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List of Abbreviations and Acronyms

ACORD	Agency for Co-operation and Research in Development
ARC	Association for Religion and Conservation
ASEAN	Association of South East Asian Nations
CBO	Community Based Organisation
CIDA	Canadian International Development Agency
DFID	Department for International Development, UK
EU	European Union
GRO	Grassroots Organisation
HIVOS	Humanist Institute for Co-operation with Developing Countries, Netherlands
HQ	Headquarters
HRH	His Royal Highness
INTRAC	International NGO Training and Research Centre, UK
IUCN	World Conservation Union
MERCOSUR	Regional agreement to promote free trade and investment in the Southern cone countries of South America
NAFTA	North American Free Trade Agreement
NCA	Norwegian Church Aid
NGO	Non-Governmental Organisation
NGDO	Non-Governmental Development Organisation
NNGDO	Northern Non-Governmental Development Organisation
NOVIB	Netherlands Organisation for International Development Co-operation
OD	Organisation Development
ODI	Overseas Development Institute, UK
OECD	Organisation for Economic Co-operation and Development
ONTRAC	Newsletter of INTRAC
SADC	Southern African Development Community
SAP	South Asia Partnership
SCF	Save the Children Fund
SDC	Swiss Agency for Development and Co-operation
SNGDO	Southern Non-Governmental Development Organisation
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development
WWF	World Wide Fund for Nature

Preface

INTRAC has been a keen observer of the rush towards decentralisation. We have been privileged to witness the efforts of several agencies to re-engineer themselves over the past few years. Agencies have been keen to change their image and to achieve a more efficient form of organisation. We have been involved as consultants, advisers and observers within several agencies going through such a process. In addition, we organised a seminar in December 1997 which brought together representatives of about 14 NGOs to discuss issues and models of decentralisation. The aim of the seminar was to provide Northern NGOs with an opportunity to discuss and share experiences of how their NGOs have decentralised or are decentralising. The present paper is in part a product of that seminar, but is complemented by contributions from INTRAC Associates and by our experiences of working with agencies other than those attending the seminar.

As Ian Smillie noted during the seminar and in his concluding remarks to this paper, decentralisation 'will not solve all problems; it is not always right for all organisations or all situations'. In spite of this note of caution, some agencies are still pushing towards decentralisation without either really understanding why or what might be the advantages or weaknesses of the structures they are designing so enthusiastically. This paper explores some of the opportunities and constraints experienced by a range of agencies. We do not pretend to offer a definite or single solution to NGOs who are debating whether or not to decentralise. The paper does, however, offer some lessons learned from organisations that have already travelled this route or are in the process of doing so. We have been fortunate in being able to draw upon the experience of INTRAC staff and that of Associates working with very different NGOs and within a range of structures and approaches.

Brian Pratt and Sara Gibbs
INTRAC, Oxford, February 2000

Introduction

Dr Brian Pratt and Sara Gibbs, INTRAC

This paper starts by looking at the rhetoric around decentralisation with an article by Brian Pratt. This is an amended version of an earlier article that appeared in the newsletter 'ONTRAC' and which opened the debate on the subject. This is followed by a contribution from Alan Fowler which explores in depth the management implications of decentralisation. This piece also includes the definitions used to distinguish different types of decentralisation:

Deconcentration: some specific functions are moved from a central office to 'field offices', for example certain accountancy or reporting functions.

Delegation: 'authority' to approve certain grants or expenditures up to specified levels is passed to an office/member of staff. The operations are still defined within general parameters set by head office.

Devolution: the creation of new organisations or the granting of independence to existing ones, defined by the existence of an independent board. The issue of the board is far more crucial than most seem to realise and there is a significant difference between a locally staffed office of a Northern NGO and an office which is accountable to a locally constituted board. Power and accountability structures are totally different where a national committee or board has been established. In order to establish the real status of a 'local agency', as a rule of thumb the questions to ask local staff are: firstly, do they have an independent local board and governance structure? Secondly, who signs their contract and has the power to hire and fire? If contracts are still held in an international NGO headquarters then clearly this is not a local agency!

It could be argued that there is a fourth form of decentralisation whereby agencies that are specifically donors seek to pass an increasing amount of their responsibility and accountability to local bodies. Some have argued that successful 'partnering' is a form of decentralisation. But as far as we are aware, few agencies have experimented with local grant committees or 'contracting' local agencies to run grant programmes. Alan Fowler's paper discusses this further and asks whether this is a form of sub-contracting, partnership or franchise.

The response of agency staff reading these papers will vary considerably depending on whether their own organisation is primarily devoted to funding or is operational in nature. It is marginally easier for a funding agency to defend a centralised form of accountability than an agency set up to run its own programmes (whether these are self-funded or on a contract basis). The latter agencies will be increasingly exposed as external intervenors and as competitors to local organisations, both governmental and non-governmental.

It is sometimes unclear what drives the process of decentralisation. At a mechanical level, deconcentration may make sense in that basic operations such as book-keeping

are more logically carried out in a field office. It has often been argued that decentralisation should take decision-making closer to the level of activity and some degree of decentralisation would therefore seem logical. As the paper from Alan Fowler suggests, there are several implications for good management and governance which many decentralising agencies need to consider. There are concerns relating to the whole identity of the organisation: how can an international agency 'enforce a shared vision' in the absence of a strong bottom line and how can it ensure a clear corporate identity? At another level there are debates about setting performance criteria and monitoring staff and decentralised entities against these. The question arises as to whether any organisation has been able to do this well.

A cynical view would suggest that the push to decentralise comes from senior field staff who would like to control a local NGO without any of the risk of raising their own funds! Empire-building is a phenomenon that can been seen in several international NGOs, regardless of whether staff are expatriate or local. Indeed indigenisation is not synonymous with decentralisation: an office may be totally staffed by nationals yet all the authority and responsibility may remain with the head office.

On the other hand, another school of thought has been arguing that decentralisation is a way of increasing control from the centre by introducing more restrictive forms of accountability. Some international NGOs have related decentralisation to regional management models. This has reinforced the idea that central control is being increased by moving HQ managers closer to operations rather then permitting programme managers greater flexibility. It is not at all clear what the regional offices set up have achieved except in increasing overheads and introducing an extra level of management; nevertheless, several international NGOs are still trying to introduce such structures. It would seem that regional offices become the friend to no one, are regarded as unnecessary by country offices and as inefficient by HQ.

It remains unclear whether any of the discussions on decentralisation have included serious debate related to a desire to bring 'clients' or 'beneficiaries' into the management of NGO programmes. Is there evidence that any of the models discussed have improved the services provided to the poor?

The paper presents two case studies of agencies that have taken the route of devolution - to a greater or lesser extent - by handing over responsibility and authority to locally constituted agencies. Although this process itself encompasses several problems, we contend that this is the only genuine form of decentralisation in that it does create locally accountable organisations and entails a reduction of power in the sponsoring international NGOs. There are a set of issues specifically related to full devolution, the most basic being how to ensure trust between a parent organisation and a newly independent offspring. Part of the answer lies in the way the process is conceived and managed from the beginning. Several of the larger groups such as World Vision have been careful to register their name and introduce legal protocols to protect that name should one of their members deviate from what the remainder of the family consider acceptable practice. However, no one should assume that international legal processes are an easy way of managing inter-agency relationships.

Once lawyers enter the debate between different members of an international network clearly the problems between members are already severe. Thus trust, shared vision and regular interchange will always be necessary between independent members of an international network of NGOs. Trust will also be important where an international NGO has handed over assets to a newly independent, former sub-office: trust combined with a lot of hard work to assemble a board and go through all the processes required to set up an independent agency.

One conclusion emerging from experience is that if the final goal is to create an independent national body, there is little evidence that this is likely to flow from an interim 'decentralised structure' unless the aim of total devolution is present from the very beginning of the process. There is no automatic progression from deconcentration, to delegation to devolution. To be successful, devolution requires time, forward planning and a long-term commitment.

We hope that these papers will be useful to agencies concerned about decentralised management. We are aware, however, that other experiences may well emerge in the next few years as groups experiment with a variety of ways of working in order to meet the new demands they face. We may still see the emergence of new forms of international alliances and organisations not always driven by the older, established international NGOs. INTRAC will continue to monitor and analyse these experiments as they emerge.

Politically Correct or Good Practice?
The Debate on Decentralised Management of International NGOs

Dr Brian Pratt, INTRAC

The one thing most international NGOs with field offices seem to agree on is that they should be decentralising to their field operations. But does the evidence of practice confirm this agreement? There is a high degree of confusion over what is meant by decentralisation. To some it means hiring local rather than expatriate staff, to others it involves the transfer of specific functions (such as book-keeping and setting local employment standards) to field offices, whilst to others it is about transferring decision-making from central offices to country or regional offices. One of the most common mistakes has been to argue that decentralisation has been achieved simply through hiring local staff and thus reducing the dependence on expatriates. I want to argue that by transferring decision-making to field operations without due consideration for the key issues of governance and the linked issue of accountability, organisations are being weakened.

Decentralised Offices

Several agencies who have followed this path have created local empires that lack governance structures and which are run by (and possibly for) a small number of senior local staff. The board and senior management of the 'parent' agency have failed to think through how to ensure that accountability is met in these newly 'independent' offices. This has been exacerbated by the growth of many international NGOs, making it difficult for their voluntary boards to keep track of ever larger programmes. Furthermore, in some of these agencies the loss of a clear set of values or mission and a related strategy and vision means there is no cement to bind together staff, board members and others.

Thus, decentralisation has not left well-adapted and responsive field offices but rather groups of staff who are forced to operate without a viable support structure. Central office still controls significant resources yet there are no systems to ensure that they and the field offices for whom they provide those resources have at least the same vision and mission. This creates a lack of coherence and no basis for policy formulation. Some decentralised offices of international organisations now regard themselves sufficiently independent to take major decisions (such as making large numbers of staff redundant, closing down programmes, starting others) without reference to HQ. However, this is not so much because these powers have been invested in them but rather the fact that they are operating in a management and strategic vacuum.

The Creation of Local Boards

One of the answers to this problem is to improve governance in decentralised offices through the creation of local boards. Some agencies have indeed done this and have turned themselves into partnerships of linked but independent members, sometimes

brought together through an international board consisting of representatives of the boards of the individual members.

The problem for many agencies, however, is that they do not want to give up that residual power to a local board. Instead, they try to counteract the centrifugal force which is pulling their field operations away from the central office and its board by falling back on an ever increased use of financial controls via audits and internal regulations and procedures. This has, of course, some effect but our experience would suggest that although this enables agencies to watch the pennies it does not help them make the most effective use of the pounds. Ensuring that agencies maintain a consistency in terms of their values and strategy is much more challenging. If a local office wishes to set aside considerable funds for rather vague purposes or decides to change its policy there is little the 'parent' seems able to do about it.

Funding and Autonomy

Some argue that organisations which choose so-called "full autonomy" for their offspring are not being honest about the relationship. It is felt that as long as the Northern parent agency retains the monopoly of providing the funds then this *de facto*, if not *de jure*, ensures that all the power remains with them. To counteract this, some of the large international networks have insisted that new members raise a percentage of their own funds and some are even obliged to raise their own core administration costs locally. Ex-field offices are being encouraged to diversify their sources of income in order simultaneously to increase their independence from the 'parent' and to spread the risks of being overly dependent on a single donor. The risk of an unequal relationship still remains where Southerners are implementors and Northerners funders, although measures can be taken to mitigate this.

The Relationship between the Board and the Staff at Head Office

Past moves within some agencies to reduce the power and influence of the board to the advantage of staff have now backfired. Boards, who have not been involved in decision-making, now find themselves in a position of being forced to be far more radical and interventionist in order to regain control over an agency for which they are legally responsible. The boards are obliged to 'over-react' since they feel that the HQ senior staff have lost control of their field operations; at the same time, senior HQ staff cannot turn to their board for help because they have weakened its role, yet they do not have the capacity to manage their programme without its assistance.

Transnational NGOs

Agencies which have agreed to set up an international consortium of independent members have found that they need to specify the stages through which a member agency has to go before being accepted as a member of the club. Some transnational NGOs have reinforced this set of guidelines with legal protocols setting out acceptable (and unacceptable behaviour) for members, infringements being met with the use of international law to remove the common name to avoid one member bringing down the whole club. This model is by no means easy, but it is at least more honest than trying to pretend that a field office of a Northern agency is a 'local

agency' simply because it is staffed by nationals rather than expatriates. It is also more honest than those international agencies which have boards for the donor country members but not the developing country offices.

Transnational Businesses

There are also many transnational companies that are now stressing the value of decentralising management to local hands. Yet many of the problems described above are avoided because they are clear from the outset what their objective is: they either sell or produce a certain item and success or failure can be measured by globally recognised standards via basic commercial indicators (e.g. profits, capital output, ratios etc.). Unfortunately NGOs - often for good reasons - find it more difficult to agree a common objective or a 'bottom line'. Where common ground is drawn up, it is usually in very general terms which permits almost anything to be justified since values, objectives and impact, are seldom specified in detail.

Conclusion

The current rush to decentralise has focused on the wrong issues. Whilst agencies have invested time in resolving the problems of financial systems, they have not come to grips with issues of governance or accountability. Nor are they clear about the decisions required to run a transnational NGO; indeed political correctness seems to dominate over good practice. Failures are not discussed openly, so other NGOs tend to repeat the same mistakes under the false impression that this model has been successfully implemented by others. International NGOs must decide whether to facilitate the creation of independent sister agencies from the base of their field offices, or whether to continue to manage their programmes as international agencies run from a central office.

Degrees of Separation
Perspectives on the Decentralisation of International NGOs

Dr Alan F. Fowler

In the early 1990s, decentralisation appeared as an organisational venue that many Northern NGOs involved in international development (NNGDOs) wanted to reach. This paper explores what has happened since then and what probably still lies ahead in attaining this organisational summit. After reviewing what the concept means, existing NNGDO experiences are used to:

- assess the forces pushing and pulling decentralisation;
- describe the paths chosen and common obstacles encountered *en route*, particularly the pot-holes of sharing governance and the demand for new roles and competencies;
- analyse the dynamics of 'upwards decentralisation' to NGDO federations; and
- summarise the learning gathered so far.

Finally, it is argued that the long-term demand for a devolved form of decentralisation will not go away. Therefore, the paper concludes with suggestions about the pre-conditions, routes and vehicles of organisational change that NNGDOs need to reach this goal.

1. INTRODUCTION

In the early 1990s, Oxfam (UK and Ireland) published an article setting out the decentralisation choices and trade-offs faced by Northern and Southern NGOs (Fowler 1992).[1] Eight years on, this article reviews what can be learned since then and what might lie ahead for Northern NGDOs in this complex area.

This article begins by briefly revisiting what organisational decentralisation means, the types of decentralisation NGDOs can choose from and what appears to be occurring. Then, in Section 3, the pressures and forces involved in choosing between different forms of decentralisation are analysed. Section 4 describes the choices and routes to decentralisation that NNGDOs have been taking and why, including 'upwards decentralisation' to NGDO Federations. The description includes a discussion of obstacles and issues particularly in relation to devolution, which involves shared governance and new roles and competencies, especially for NNGDOs. Finally, Section 5 offers pointers for Northern NGDOs on the pre-conditions needed for a successful journey of organisational reform. It identifies paths which may be less rocky and less strewn with the remains of stranded vehicles that failed to reach the holy land of successful decentralisation.

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[1] As a shorthand, North will be used for the OECD countries and the NGDOs within them involved in international aid and development. The South corresponds to the traditional recipients of aid and the East for countries of Eastern Europe and the former Soviet Union now also receiving foreign assistance.

A word of warning: there is little publicly available documentation about what occurs within Northern NGDOs as they strategise and make their choices and moves towards decentralisation. Consequently, this paper must be read with caution as, of necessity, much herein is based on observation and conversation, not freely available documentary evidence.

2. DECENTRALISATION IN NGDOS: CONCEPTS, PRINCIPLES AND CHOICES

What does the concept of decentralisation mean and why is it significant for NGDOs? This section begins by answering these two questions. It continues with observations on what seems to be happening in terms of the options available and the choices NNGDOs have been making over the past five years.

What is Decentralisation in the Context of NGDOs?

At its core, organisational decentralisation has to do with the distribution of authority, i.e. power, over goals and decisions about how resources are gathered and applied. Put another way, decentralisation is about the degree to which power is held in a central place - usually the top - or distributed downwards within or outwards from an organisation. This is not the same as, but is often confused with, the allocation of responsibilities for the tasks over which authority is exercised. For example, a programme manager's task is to create and oversee a budget but not subsequently to approve expenditures within it. In this set-up, he or she has responsibility without authority.

| Box 1.
Understanding Decentralisation

(DE)CENTRALISATION is a 'measure' of the way in which authority over decisions about goals, resources and tasks are distributed within an organisation.

AUTHORITY incorporates responsibility, RESPONSIBILITY does not necessarily incorporate authority. | There are basically three types of decentralisation:

Deconcentration: responsibilities and tasks are allocated downwards in the organisation, but authority remains at the top, or centre.

Delegation: both responsibility and authority are assigned to lower levels of the organisation. For example, to regional or country representatives/directors and, perhaps, to area or local managers and/or to field-workers. |

Devolution: is far-reaching in that authority for achieving an organisation's goals, mandate and functions are allocated outwards to - and hence shared with - (legally) autonomous organisations.

There is always an element of devolution in effective micro-development. Why? Because the best practice in working with communities of poor and/or marginalised people organised in community-based or grass-roots organisations (CBOs or GROs) requires the creation of empowering relationships with them. This calls for authentic

participation, which means negotiating key development decisions with the people. To some degree, sharing of authority with CBOs/GROs always places decisions outside of a manager's or staff member's sole span of control (Fowler 1997). Whilst this is a significant factor in NGDO effectiveness, this paper does not look at the critical aspect of devolution to CBOs. Instead, the focus is on delegation within and devolution between intermediary NGDOs.

What have been the Trends and Why?

It is becoming more difficult to find examples of long-term deconcentration in Northern NGDOs, although it is still prevalent in Southern NGDOs. Decentralising tasks to regional offices, for example, without any substantive authority adds a layer of bureaucracy without significant gains. It can also introduce conflicting advice and, for partners, confusion in communication with the real decision-makers, especially in the North. These were some of the reasons why, in 1992/3, NOVIB phased out its regional offices, replacing them with local consultants.

Experience also suggests that equating decentralisation with simply replacing expatriates with indigenous staff - often as a cost-saving measure - creates a veneer of change which, for reasons of culture and allegiance, is not readily matched by a continuity in trust with the new person in the field. In reality, while power may appear to remain the same for indigenous staff, often there is a subtle reconcentration of authority. There have been enough problems and negative feedback from indigenous staff of Northern NGDOs to show that this approach to decentralisation is seldom viable in the long term.

Where deconcentration remains, it tends to be in the form of specialist technical support functions (either staff or local consultants). These people often assist in proposal writing, do capacity-building, design evaluations and act as the eyes, ears (and uncertain voice) of those far away. A cost-reducing variant is to locate regional technical staff within national country offices as a way of decreasing overheads and, on occasion, because of registration and work permit problems. Trends suggest that, overall, deconcentration seldom generates significant organisational returns when set against the costs. This review, therefore, spends most time on the other two types of decentralisation.

For reasons set out below, internal delegation is becoming almost a commonplace method of decentralisation for NNGDOs. Normally, this involves allocating authority to regional and/or country staff, typically limited by a centrally approved strategic plan and annual reports. However, there are arguments to suggest that this will, in fact, be an interim step (taking perhaps 10 years or more) to eventual devolution and new forms of transnational NGDO organisation (Smillie 1995).

The discussion is complicated because decentralisation takes on different dimensions for different types of Northern NGDO. Specifically, important differences emerge between Northern NGDOs, which are themselves operational, and Northern NGDOs which fund but do not themselves implement. To separate the two, operational NGDOs will be referred to as transnational NGDOs and non-operational funders as

international NGDOs. Together they form the Northern NGDOs referred to in this article.

Why (not) Decentralise?

Generally, decentralisation through internal delegation or external devolution makes NNGDOs more effective because it helps them better respond to the diverse, often unstable, settings in which they work. In principle, allocating decision-making authority closer to the point of action enables participation that is more meaningful and creates greater potential for empowerment of local NGDOs and CBOs. Both are essential factors for gaining local ownership, commitment and sustainability of impact (Craig and Mayo 1995). Common drawbacks to decentralisation, however, are: a possible erosion of NNGDO identity; more complex and hence weaker accountability; empire building; unhealthy dominance or interference of NNGDO field staff due to their proximity; loss of quality control; and enhanced potential for fragmentation of effort, typified by incoherence in development approaches and conflicting interpretation of policies. These factors reflect both the strategic and the operational drawbacks that decentralisation can produce.

The issue for NNGDOs is how to reinforce the benefits of decentralisation whilst limiting the costs. This challenge is made more complicated by the context of aid thinking and practice within which NGDOs must function in this decade and the next century. Specifically, Northern NGDOs must approach decentralisation in a context where the service delivery and policy-influencing capacity of local institutions are seen to be fundamental to success in sustained poverty reduction as well as a prerequisite for the strong civic expression required for good governance. Reviewing how NNGDOs have been responding to these challenges forms the core of this paper.

3. FORCES PUSHING TOWARDS NGDO DECENTRALISATION

Since the late 1980s, a number of factors have been pushing and pulling NNGDOs in the direction of decentralisation. At least six are significant: pressure from Southern NGDOs; donor policies and pressures; in-country (direct) donor funding; NGO performance; enhanced communication technologies; and economic and political regionalisation. Each is described briefly.

Southern Pressures

Although uneven across the world, there is an increasing discomfort among Southern and Eastern NGDOs with their Northern transnational counterparts doing development for them. The arguments against an in-country operational role for Northern transnational NGDOs stem from many things, including: nationalist sentiments; disappointment with supposed partnership arrangements; inconsistencies due to staff turnover; and, perhaps most importantly, the increasing notion that the problem of development is less to do with lack of resource transfers than with the leadership, capacities and policies required to mobilise and use existing resources well (Riddell 1996). This perspective diminishes the justification for the presence of foreign agencies. It also raises the question of whether or not solutions to internal

limitations of leadership and capabilities - rather than lack of external inputs - are amenable to time bound (project) aid (Fowler 1997).

It is beyond the scope of this paper to assess this position. However, it is possible to adopt a working proposition that the nature and measure of development co-operation is shifting from issues of aid quantity to those of quality, and to a diminishing contribution of aid as such in how countries eradicate poverty and injustice. Consequently the strength of **indigenous** NGDOs in terms of their number, size, diversity of activities and mutual and social relations, becomes a critical factor in national development capacity. This points to devolution as a long-term NNGDO strategy.

Many governments of the South and East are also less happy with Northern NGDO operations and presence. For example, Eritrea has recently asked a number of NNGDOs to leave the country. One reason for this is that NNGDOs are seen as an embarrassing signal of the failure of local institutions to do development themselves. This may provoke public questioning about the legitimacy of the regime and government. NGDOs are also perceived as fragmenting service delivery, while diverting resources from public provision (Bowden 1997). In addition, foreign NGDOs are viewed with suspicion, in part because of a coupling of the aid and foreign policies of Northern governments whose funds are becoming dominant in NNGDO financing. Further, NNGDOs adopt positions on national issues and exert influence in the international arena and media, especially on donor policies, without meaningful local political accountability (Jordan and van Tuijl 1997). In doing so, they further erode an already threatened sovereignty. This is creating a G-24 backlash (Mohammed 1997), typified by more stringent registration and operational requirements, restrictions on tax privileges, work permits and so on. Pressures to become local are on the increase. Again, devolution is one solution.

Donor Policy Pressures

Often using the arguments of capacity-building and sustainability, Northern donors are encouraging or requiring NNGDOs to work with and through or become local counterparts. For example, USAID has required Family Health International to locally incorporate (i.e. to legally register as a local organisation) the country structures it had established as part of its AIDSCAP project. Generally speaking, and tied to the policy of direct funding described below, donors are increasingly interested in financing local organisations or tying their domestic NGDOs to this strategy. The premise is that donor capacity-building goals are served by having more local NGDOs to work with; transforming a foreign project into a local NGDO is one way of achieving this. One usefully documented example of a transition from a donor project to local NGDO is PACT/PRIP in Bangladesh (Holloway 1997).

The connection donors make between devolved decentralisation and capacity-building seems clear cut. However, the link they make between devolution and sustainability is fuzzy and not conceptually underpinned. What seems to be in play is the idea that a local NNGDO will be in a better position to raise alternative or complementary finance than a donor-funded project. Hence, there is an assumed greater chance of continuity and sustainability once the donor withdraws. In other

words, pushing for NNGDO devolution is, in fact, part of a donor exit strategy (Holloway 1997). Unfortunately, this common-sense approach seems difficult to realise in practice.[2]

Direct Funding

The past five years or so have seen a significant shift in resources available to NGDOs within countries of the South and East. Occasionally this originates from decisions made by national governments, as in India. Most often, however, the origin is bilateral and multilateral aid that is increasingly disbursed directly from official agencies' local offices, or via governments from development loans (INTRAC 1998). Examples of the former are to be found with British government funding in Bangladesh and Kenya. An example of the latter are the social development and adjustment compensation loans made available by the World Bank. These loans have a strong NGDO implementation component (Heiser 1994).

Given this trend, it makes economic sense for Northern NGDOs to delegate authority for in-country fund-raising, which is what many are doing. For example, CARE-USA's country offices now raise some 60% of development finance within the South and East. As Smillie points out, in taking this step transnational NGDOs have advantages over their local counterparts. Why? Well firstly, transnationals with a presence in donor countries can lobby at both ends. Secondly, they can transfer (people with) knowledge about donor quirks and practices across countries. Sharing this capacity makes proposal writing, negotiation and so on much easier. Thirdly, donors are still predisposed to 'tie' their aid to their domestic Northern NGDOs. They do this partly to maintain an aid lobby back home, because communication in national languages is easier, and because of a higher degree of trust and ability to sanction using domestic pressures, studies, procedures and laws. In the case of CARE, a percentage of locally raised funds is designated for financing the Atlanta HQ. This reversed flow brings a complex shift in power discussed later.

All of these factors place Southern and Eastern NGDOs at a significant disadvantage. However, it appears that size and strength of the local NGDO community can determine the extent to which NNGDOs can get away with the lion's share of in-country financing. This does not happen in Brazil, India or the Philippines, but is the case in Cambodia and Ethiopia. Trying to make good the weakness of local NGDOs by locally incorporating foreign NGDOs in fact blurs identity and allegiances. Delegation or devolution as a response to direct funding has an unpredictable impact on NGDO communities in the South and East.

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[2] This observation stems, amongst others, from involvement with the difficulties faced by the PRIP Trust in Bangladesh. PRIP has been trying for nearly three years to negotiate with new donors in anticipation of the ending of USAID support. The prevarication and poor co-ordination of three bilateral donors - British DFID, Canadian CIDA and Swiss SDC - have been astounding as well as detrimental to the NGDO community in the country.

NGDO Performance

NGDOs do not perform very consistently or well overall when it comes to achieving their strategic goals and missions. A number of donor-funded studies have suggested that NGDOs are generally effective at producing outputs from development projects but seldom in achieving impact, understood as sustained alleviation of poverty for the people and communities they work with (ODI 1996; Kruse et al. 1997). A number of reasons are attributed to this.[3] One is the lack of authentic participation due to the disempowerment of NGDO front line staff who do not have sufficient authority to really negotiate with communities. Hence, people's 'voices' do not get translated into shared power over decisions. This has negative consequences for the local ownership required for sustainability. Consequently, to improve performance, amongst other steps, pressure builds up to empower from within by spreading authority downwards. The issue - especially for transnational NGDOs in the short term - is not if, but how, to decentralise in an integrated way so that capacity limitations are not shifted from one place to another with additional problems being introduced.

Communication

Improved communication can also act as a force for or against decentralisation. On the one hand, satellite telephones and e-mail make it possible to frequently inform managers located in the North about problems and possibilities on the ground and ask for their decisions. In other words, centralisation could work better. On the other hand, better communication can act as a confidence-building measure for the centre when authority is delegated or devolved. In other words, modern communication can facilitate decentralisation. It does so by helping to mitigate the fragmentation which can occur when reasonably autonomous parts of the organisation do not share information about what they are doing with each other, as well as with the centre. On balance, it looks as if the availability of swift and broad communication is also a factor which adds to the other pressures for decentralisation described in this section.

Regionalisms

Globalisation has become the buzzword in today's NGDO strategic thinking. Less talked about but of equal significance is the economic and political regionalisation going on within global integration (for example the EU, SADC, ASEAN, Mercosur and NAFTA).[4] Having a regional approach has been part of Northern NGDO organisation for many years. But often NGDO regions were cobbled together without a firm developmental logic. The advent of regional groupings, which are meaningful in economic, political and institutional terms, calls for a similar approach from NGDOs. For example, the influence of preferential trade areas on local producers

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[3] An important omission in these studies is that they do not take into account the pre-conditions for NGDO effectiveness set up by donors in the first place. By concentrating on the impact of NGDO projects, donors have shielded themselves from critical investigation. This is not only unfair, it doesn't help in improving things as a system, which is what is needed. Donor behaviour is part of the problem as well as the solution in NGDO effectiveness.

[4] According to the *Economist*, tariffs within Preferential Trade Agreements are being reduced quicker than they are between trading blocks. This trend may lead trading blocks to use their tariffs borders as a way of keeping other blocks out.

needs to be seen from a regional rather than a global perspective. Analysis of and effective impact on regional institutions requires being there, creating another force for decentralisation.

NGDOs can also define regions in terms of their own insights. For example, in East Africa, the scope of regionalisation chosen by Norwegian Church Aid (NCA) derived from analysis of seasonal migration, patterns of insecurity, flows of refugees and internally displaced people, informal cross-border trade and ecological factors.[5]

The question now is what have NGDOs been doing organisationally in the 1990s to capitalise on the opportunities and threats these forces contain?

4. DEGREES OF SEPARATION: PATHS AND OBSTACLES TO DECENTRALISATION

In responding to the pressures described above, two types of decentralisation are currently being explored by Northern NGDOs: delegation within and devolution without. This section explores trails and culs de sac within each of these approaches, highlighting obstacles being encountered on the way.

Delegation Within

Delegation keeps authority in-house. The question NNGDOs face is what authority to delegate and the issues associated with doing so. This sub-section highlights key dimensions of delegation and their implications.

Features

Internal delegation involves a downward move of authority to staff within an NNGDO, typically regionally and/or nationally and/or locally in operational areas or sectors. Whatever the level, normally only selective areas of authority are delegated. The areas vary between NGDOs, and doing this in a transparent and institutionalised way is essential. For example, a common practice is to delegate authority over operational decisions related to implementation. But this only occurs once a strategic framework and priorities have been centrally checked and approved to be consistent with projected income, policies on issues like gender, sustainability and so on.

Defining local conditions of service and recruitment is another common task for which authority is delegated. Delegating financial management often involves mixes that are more complicated. The challenge is to strike a balance between local and centrally organised auditing. With delegation, planning and budgeting take on greater significance. This arises not just because of their significance in organisational cycles, but also because they are important confidence-building and sanctioning procedures for the centre. Using many of these methods HIVOS, a Dutch

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[5] NCA Regional Strategic Plan, 1996.

international NGDO, has tested a far-reaching form of delegation, which appears to be working well. However, it took several years of trial and error to develop.[6]

Delegation takes on an important organisational dimension and a new degree of separation when authority (sometimes with targets) is given for local fund-raising. Here it gets tricky, and good communication is vital because it is usually the centre that provides the legal foundation for any agreements made. The centre must understand and agree to the implications of the intended commitments. It is also more complicated in transnational NGDOs that have multiple fund-raising countries because each may wish to improve its position by making a claim on funds originating from its national government, but allocated by direct funding. Local fund-raising may also touch on issues of corporate policy, such as working with a multi-lateral development bank, which may require separate authorisation by the governors. Guidelines are normally issued that try and state which operational and policy issues are within the decision-making competence of local management. But, as ever, the distinction between strategy and operational issues is far from clear-cut and a common obstacle to success.

Another dimension of delegation is the degree to which NNGDOs have authority to collaborate with others - and on which issues - without referring back to the centre for a mandate. Typical are groupings of NNGDOs, formed to co-ordinate and/or consolidate their relations with the government. Because policy positions may differ between NNGDOs, agreements can set precedents that have effects beyond a local manager's purview. Guidelines in this area tend to be set on the basis of experience because instances are so varied.

Whatever features of delegation are chosen, it is important that they are accompanied by appropriate checks and balances. This is needed to protect staff with delegated authority as much as to set limits to what authority means. One check and balance has already been referred to: establishing a strategic planning framework and performance goals. Essentially, approval of strategies forms a bounded mandate delegated from governors. For it must be remembered that it is the governors' ultimate authority that is being applied in the field. Without local incorporation and local governance, an NNGDO manager has no authority or mandate to act outside of that derived from governors at the centre who are charged with legal power and public accountability.

Another essential balance is to complement delegation with performance measures. Without these, delegation can mean transferring authority into an accountability vacuum. Professionally secure managers with significant delegated authority see clear performance measures as a way of generating local accountability and as protection against unwitting policy slippage, empire building, fragmentation and so on. Performance indicators are treated as a tool for managing by achievement and impact, rather than effort. (In the latter case, effort is often equated with disbursement.) Professionally insecure managers react against performance requirements as an imposition and sign of lack of trust. Such people are likely to be unaccountable bearers of authority and less effective. Creating appropriate measures

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[6] Personal observation and discussions with HIVOS representatives in Harare.

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is the subject of much NGDO effort. How it can be done is the subject of other publications (summarised in Fowler 1997, ch. 7).

Obstacles

There seems to be a generally consistent set of obstacles confronting NNGDO decentralisation. They can be grouped under the headings of role division and tensions and board responsibilities. (For a detailed examination of typical tensions between headquarters and field offices, see Suzuki 1998.)

Role division: Crudely put, the more authority is delegated, the less the centre has to say and do. If the process is not managed well, the centre feels under threat and reacts defensively. The following edited quotation from an assessment of decentralisation made within an NNGDO illustrates what can occur.

> The impact of decentralisation to regions includes: the weakening of the centre and the demoralisation of staff there; regional staff questioning the role of the central office; an increase in demarcation disputes; insufficient changes in attitudes and behaviour to reflect new ways of working; failure to manage the change process; lack of unity in the corporate team; unclear mandates and authority levels creating confusion and frustration; and lack of mutual respect which threatens the agency's cohesion.

This description is not unusual. The quotation suggests that the process of change has not been managed well, a point we will return to.

Governors: Often NNGDO governors buy into decentralisation because of the merits of the case, but without really feeling comfortable or fully appreciating what it means in practice. There is an inevitable sense of loss of control, but without any reduction in the final fiduciary and other formal accountability which they carry. This is worsened when field managers treat their authority as a matter of right rather than a new level of obligation allocated from the centre. In delegated set-ups, managers do not gain their authority from anywhere else but the governors, via the chief executive.

The issue then is to establish news ways in which governors retain confidence that their authority is being properly and consistently applied. A common way of doing this is to establish new procedures which spell out what authorities are allocated at different management levels, complementing this with a system which reports against these authorities.

Devolution to Others

Devolution is a bigger step in separation because it essentially means allocating an NGDO's own functions to another legal entity. There is a spectrum in delegation which moves from pure to more ambiguous forms. An important factor in analysing devolution is whether the organisation delegated to exists already, or is induced or created by an NNGDO. Why this makes a difference will be explained later, after clarifying the devolution spectrum.

The purest form of devolution is when an NGDO asks another organisation to do (part of) its work on its behalf. Two examples illustrate what this can mean. In some countries, child sponsorship NGDOs, such as PLAN International (a transnational), collaborate with local NGDOs who implement area development programmes using sponsorship funds along lines that the NNGDO applies to itself, such as satisfying communication requirements to sponsors. In some cases, such as India, the local NGDO already exists. In others, such as Ethiopia, local NGDOs have been formed by staff leaving the NNGDO with a tacit understanding that they would be supported. Leach (1995) has likened this to a franchising arrangement.

An alternative arrangement creatively tested by NOVIB, an international NGDO, was for NGDOs in three Latin American countries to take on NOVIB's primary task of funding development projects submitted by local NGDOs. In other words, NOVIB delegated authority for its core function - development financing - to a separate entity. This proved a difficult arrangement to make work to everyone's satisfaction (Blankenberg 1993).

In both cases, formal agreements were reached, which could be called contracts. But this is not the same as contracting in the sense of an NGDO obtaining money to implement its own (or a donor's) development initiative/project. The distinction between pure devolution and contracting is that the local NGDO *takes on (part of) the role* of the Northern NGDO. Put another way, it becomes the NNGDO in deed if not in name. The crux in devolution is that, in specific settings, an NNGDO's shares the governance over its own mandate and role in life. Why? Because the local NGDO has its own governing structure and mandate that is legally independent of the NNGDO.

An ambiguous variation on this theme is where a transnational NGDO legally incorporates itself in the South or East as a local entity with a local governing board (which might contain representation from the 'parent' NGDO). This arrangement can be found with World Vision, WWF and ACORD. In these cases, the new local NGDO retains the logo and local name of its founder. In terms of process, they are usually induced, not pre-existing, which brings distinctive demands on the initiating transnational NGDO.

Devolution to an Induced, Versus an Existing, Local NGDO

The important difference between devolving to self-induced as opposed to existing local NGDOs is whether an organisational development approach is obligatory or optional. Put another way, there is a difference in the extent to which the NNGDO is responsible for the well-being and viability of the organisation which takes on devolved tasks. Importantly, the relationship between a Northern NGDO and one induced by them cannot be treated as a 'project'. Instead it is a new entity requiring organisational investment and skilled nurturing to become independent over the long term. Devolution to an existing NGDO need not adopt such a perspective, but from the point of view of local capacity-building could usefully do so.

Non-operational donor NGDOs, such as the Ford Foundation, NOVIB and the Oxfams, often work with both induced and existing organisations. This type of relationship is ambiguous in terms of devolution because the NNGDO's approach to development is to work this way, but not to pass its role to others. The point is that the NNGDO cannot achieve its ultimate goals without other intermediaries. Partnering is probably a better term for this arrangement.

Devolution as Franchise, Partnership or Contract

In devolving authority to Southern NGDOs, a Northern NGDO can usefully distinguish between the basis on which the relationship is built: whether as a 'franchise', a partnership or a contract. Each represents a different degree of separation and place on a devolution spectrum.

Devolution as franchising, allows a local NGDO to establish itself using the name (and hence reputation) of a Northern NGDO.[7] It has its own governing structure and may or may not be totally beholden to its namesake for funding. Franchising brings with it a clear set of obligations and behavioural norms, without which the Northern NGDO's name can become tarnished. This occurred with Oxfam Quebec where a financial scandal had negative reflection on Oxfams elsewhere. Consequently, the recent establishment of Oxfam Hong Kong is guided by a clearer set of conditions produced with the help of a new type of federal 'upward decentralisation' discussed below.

Devolution based on partnership implies a mutuality for performance and accountability. In other words, both parties are jointly liable for success and failure, not just the local implementing NGDO. This is spelt out in an agreement on mutual obligations that are approved by both governing bodies, if not directly then through a clear delegated authority to do so.

Devolution as contracting is, as the name suggests, the payment of service from one NGDO to another. The service provider is obligated to deliver within agreed behaviour and performance criteria. The funder pays properly and on time for the services rendered. (It could be reasonably argued that this is off of the devolution spectrum because authority is not really shared. It is included here to help clarify the options NNGDOs can choose from.)[8]

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[7] Few NNGDOs have created a worldwide copyright on their names. On occasion, therefore, threats of legal action and court cases have been necessary to stop unnegotiated and unwanted franchising.

[8] A counter-argument is that to attain their mission funding NNGDOs actually devolve authority for operationalising their goals to the third parties whom they finance.

Devolution Preferences

When it comes to making choices, some types of devolution are more suited than others in relating to induced versus existing NGDOs. Table 1 summarises the likely preferences.

Table 1. Devolution Preferences

Type of Devolution	Type of Local NGDO	
	Induced	*Existing*
Partnership	Required initially	Optional
Contracting	Not preferred	Optional
Franchising	Optional	Not preferred

Why do these devolution preferences exist? Partnership has already been explained. Contracting to an induced NGDO is not preferred because of the likelihood that the needed organisational investments will not be made, leaving the local NGDO little more than an NNGDO project. A separate organisational label is simply for appearances. Contracting to an established local NGDO can be a good option when both parties are strong enough to enter balanced negotiation. Franchising is less likely to work with an existing NGDO because it must relinquish its own identity in order to fully identify with and project the values, norms, theories, practices and perspectives of the Northern agency. It is therefore more realistic and preferable to induce and then 'spin off' a same-named local NGDO as part of the family.

'Upward Devolution': Northern NGDO Families and Federations

The past five years have seen the emergence of supra-national Northern NGDOs. New examples are the Save the Children Alliance and the Oxfam family. They exist alongside, but differ organisationally from the multi-donor country 'con-federations' of CARE, the transnational NGDOs such as PLAN International and the federation of Northern and Southern national organisations which together make up WWF and World Vision International. The new supra-national constructions are achieved by reversing devolution from downwards to upwards.

New federations face problems of role division and governance. What is the federation there for strategically and operationally? Is it established to: make lobbying and advocacy more coherent and effective; enhance fund-raising possibilities; harmonise the activities of sister organisations working in the same country; achieve economies of scale; better protect the name; promote/enforce common standards; or accelerate and share learning? Reaching consensus on these issues is not easy. Doing so is easier if it is recognised to be a process of change requiring both strategic and operational investment and management. Moreover, how 'federated' answers are arrived at relates to the nature of governance.

Governance of federations has three significant dimensions. First is the scope of representation; in particular, achieving a balance between those who raise and those who spend funds. Second is the nature of authority ceded upwards, i.e., the power of the federation relative to its constituents. For example, is the federation vested with

the authority to exact compliance from members? Or is its role limited to mediation and an authority to issue non-binding guidance? Third, is the relative (formal and *de facto*) power between members that make up the federation's governing body? Some NNGDO federations such as PLAN International allocate voting power on the basis of the proportion of funds contributed. Others, such as CARE, give equal weight to all, but with a Northern member having a designated lead position - and hence greater authority - for certain Southern countries. World Vision gives equal voice to Northern and Southern members, but those generating funds tend to be more equal than others.

There is no one preferred model, but any set-up should satisfy a few basic principles. One is equity in practice, not just constitutionally. That this may not occur is due to the fact that members of NNGDO federations do not have an identical resource base. For example, the various Scandinavian Save the Children organisations enjoy more stable and substantial government support than do the SCFs of the UK or the USA. Similarly, NOVIB's financial base differs markedly from the other Oxfam family members. CARE International's resources are dominated by the USA. Having firsts among equals is not a good relational starting point. It is a negative factor in shaping a federation culture that is consistent with greater equity as a development goal. Another principle is a sufficiently shared vision and strategic orientation that foresees and enables Southern membership so that a balance of interests is achieved in the long term. Without such an orientation, there is a danger that strong, harmonised Northern NGDO federations unwittingly disempower Southern counterparts, partly by reducing the relational choices they can make.

5. LESSONS FOR THE FUTURE

The 1990s have seen a rich array of decentralisation initiatives among Northern NGDOs. This paper has examined some of them. The question to be answered now is what lessons can be drawn from these experiences? Bearing in mind long-term forces and existing responses, lessons are grouped under three headings related to delegation, devolution and processes of decentralisation.

Delegation

- *Balance delegation of authority with criteria for performance.*
  It is both less effective and more risky to spread authority without corresponding ways of measuring how such authority is being applied. Experience suggests that universal measures are difficult to find. A more appropriate approach is to have performance standards negotiated for each management setting, such as a region or a country.

- *Ensure that managers recognise that their mandate comes from governors at the centre, unless there is a local governance structure.*
  In job descriptions, include statements about how authority is delegated and who managers are ultimately accountable to for the power given to them. Mature governors will appreciate that delegation is of little use if they hold tightly onto all the strings and do not trust the person on the ground.

- *Acknowledge that the centre has important domestic functions that can make legitimate claims on those to whom authority is delegated.*

    In decentralisation the role and claims of the centre change, but they do not disappear. For example, providing public information and education, satisfying legal accountability requirements, evolving corporate policies and so on, all require inputs from and guidance to the wider organisation if the whole is to progress and remain coherent.

- *Capitalise on modern communication technologies as a resource for horizontal coherence, vertical trust building and matrix learning.*

    Introduce communications systems and protocols which help bind the organisation together by breaking down hierarchy, fostering team/matrix-oriented interactions and provide up-to-date pictures of the whole.

Devolution

- *Devolution to local NGDOs, be they induced or existing, requires an organisational development (OD) perspective - not a project - approach, conditions and time scales.*

    Adopting an OD stance calls for significant development of human resources, new skills and adaptation of procedures and measures within NNGDOs. The effectiveness and viability of local NGDOs becomes the development framework and currency. To devolve successfully means that NNGDOs must adopt a managed OD process for themselves.

- *Build NNGDO exit strategies and investments into devolution arrangements.*

    The sustainability and legitimacy of local NGDO demands attention from the beginning. This will require new forms of investment and ways of funding. Without this perspective and effort induced local NGDOs may remain just Northern NGDOs in disguise.

- *Ensure that devolution is sanctioned by both governing bodies.*

    Devolution is a sharing of authority that needs a consciously informed mandate. Much misunderstanding can be prevented when those with power know why they are sharing some of it with others.

Processes

- *Before starting a decentralisation process, acknowledge honestly the gap between what is desirable and what is possible.*

    Specifically, recognise that the ultimate responsibilities of trustees cannot be done away with and must be incorporated into any new arrangements. In addition, be clear about what aspects of authority are being devolved and why; preferably in terms of development impact that the whole organisation understands.

- *Decentralisation requires ongoing dedicated management capacity.*

    It is seldom possible to add decentralisation tasks - as opposed to oversight - to a senior management committee because doing so does not generate the added capacity needed to manage OD processes properly. Typically, already

overloaded managers who are charged with guiding decentralisation get stuck in defending their areas and find it difficult to take the corporate view required to progress. It pays to bring in an interim change manager. This role is essentially long term and facilitative. It should not be confused with consultants who are asked to advise on restructuring.

- *Ensure that there is a clear link between development strategies and decentralisation choices and processes.*

    Decentralisation should support development, not the other way round. If a good development case cannot be made for decentralising, think again before investing in it.

6. CONCLUSION

This paper argues towards a long-term future where devolution to local entities will be a central feature in decentralisation of Northern NGDOs. This is likely to be a highly contested view, in part because of the radical implications that this move implies. But, in fact, the argument for devolution is simply a logical consequence of realising the goals in local capacity development that most Northern NGDOs already espouse (James 1994). Achieving this future will therefore be a sign of success not failure. The challenge is to incorporate this desired venue into NGDOs' long-term thinking, vision and journey of self-development.

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SAP International: Shifting Power South

Richard Harmston, Executive Director, SAP Canada

South Asia Partnership is an international NGO that has recently completed a process of decentralisation. It now has a fully devolved structure which is co-ordinated by an international secretariat, SAP International, in Sri Lanka. Its members are national SAP organisations in six countries: Bangladesh, India, Nepal, Pakistan, Sri Lanka and Canada. Its mandate is to advance sustainable human development in South Asia by strengthening community-based organisations (CBOs) and the communities they serve. It does this through: capacity-building of CBOs; providing funds for the local development programmes of the CBOs; facilitating learning, communications, networking and advocacy among the local NGOs/CBOs and organising regional activities to strengthen civil society across South Asia. In the past, all financial support came from Canada, from both NGOs and the government. Now a variety of funding sources are pursued, including both donors and partners inside and outside the region.

The History of SAP

South Asia Partnership began informally in 1981 with the establishment of links between village-level NGOs in India, Bangladesh and Sri Lanka and development agencies in Canada. A number of experienced NGO leaders in each of the three South Asian countries formed committees, as did a group of NGOs in Canada. The Asian committees identified local NGOs with projects and programmes and the Canadian committee linked them to Canadian NGOs. CIDA was supportive of the programme from the start and provided significant amounts of funding. Nepal and Pakistan joined in 1984 and 1987 respectively.

SAP began in answer to a challenge: could financial support from Canada (NGOs and government) be channelled to 'small and emerging' NGOs in South Asia? Although SAP has always tried to operate as a truly international organisation, from its inception in 1981 to 1997 it was anchored in Canada and seen by many as another "donor NGO". Yet despite the financial base in Canada, decision-making within SAP has always been shared and equitable: policies, programme directions, major finances and innovations were discussed openly and decided collectively. The system operated under an SAP Charter, drafted in 1986.

The Charter provided for national organisations in each of the participating countries and an International Council as the governing body for the partnership (see Diagram 1). The International Council was composed of national SAP board members with the national director as an observer. SAP has always aimed to be Asian-led, yet accountability to its Canadian funding base remained an important factor, and SAP Canada remained the organisation legally responsible and accountable for CIDA funds. Nevertheless, with CIDA's concurrence SAP remained an Asian-led network, with the ultimate power held by the International Council.

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In the early 1990s, however, SAP people started to consider a shift to make SAP a 'Southern-based, Southern-led' international organisation. The needs were: to emphasise regional programming (handled better within the region); to provide more direct support and services to the Asian SAPs (better tuning, shorter lines of communication); to tap more directly into the knowledge and skills in the region (of other networks and institutions); to diversify financial support (better led by Asians than Canadians) and to provide for a more authentic South Asian voice on key issues of the region.

After considerable planning, SAP International was born. All the national SAP organisations adopted an international constitution, elected a new board, moved the head office to Colombo, appointed a South Asian international Director, and transferred the centre of governance, programme and financial co-ordination from Canada to South Asia. SAP International now has its headquarters in Colombo, led by an Executive Director from India. It has an international Board of Directors (11 people - six from SAP organisations, five 'independent'), elected by the member organisations (see Diagram 2).

The network adopted new features and mechanisms to shore up its new character, including a code of ethics for clear, high standards of conduct and a peer review system for mutual accountability. SAP International is working with its national members to reinforce their strategic planning, monitoring, evaluation, financial systems and information management. In terms of its programmes, SAP International is now in a position to focus on regional activity, building on the programmes of national SAP organisations and other networks. Common themes include: working with local government to address the needs of the disadvantaged; gender issues; sustainable agriculture; capacity-building and resource services to local NGOs.

Through this process, SAP has moved from being a Canadian-centred, donor/project system to a Southern-based, capacity-building, issue-focused transnational organisation. Yet its new character is still fragile and challenges remain:

- **Glue vs. Centrifugal Force:** Will it retain and strengthen the common internal ties that hold the components together or will each entity's need to survive pull them apart?

- **Sustainability:** Can the international organisation and its national members attract enough new and diverse financing to support its current level of programmes and to grow?

- **Standards:** Can it maintain and improve its principles and integrity, particularly in the stress of changing times?

- **Regional Programmes:** Can the new structure fulfil the promise of new and different forms of regional action and South-South co-operation?

- **Northern Partners:** Can a Southern-based organisation attract new partners from the North, ones that were not part of the network from the beginning; that is, are

Northern NGOs willing to accommodate, and be attracted to, a shift to Southern leadership?

With these questions still to be answered, the profound changes in the way the SAP network operates represent an experiment and an investment in organisational development, one that is trying to fulfil the ideal of 'empowering the people of the South' to manage their own development.

Diagram 1
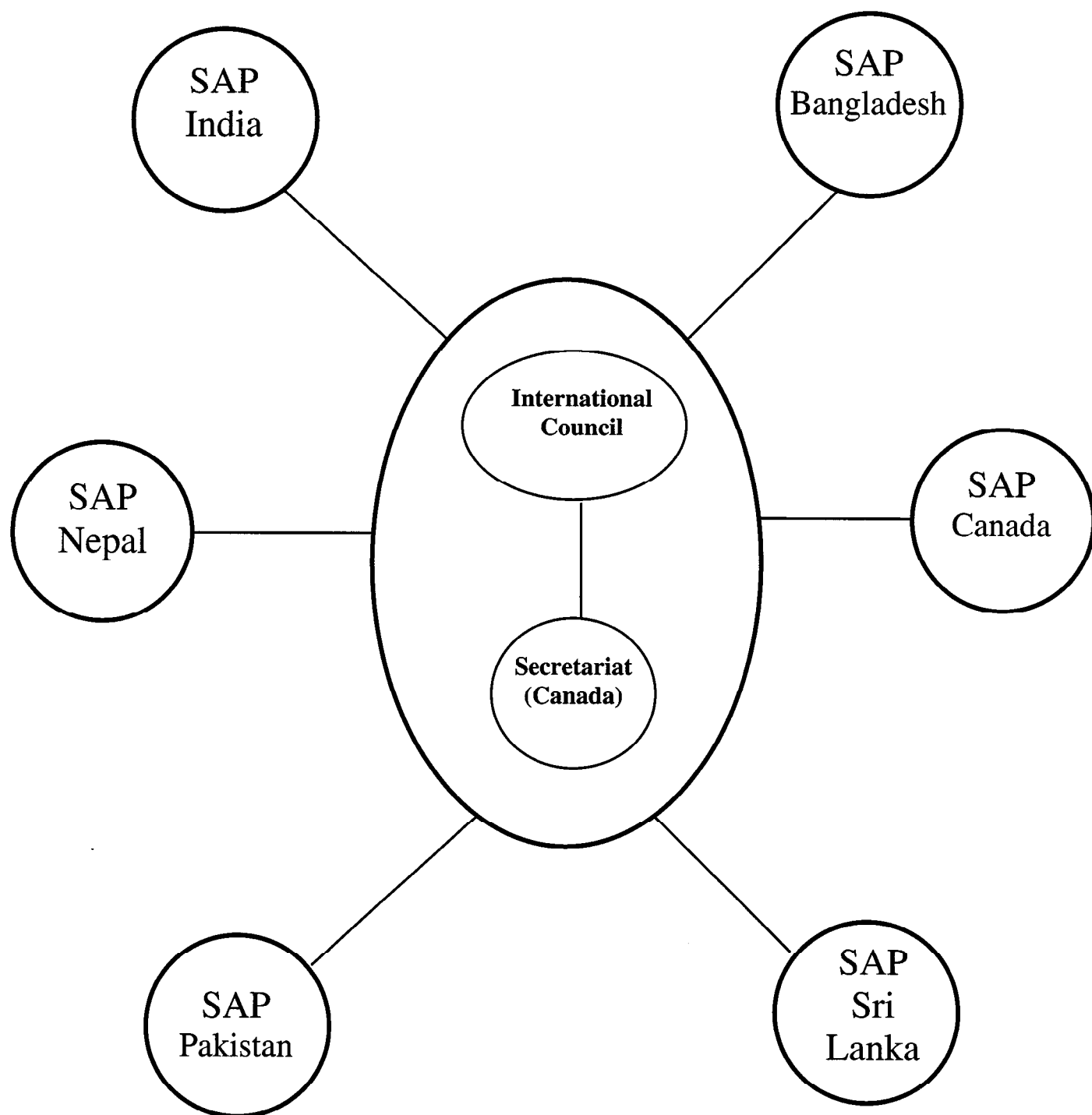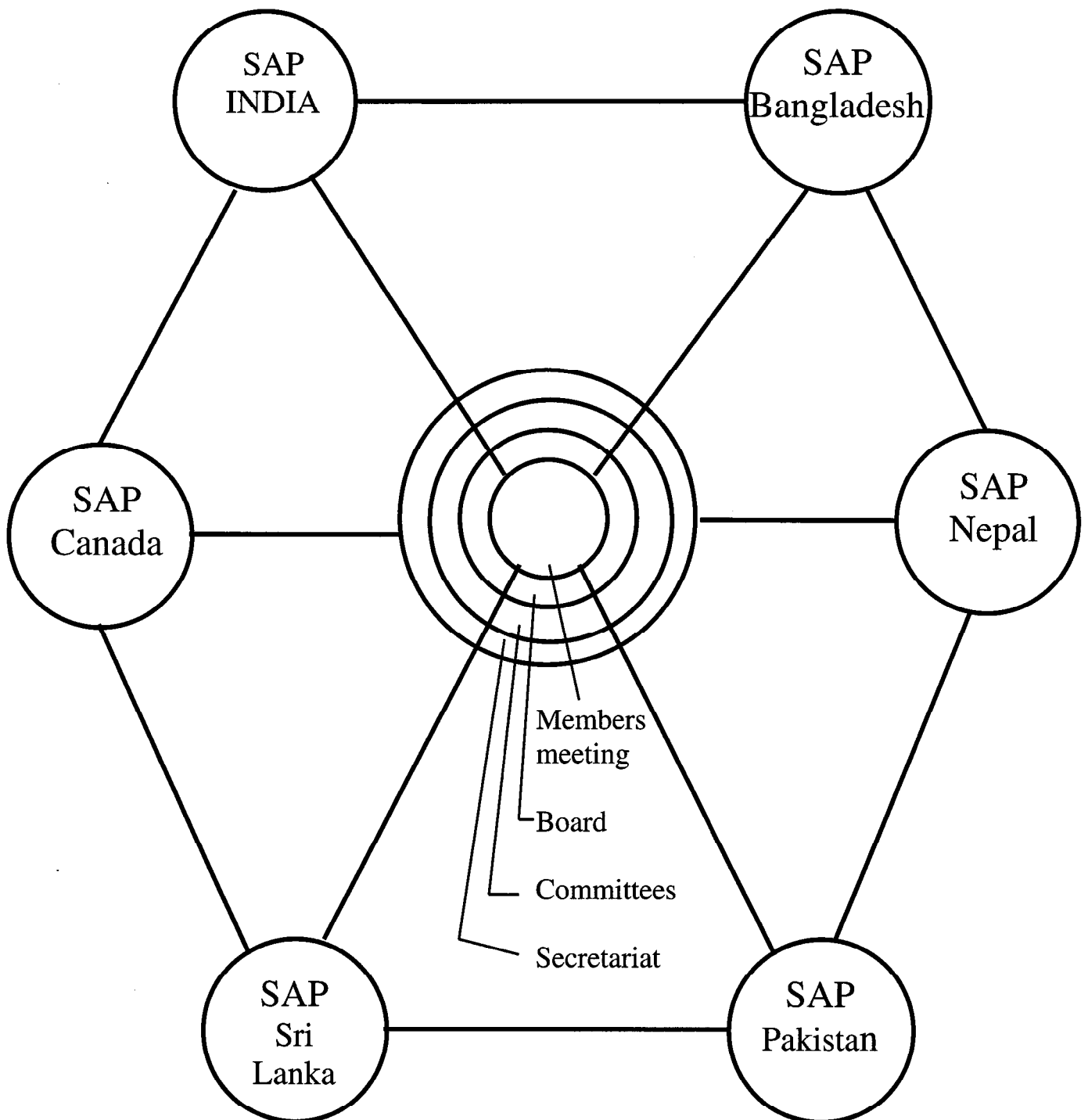**South Asia Partnership Structure**
1986 to 1996

SAP
India

SAP
Bangladesh

SAP
Nepal

**International
Council**

**Secretariat
(Canada)**

SAP
Canada

SAP
Pakistan

SAP
Sri
Lanka

Diagram 2
SAP International Structure

World Wide Fund for Nature
Case Study on Decentralisation

Clive Wicks, WWF UK[9]

Introduction

WWF (World Wide Fund for Nature) is the world's largest independent conservation organisation with more than 4.7 million supporters and a global network in 96 countries. It is also a rare example of a fully decentralised international voluntary sector organisation.

WWF aims to conserve nature and ecological processes by: preserving genetic species and ecosystem diversity; ensuring that the use of renewable resources is sustainable both now and in the longer term; promoting actions to reduce pollution and the wasteful exploitation and consumption of resources and energy. As actions in one country can seriously damage the environment and create massive social problems in another, WWF has to work at the local, national, regional and international levels in order to fulfil its aims. The WWF network employs over 2,500 scientists and support staff. International issues such as the globalization of trade or climate change are addressed by international teams consisting of both scientists and communication staff from throughout the network.

The WWF Network

The WWF network is made up of 27 national organisations, 5 associate organisations and 25 programme offices as well as many NGO partners around the world.

The network (see Diagram 3) is managed by an independent **International Board of Trustees** from 17 countries. Trustees who are not members of the national organisations are chosen because they represent a wide spectrum of society and bring a great deal of knowledge and experience to support the WWF international network.

. There is an **Executive Committee** which consists of the International President of WWF, the Honorary Treasurer, the Chairperson of the Programme Committee and one other independent person. Their job is to recommend the WWF International budget to the board and to advise on financial and policy matters.

The **WWF Programme Committee** is also responsible for advising the board. It usually consists of senior staff from the WWF national organisations or associates and is responsible for advising the WWF international board and national organisations on WWF's conservation programme and policies. WWF has co-opted other people onto

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[9] The information for this study on WWF has been provided by Clive Wicks of WWF-UK and is based on his personal experience of working with the WWF network for 12 years. These are personal views and do not necessarily reflect the views of WWF UK or WWF International.

the committee in the past and it had an independent chairperson until recently. The current chair comes from a national office.

The **National Organisations and Associates** all have their own independent presidents, chairpersons and boards of trustees and comply with the charity law within their own countries.

The History of WWF

The World Wildlife Fund, as it was first called, was formed by a group of individuals who believed in the need for an international organisation that could raise funds throughout the world for wildlife conservation projects with global reach. Switzerland was chosen as the location for the headquarters since the country was seen to be stable and neutral, and so WWF was registered there on 11 September 1961. At first, money was raised through setting up national appeals. Two-thirds of the money raised by the national appeals was donated to the worldwide programme, co-ordinated through Geneva. The countries themselves were then free to spend the remaining third on conservation projects of their own choice.

In disbursing grants for conservation, WWF aims to work with already existing organisations. In the beginning, several quite large grants were made to relatively few organisations and projects. Whilst WWF has broadened the range and size of the grants it disburses, several of the conservation projects first supported, such as initiatives in the Galapagos islands, are still being supported today.

In the 1970s a campaign was launched by the then President of the WWF, HRH Prince Bernhard of the Netherlands, to provide for the overhead costs of the international organisation. The aim was to secure donations of US$10,000 each from 1000 people, giving WWF International a fund of $10 million dollars, the interest from which could be used to cover administration costs. This was an important initiative since it has allowed the public to feel assured that their money is not being spent on overheads, but is instead going directly to conservation projects. The 1970s also saw an anonymous donation being made to allow the organisation to move into a much needed, larger and more modern office.

As the organisation became more involved in a variety of different conservation activities throughout the 1980s, WWF reoriented its policy and strategies. It was renamed World Wide Fund for Nature to reflect the new scope of its activities. The need to integrate development with conservation was at the heart of this new strategy. In collaboration with the United Nations Environment Programme (UNEP) and the World Conservation Union (IUCN) WWF produced a paper called the *World Conservation Strategy*. Fifty different countries adopted the paper's recommendations and incorporated them into their own approaches to conservation.

WWF continued to raise funds through a variety of different schemes internationally. A particularly successful one involved placing rare and threatened species on postage stamps throughout the world, raising US$13 million. WWF also continued developing institutional links: significantly, links were made with 10 major faith groups. ARC (Association for Religion and Conservation) was formed, with the

support of WWF, the Pilkington Trust and the MOA Foundation of Japan, to support these different faith groups in their conservation-related work. The organisation's high profile and good relationships with governments also enabled it to negotiate international schemes such as the debt-for-nature swaps and international moratoriums on issues such as whaling.

The 1990s built on the success of the World Conservation Strategy. A new initiative with UNEP and IUCN led to the publication *Caring for the Earth - A Strategy for Sustainable Living*. This was launched in 60 countries and continues to be influential in government policy-making on environmental issues. For instance, the organisation works with governments to bring about international moratoria which it then helps to implement and monitor. WWF also played an important role in the United Nations Conference on Environment and Development - the Earth Summit - in Brazil, putting pressure on governments to sign conventions on biodiversity and climate change. WWF has also started working with the private sector to help improve their practices. At the same time, work with communities remains a priority, particularly working in ways to involve them in decisions that affect their lives.

Organisational Structure

The structure of the WWF network was reviewed at an International Board meeting in November 1994. The decision was taken to continue the organisation's efforts to decentralise programme management. It was stressed that whilst the programme planning, administration and execution would take place locally, it was critically important to maintain a consistency in the network's global standards, priorities and policies through the work of the international board.

WWF is constituted as a foundation under Swiss Law. It has a set of ultimate goals which are outlined in its purposes and mission. WWF International has a board of trustees and a secretariat. Each WWF national organisation has its own governing board and staff. Although these national organisations are independent, they are linked to WWF International through an agreement to uphold the WWF mission and to use the WWF name and logo. Representatives of the national offices sit on the WWF International Board and also on the programme committee that reports to and advises the International Board. The International Board is chaired by the WWF President, currently Mr Syed Babar Ali of Pakistan.

WWF International is responsible for the planning and management of the international programme of conservation work as well as the development and support of the WWF network. The secretariat carries out the day-to-day running of the international programme, managing the four regional programmes (Africa/Madagascar, Asia/Pacific, Europe/Middle East, Latin America/Caribbean) and the cross-regional policy programme. The secretariat also provides leadership and co-ordination and some funds for project administration, and maintains a database of all the projects approved within the regional and country plans.

The WWF national organisations enter into an agreement with WWF International to work towards common goals and purposes and to conduct operations in accordance with commonly held procedures. They also sign a licensing agreement with WWF in

order to protect the WWF name, symbol and trademark. They adhere to regional priorities and country plans, as defined by the regional subcommittees, and pay a family service fee and all the administrative costs for their projects. Programme Offices can belong to or be a part of either WWF International or a national WWF organisation.

Programme Offices of WWF International report to a Regional Director, although the Programme Office Representatives themselves are fully responsible for the conservation work and for the reporting and accounting of finances, which have to be done in accordance with the standards set by WWF International. They receive a fixed annual amount of support from the International Secretariat for them to use as they see fit.

Country or sub-regional teams develop plans for their countries or regions and develop specific project proposals with the programme office representatives. They take decisions about which projects to fund as well as monitoring and reviewing the Programme Office and its representatives' performance.

Lessons Learned

A network like WWF's will only work when there is a shared vision and mission, a shared international plan of action and strict licensing agreements on the use of the logo which all members of the network respect.

Organisations must be clear from the outset what they want to achieve by setting up an international network. The mission, vision and the rules and regulations for becoming a national organisation or associate must be clearly laid out and agreed with all the organisations concerned. A legal contract must be signed between the international body and its partner organisations, and only after a careful study has been made to ensure that the members can meet standards for programme and financial management. Special reports are prepared on organisations applying to join the network. The reports are prepared by the head of WWF International network services or a senior official appointed by WWF International and are then submitted to the International Programme Committee and WWF trustees for approval.

Networks will only be set up successfully if a considerable investment is made to support them. This includes training in management and fund-raising, and in administrative support. It is important to have a full-time Network Manager to ensure that the international organisation works.

It is essential to have a monitoring, auditing and evaluation service to ensure that the network rules are respected. WWF uses an international firm of accountants to audit national organisations from time to time.

Whilst at all times being responsive to the changing needs of its members, an international organisation has to be prepared to part company with and withdraw the use of its logo if a member of the organisation does not respect the mission, vision and international plans or does anything which undermines the credibility of the organisation as a whole.

At the same time, networks must also be allowed to evolve and this may mean allowing partner organisations to develop at their own speed. In recent years some WWF organisations have moved from being Programme Offices of WWF International, through a phase of being independent associates and have only moved on to become national organisations once they are ready, for example WWF Indonesia and WWF Philippines. Other organisations such as the Nigerian Conservation Foundation have made a decision to keep their national identity.
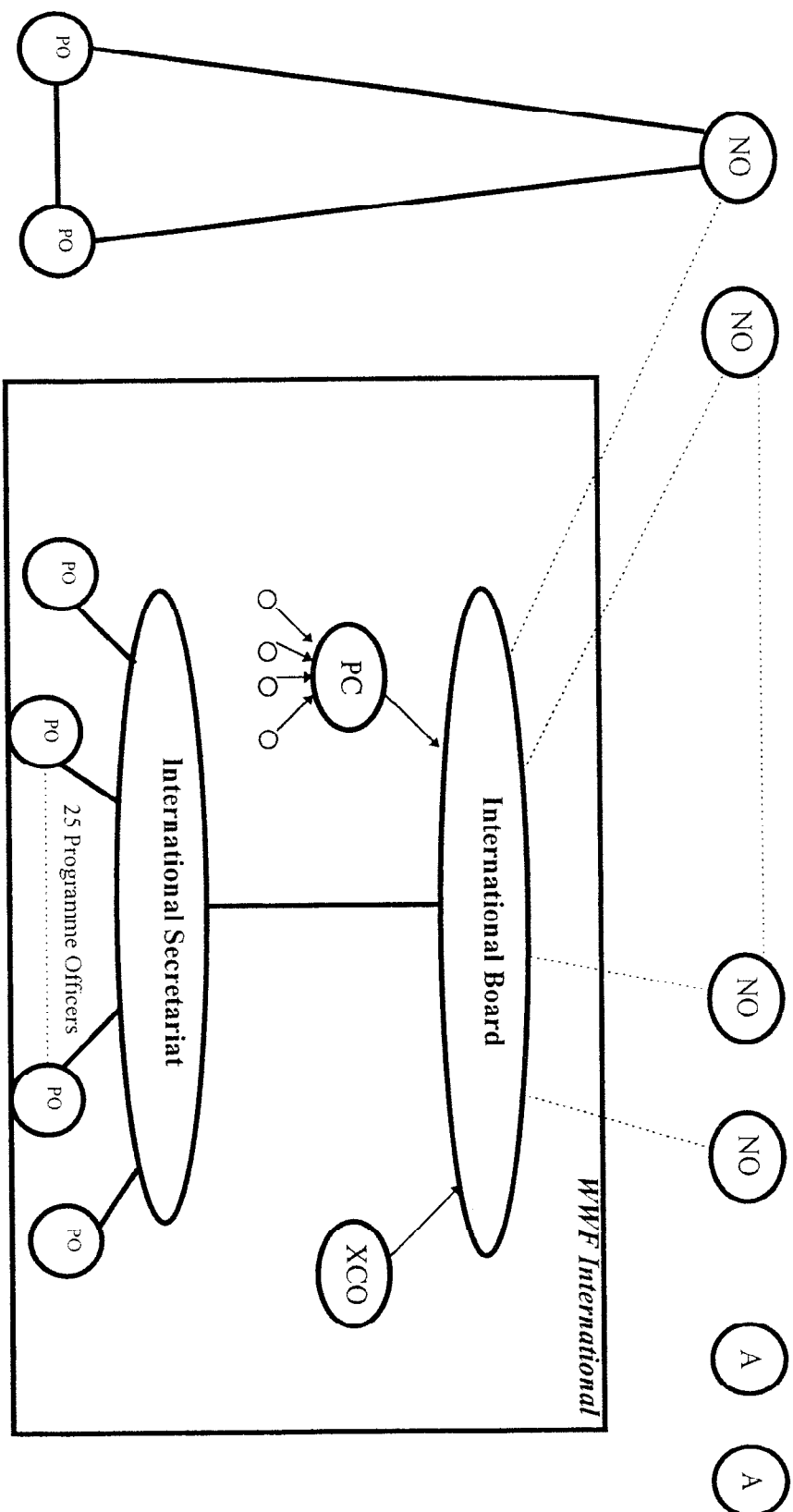
It is important to obtain strong local support when a Programme Office of an international network like WWF is formed in the absence of a national organisation or associate.

