MODULE 5
EFFECTIVE NGO GOVERNANCE

Good governance is key to the growth and sustainability of nongovernmental organizations (NGOs). Module 5, “Effective NGO Governance,” presents methods and techniques for planning and implementing actions to improve an organization’s governance. By the time you have finished the reading and activities you should have acquired the knowledge, skills, and attitudes to:

• List the two major responsibilities of an NGO’s governing body and provide at least three examples of how this group carries out each of these responsibilities.

• Differentiate between the following word pairs. (Suggested responses are located at the end of the module.)
  
governance — management  
monitoring — evaluation  
NGO’s purpose — NGO’s mission statement  
articles of incorporation — bylaws  
standing committee — ad hoc committee  
facilitator — authoritative leader

• Summarize, in 35 words or fewer, how the new work of boards improves governance. (A suggested response is found at the end of this module.)

• Demonstrate an understanding of the strategic planning process by correctly completing the following statements. (Suggested responses are located at the end of the module.)
  
Strategic planning involves a time frame greater than _________.
To ensure buy-in by the NGO’s stakeholders the planning process should be__________. Before writing goals and objectives, planners need to survey the organization’s ____________ and ____________ environment and clarify the organization’s _________ and _________. The NGO’s ________ usually prepares the strategic plan; the plan must be approved by the NGO’s ________ or _________.

• Describe two or more activities a Volunteer might institute with his or her Counterpart(s) or coworkers to improve the governance of an NGO.
NGO GOVERNANCE

An NGO’s sustainability—it’s ability to serve its clients over the long term—depends largely on the quality of the organization’s governance. In this module we explore who governs an NGO, how they govern, what factors contribute to effective governance, and the roles a Peace Corps Volunteer (PCV) might play in improving an NGO’s governance.

Your ability to work successfully with NGO stakeholders to improve the organization’s governance depends on several personal competencies:

- Your people, language, and cross-cultural skills;
- Your energy, motivation, and attitude; and
- Your understanding of the basics of NGO governance.
**ACTIVITY 5:1**

**NGO GOVERNANCE QUIZ**

Test your knowledge of NGO governance by taking the following quiz.

**Instructions:** Match each phrase/word in the left column with a phrase/word in the right column. There may be more than one correct match for each item.

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<thead>
<tr>
<th></th>
<th>1. Ad hoc committee</th>
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<td></td>
<td>2. Advisory committee</td>
<td>b. Chairperson/President</td>
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<td>3. Articles of Incorporation</td>
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<td>4. Bylaws</td>
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<td>5. Leader of NGO’s governing body</td>
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<td>6. