmed, Assistant Director, Programmes
- National Alliance of NGOs (Papua New Guinea): Bobogi Anoh, Administrative Officer
- National Council of Social Service (Singapore): Koh Mui In, International Relations
- National Council of Social Service (Singapore): S Vivakanandan, Divisional Manager, Planning Division .National Environmental Education Project (Malaysia): John Pillai, Project Co-ordinator
- National SkillShare Association (Australia): David Thompson, Chief Executive Officer
- Nigerian Agency for Voluntary Development Organisations: A M Sharta, President
- Overseas Service Bureau (Australia): Bill Armstrong, Executive Director
- PACT, Bangladesh: Richard Holloway, Executive Director
- Pakistan High Commission, London: Masroor A Junejo, First Secretary (CW)
- Planning Institute of Jamaica: A D Collier, for Acting Director-General

- Professional Centre of Australia (formerly Science Centre Foundation): Ruth J Inall, Executive Director
- Royal Society for Mentally Handicapped Children and Adults (Britain): Gail Stewardson, European Officer
- Tamaki Makau Rau Auckland UNCED Earth Summit Committee (New Zealand): Simon Reeves, Co-Convener
- The Central Council of Social Services (Sri Lanka): A Jayawardhana, Executive Director
- The Samoan Association of NGOs: L J Dunlop
- Tools for Self Reliance (Britain): Glyn Roberts, Co-ordinator
- Trinidad & Tobago Association of Village & Community Councils: A Z Pascall, Chairman
- Trinidad & Tobago Society of Planners: Asad Mohammed, Vice-President
- Trust for Voluntary Organisations (Pakistan): Anis A Dani, Chief Executive
- Voluntary Service Overseas (Britain): Sarah Mistry, Regional Programme Manager, West Africa
- Voluntary Services Unit, Home Office (London): D J Hardwick
- Volunteer Service Abroad (New Zealand): Ms Barbara Mildenhall, Director
- Water for Survival (New Zealand): John La Roche
- World Vision (Britain): Alan Waites, Public Policy

A two-day workshop to discuss the first consultative draft and responses to it was held in Wellington, New Zealand from 16 to 17 February 1995. The participants at this workshop were:

Africa:

- Mariama Ashcroft, The Gambia Women's Finance Organisation, The Gambia
- Ezra Mbogori MWENGO, Zimbabwe

Asia:

- Jagadananda, Centre for Youth and Social Development, India

Caribbean/Canada:

- Leith Dunn, NGO Guidelines co-author/researcher, Jamaica
- Ian Smillie, formerly Director, CUSO and Development Consultant, Canada

Europe:

- Colin Ball, NGO Guidelines co-author/researcher, Britain

Pacific:

- Sue Bradford, The People's Centre, New Zealand
- David Cuthbert, ANGOA, New Zealand
- Garth Nowland-Foreman, formerly Director, ACOSS, Australia

Commonwealth Secretariat:

- Terence Dormer, NGO Desk Officer

Commonwealth Foundation:

- Dr Humayun Khan, Director
- Don Clarke, Deputy Director
- Diana Bailey, Programme Officer

Annex 2
LIST OF THOSE SUBMITTING INFORMATION, CONSULTED OR RESPONDING

Prior to and during the Second Commonwealth NGO Forum held in June 1995, responses to the second consultative draft were received from:

- African Development Bank: A I Jituboh, Director, Co-operation Department
- Aga Khan Foundation, Pakistan: Shoaib Sultan Khan, Senior Adviser - Rural Development
- Association of Development Agencies in Bangladesh: Khushi Kabir
- Association of Voluntary Agencies for Rural Development, India: Sanjoy Ghose
- Australian Council for Overseas Aid: Janet Hunt, Director
- Canadian Universities Service Overseas, Caribbean Regional Office: Dorothy Hollingsworth, Programme Officer
- Caribbean Natural Resources Institute: Yves Renard, Executive Director
- Caribbean Peoples Development Agency: Glenroy Browne, Interim Director
- Centre for Documentation, Research and Training on the South-West Indian Ocean, Mauritius: Pynee Chellapermal, Director
- Commonwealth Liaison Unit, West Zone, India: Mohini Mathur, President
- Commonwealth Medical Association: John Havard, Secretary
- Cook Islands Association of Non-Governmental Organisations
- Council of Voluntary Social Services, Jamaica: Janet Cupidon Quallo
- Development Network of Indigenous Voluntary Associations, Uganda: Sammy Ogar
- Research and Policy Analysis
- Development Services Exchange, Solomon Islands: Paul Miles
- Federation of Voluntary organisations for Rural Development in Kamataka, India:
- Augustine Kaunds, Executive Officer
- Federation of Workers Educational Associations in Aotearoa New Zealand
- Institute for Socio-Economic Development, India: Balaji Pandey, Director
- John Ang, NGO Forum representative, Singapore
- Lesotho Council of Non-Governmental Organisations: Caleb Nchafatso Sello, Executive Director
- Lokal Envaironmen Foundesen, Papua New Guinea: Marius Solat
- Malaysian Association for the Blind: Winnie Ng, Executive Director
- Ministry of Labour and Social Insurance, Cyprus: Permanent Secretary
- Ministry of Social Security and National Solidarity, Mauritius: A Veerasamy, for Permanent Secretary
- National Association of Non-Governmental Organisations, Zimbabwe: Stanislaus Matindike
- National Council of NGOs, Kenya: Murtaza Jaffer
- National Council of Social Service, Singapore: Janet Lee, Manager
- National Council of Social Welfare, Malaysia: Abdullah Baginda
- National Union of Disabled Persons of Uganda
- NGO Forum representatives, St. Vincent
- Nigerian Environmental Study/Action Team: Ihaedioha Damian, Programme Officer
- Office of the Commonwealth Secretary-General: Chief Emeka Anyaoku, Secretary-General
- Office of the High Commissioner of the Republic of Zambia: A M Mwale, Deputy High Commissioner
- Pacific Region NGO Caucus, Second Commonwealth NGO Forum
- Regina Dumas, Development Consultant, Trinidad and Tobago
- Sierra Leone Association of Non-Governmental Organisations: Clarice Davies
- The Association of Non-Governmental Organisations, The Gambia: Fatma Baldeh-Forster
- The Central Council of Social Services, Sri Lanka: Austin Jayawardhana, Executive Director
- The Community Business Scotland Group: Kay Caldwell
- Tonga Trust: Denis Wolff, Executive Director
- The Planning Institute of Jamaica: A D Collier, for Acting Director-General

- Trinidad and Tobago Group of Professional Associations Ltd: Yvonne Pilgrim, Secretary/Treasurer
- Vanuatu Association of Non-Governmental Associations
- Volunteers for Environment, Social Harmony and Improvement, Maldives: Mariyan Zulfa
- Youth for Unity and Voluntary Action, India: Minar Pimple
- Women In Nigeria: Glory Afi Kilanko, National Co-ordinating Secretary

At the Second Commonwealth NGO Forum, a plenary session was devoted to the report on 22 June 1995, under the title *NGO Guidelines for Good Policy and Practice*. The session was addressed by the authors and:

- Rajesh Tandon, India
- Selena Tapper, Jamaica
- Glory Afi Kilanko, Nigeria
- Ian Smillie, Canada
- Garth Nowland-Foreman, New Zealand

A motion to endorse the Guidelines was proposed by Caleb Nchafatso Sello (Lesotho) and seconded by Kay Caldwell (Britain) and carried by acclamation.

Following the session, five regional workshops (Africa, Asia, Caribbean/Canada, Europe, Pacific) were convened to discuss follow-up action.