International logos such as the WWF panda have to be protected in countries in which WWF has no presence through the legal registration of the logo so that it is not misused or debased.

Challenges for the Future

The biggest challenge for WWF and other similar international organisations is to expand on and improve their networks in order to meet the rapidly changing needs of civil society throughout the world, at the same time as maintaining high international standards of management. The second challenge is to increase local ownership of the international and national programmes throughout the organisation

Diagram 3

The WWF Network

WWF International

International Board

International Secretariat

25 Programme Officers

PC

XCO

PO

PO

PO

PO

PO

PO

NO

NO

NO

NO

A

A

Key
PC   Programme Committee   PO   Programme Office
EXCO   Executive Committee A   Associate
NO   National Organisations

35

Diagram 4
Effective International Organisations

To be effective, international organisations need to have:

Vision

|

Mission

|

Clear rules and responsibilities

|

Legal contracts

|

Adequate planning, co-ordination, management, auditing and monitoring and evaluation

|

Adequate co-ordination and capacity-building support / training by international secretariat

|

Adequate ownership of the national and international programme

|

Flexible systems that allow organisations to buy into all or part of the international mission and plans at their own speed.

A Decentralising European NGO

Sara Gibbs, INTRAC

Background

This case study looks at a process of decentralisation that took place in a large international non-governmental development organisation, based in Europe. Initially, as was typical of many international NGOs founded in the 1960s and 1970s, the organisation's Senior Management team and Board of Trustees were firmly based in the North. Prior to the restructuring of the organisation in 1994 the headquarters had **European based:**

- Directors of Africa and Asia, reporting to the Chief Executive
- Regional Managers, to whom the Country Directors reported
- Desk Officers, who provided support to the Country Programmes
- Programme Specialists, such as Primary Health Care Advisors.

The Country Directors were based in the South. These individuals wielded significant power, autonomy and authority, earning themselves the nickname of 'big country barons' (see Diagram 5).

The 1980s saw the organisation develop transnational affiliations with NGOs in other European countries. These European groups were linked to the headquarters through their membership of the parent organisation's Board.

The Process of Decentralisation

Following a change of leadership in the mid-1990s, a conference was organised to examine the structure of the organisation and to assess how well it fitted with the organisation's mission. This conference presented a number of objectives. Two of the most important were:

- to ensure that every decision is made as close as possible to its consequences;
- to ensure that the corporate management structure is one that is best calculated to bring experience - currently at the edges of the organisation - into the centre of decision-making.

It was decided that to achieve this a process of regionalisation / decentralisation was necessary. A 'Regionalisation Working Group' was appointed, and the process began. A number of steps were taken:

1. The programme activities were the first to be decentralised, leaving the emergencies, advocacy and fund-raising activities within the mandate of the Head Office.

2. The process was to be staggered: decentralisation of the Asia region was to occur first, the intention being to learn the lessons from that experience before devolving power to the Africa region later on in 1995.

3. Regional Offices in Asia and Africa were set up, each having a Regional Director, a Financial Controller and an Administrative Support Team. With the Country Directors now reporting to the Regional Directors (based in the Regional Offices), the Regional Manager and Desk Officer posts in head office were phased out. A new head office post of Regional Co-ordinator (with no line authority) was established to link together the Northern and regional offices.

4. A Programme Development Division was created:

- to continue the central management of emergencies and advocacy;
- to ensure programme learning took place;
- to set and monitor standards; and
- to provide best practice guidelines.

5. The role of the Directors was re-examined. Their 'corporate' responsibilities were more clearly defined as being to act on behalf of the whole agency rather than representing a particular region or function. This was to ensure that the corporate team itself was enabled to deal with global, strategic issues. A Marketing Director was appointed to develop global marketing strategies. However, the Latin America Director had yet to be appointed, leaving the residual Latin America staff based in Europe with ambiguous roles.

The process of decentralisation raised questions about the organisation's long-term future structure. There was discussion about whether the organisation should pursue options of federalisation or affiliation. It was decided, for the foreseeable future, that the organisation would remain a single entity with a strong centre (see Diagram 6).

The Effects of the Decentralisation /Regionalisation Process

Some people in the organisation believe that the decentralisation programme has been successful in that it has pushed the decision-making procedures closer to those affected by those decisions. Others, however, would say that decision-making in the organisation has become more problematic since there is now less clarity over who has the ultimate authority to take decisions. Certain disagreements in individual country offices highlighted areas of uncertainty regarding the head office's power to intervene. This led to some re-thinking of the structure to avoid further crises.

Another impact of the decentralisation process has been that the 'development perspective' of the organisation is now much less 'Northern' and more 'international' than before. Regional Directors are able to bring issues to the corporate table more easily. Similarly, as a result of focusing on regional issues, appropriate solutions to issues in regions have been found much more easily and faster than before. However, some have argued that the pace of change in the organisation's thinking has moved faster than its capacity to respond. This is perhaps due to the fact that whilst considerable time has been spent exploring their approach to development issues, not enough time has been spent considering the organisational implications of a change of perspective.

Accountability

The organisation's accountability in how money is spent is to its donors, to those with whom it works and to its trustees as guardians of that accountability. As in any organisation, this accountability is delegated to the directors and implemented through a mixture of planning and reporting mechanisms. Previously, accountability had been exercised on the basis of a stringent planning process and contentious targeting policies. Drawbacks of this system were that monitoring and evaluation policies relating to measuring the organisation's developmental impact were seen to be too narrow. Furthermore, the planning and reporting structures did not necessarily encourage a consideration of the impact on the wider organisation of decisions taken at country programme level. The system did not encourage diversification of programme activities.

An aim of the new structure was to strengthen accountability throughout the organisation, at the same time as devolving decision-making and certain authority and accountability to the most appropriate levels. There remains a question, however, as to whether this has been achieved through the process of decentralisation. It could be argued that the accountability hierarchies remain the same: what has happened is that the centre has moved geographically closer to where decisions are made. It is also unclear that uncovering some financial irregularities is the result of improved financial monitoring within the new structure.

It has been argued that the Board of Trustees was initially marginalised in the process because the Central Management team was too weak and the accountability of the programme offices was reduced. It was not clear whether the regional offices either added value to the structure or had the confidence of the country offices. It seemed that some of the regional offices were neither controlling the country offices nor contributing to the overall organisational management. Certain of the old country barons seemed even less accountable than previously and there seemed to be nothing anyone could do, for example when one Country Director decided to dramatically reverse policy and sack a number of staff. Only by the staff appealing directly to the Board was the situation confronted. Measures were then taken to clarify some of the ambiguities which clearly still existed in order to restore confidence in the Central Management Team and the new system.

Questions arising from the Case Study

The organisation is continuing to face a number of issues as a result of this process of decentralisation:

- What should the **role of the centre** be now that a number of the functions have been delegated down the organisational hierarchy? How should it be organised? For instance, should there be a centrally located unit for carrying out central functions or should those central functions be carried out on behalf of the entire agency by certain parts of the organisation, irrespective of location?

- Is there a need for **independent quality assurance**? Does the organisation need centralised organisational standards? And how should these be set, monitored and
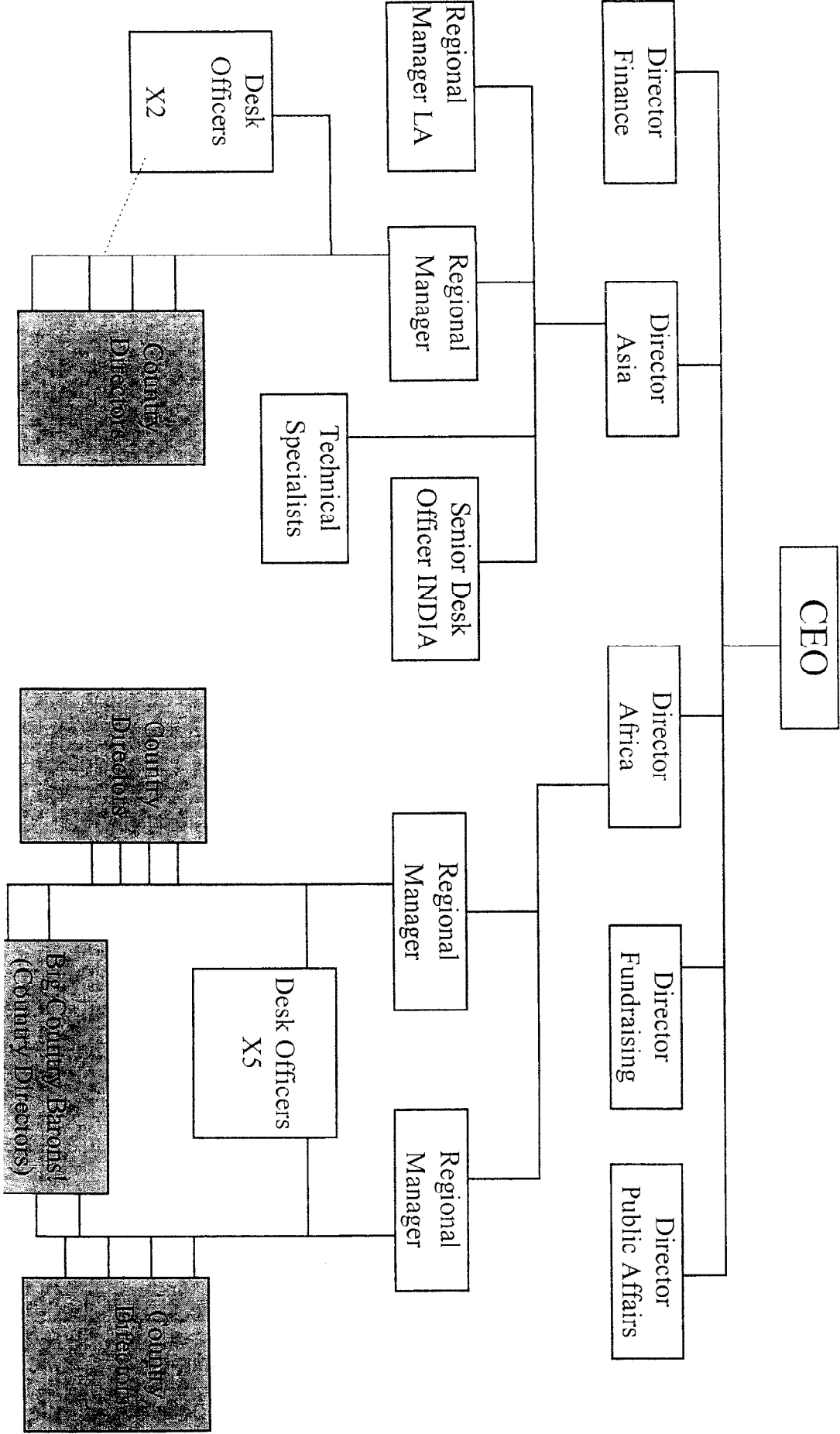
co-ordinated? How does the Board - which retains legal responsibility for the entire organisation - review these?

- What should be the **role of the staff in the North** following the regionalisation process? It was noted that many staff have become unclear as to their identity, authority and contribution to the organisation's mission.

Implications for Management in a Decentralised Environment

- What are the **appropriate levels of authority and accountability** for effective decision-making? It was thought that the effectiveness of the corporate teams was being hindered by their continued involvement in a high level of programme detail.

- How can **operational issues** be dealt with coherently at a global level? The various parts of the organisation only come together in a formal structure to discuss strategic issues, yet there is also a need for that group to consider the organisational issues resulting from the implementation of those strategic decisions.

- Is there a contradiction between the decentralisation of autonomy and the **control of funding** from the North? In order to address this, the organisation is considering the possibility of a more formal contractual relationship between the country programmes and the head office whereby the former agrees to give information in exchange for funds from the latter.

- How can the **dissemination of best practice** take place in a decentralised structure? It is clearly more difficult to ensure that ideas are shared on a global basis rather than unilaterally. Indeed, this raises a key question concerning the change in the role of the Northern based head office. They have moved from being 'commanders' deciding what should happen and how, to being 'influencers' and 'negotiators'. This new role requires listening and sharing information and ideas more freely. Unless there is a considerable degree of information sharing and organisational lesson learning, there is a risk that the organisation could become a group of unrelated country programmes tied together only by a common source of funds. Ensuring the dissemination of best practice is therefore vital.

Diagram 5: The Management Structure of a Large European NGO prior to Decentralisation

All positions, except the Country Directors, are based in Europe.

CEO

Director Finance

Director Asia

Director Africa

Director Fundraising

Director Public Affairs

Regional Manager LA

Regional Manager

Senior Desk Officer INDIA

Technical Specialists

Regional Manager

Regional Manager

Desk Officers X2

Desk Officers X5

Country Directors

Country Directors

Big Country Barons! (Country Directors)

Country Directors

Diagram 6
The Management Structure after Decentralisation

Key:
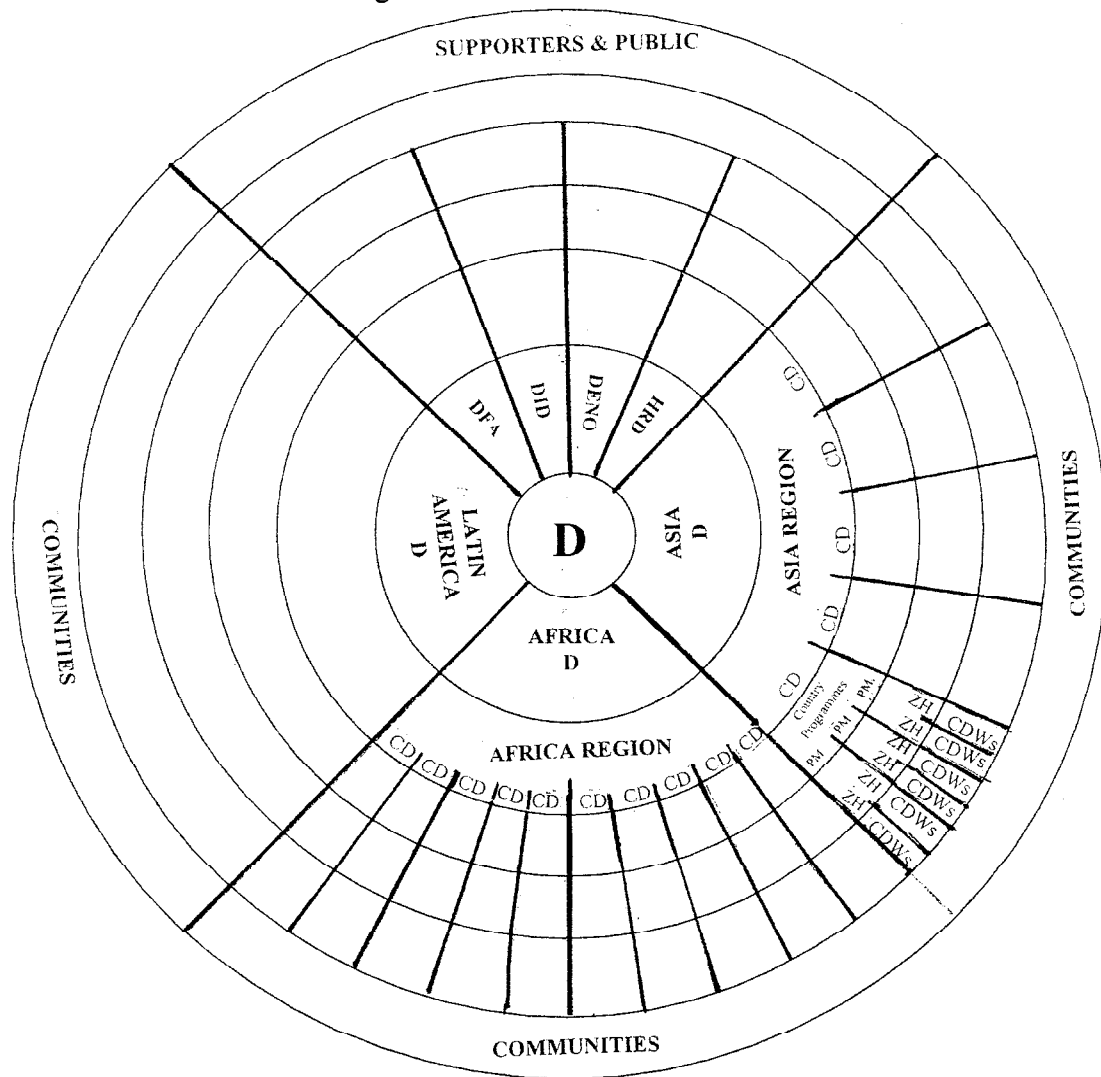
D	Director
DFA	Director of Finance and Administration
DID	Director of International Division
HRD	Human Resources Director
DENO	Director of European National Office
AsiaD	Asia Director
Africa D	Africa Director
L America D	Latin America Director

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CD    Country Director
PM    Programme Manager
ZH    Zonal Head
CDWs  Community Development
Workers
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Conclusion

Ian Smillie

There are two basic principles to bear in mind concerning decentralisation. Firstly, decentralisation is not a religion. It will not solve all problems and it is not always right for all organisations or all situations. The reasons for doing it are not the same for different sets of actors. Secondly, it is not new. It was central to the evolution and maintenance of the Roman Empire. Failure to remember 'lessons learned' from that adventure (among other things) helped ensure Britain's loss of the 13 American colonies in the eighteenth century. Remembrance, however, of the America lesson helped keep the British Empire going for almost two more centuries.

Decentralisation is important to the private sector, for many of the same reasons that it is important to NGOs. Consider, for example, a bank that wants to operate a branch miles away from head office. Decentralised decision-making, up to a point, is essential in order for it to be able to compete, and even to function. It *must* have local knowledge, it must understand the local community. Decentralisation obviously makes sense from a cost perspective as well.

NGOs, of course, have a different bottom line, and one would not wish to compare them too closely with either the private sector or the Roman Empire. At the Workshop on Decentralisation, different reasons were mentioned as to why decentralisation makes sense for NGOs. Personally, one of my first lessons in decentralisation took place in Nigeria during the Biafran War. I was trying to run an NGO programme; meanwhile, at home the head office staff were passing resolutions and holding street demonstrations about Nigerian government genocide without thinking about the impact this might have on our programme, and without consulting the field as to what they were doing and thinking.

Rapid and profound changes in the Northern NGO scene have implications for the way decentralisation manifests itself. Where once Northern NGOs offered solidarity, expertise and money, today the need is essentially reduced to solidarity and money. Much of the best and most appropriate expertise is available locally. 'Solidarity' - always a vague concept - has not become clearer with this change. And that leaves money. When money is the fundamental basis of a relationship, and where one partner has it and the other does not, the friendship can become lopsided.

As far as decentralisation is concerned, it became apparent at the workshop that NGOs have undertaken different forms of decentralisation for various reasons:

- to make money (to obtain contracts in the South where more and more donor decision-making is taking place);

- to save money, by pushing units out to places where costs are lower;

- to encourage real devolution and local ownership, because it makes good sense in development terms; and

- to solve power struggles within the organisation (although if it is done for this reason, it runs a major risk of backfiring: the most likely outcome will be the creation of dysfunctional baronies and fiefdoms).

Timing is a historical factor in explaining why some NGOs have decentralised one way and not another. CARE and Oxfam approached it by setting up branches in countries such as Canada and Australia in order to raise more money, thinking there was a shared vision. SCF, mainly the US branch, set up independent Southern offshoots, thinking they would provide less expensive programming platforms. In such cases it turned out that there was not a truly shared vision, especially on the part of the offspring, who did not want to be treated as a mere source of labour and funds for the mother house. The difficulties in sorting these problems out through the 1970s and 1980s may have made these organisations more cautious about revisiting the subject of decentralisation, despite the fact that it is now more popular with others.

Decentralisation is becoming more and more important to larger NGOs for reasons other than good management and political correctness. Changing global imperatives, the end of the Cold War, the arrival of the contracting era, the rise of the Southern NGO and *competition* are all driving change at new and more relentless pace.

It cannot have missed the attention of organisations such as Oxfam and CARE that child sponsorship (of which they have none), is now a major industry, and organisations like Plan, World Vision and Christian Children's Fund today command resources in excess of one *billion* dollars. CARE's proliferation throughout Europe had coincided with Oxfam's incorporation of NOVIB, Intermón and its new investment into a functioning Oxfam International structure.

If these super-NGO networks are going to work, however, they need the same sorts of glue that held together the Roman Empire and Hudson's Bay Company. The two most essential features of this glue are:

Vision: not a set of bullets in a loosely worded motherhood agreement, but a real shared vision of what the institution wants to achieve; a vision that helps to shape attitude and behaviour throughout the organisation. This vision seems most evident in World Vision and the Worldwide Fund for Nature, two of the most successful and most decentralised of the super NGOs;

Governance: governance is about contracts (written and unwritten, but real nevertheless), power and decision-making: who has it and how it is exercised. There are many ways of establishing governance, but for decentralisation to work, governance must be formalised, with real standards, and real sanctions where these are not observed.

For me, the real decentralisation challenge for northern NGOs has to do with what I call 'the development Mason-Dixon Line'. The Mason-Dixon line was used in the nineteenth century as an attempt to deal with slavery in the US, dividing those American States that were free of slavery from those that were not. Getting north across the Mason-Dixon Line must have been a dream of all slaves. The arrangement was, of course, inherently flawed and it ended in the American Civil War.

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Northern NGOs, especially those that have become large and decentralised, have a similar problem. They eagerly open branches throughout Europe, North America and Australasia, but many of them falter and resist when it comes to sanctioning, say, an independent Oxfam India or an independent CARE Thailand. Many 'reasons' for 'waiting' are given: *we* are accountable for the money (although in the end, regardless of structure, it is mostly *they* who spend it); we have to protect our 'good name'; and of course there are problems of probity (although more than one Northern executive director has done time for fraud).[10]

This kind of decentralisation, apparently so radical and risky to some, is also not new. Churches and trade unions have done it. The private sector has done it. Those organisations with the clearest vision - WWF and World Vision - have done it. But most of the rest have not. To me, this is the last great hurdle in taking the large Northern NGO towards a truly new vision for itself, its role, and an end to the lopsided friendships of the past.

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[10] See, for example, *The Alms Bazaar*, IT Publications, 1995.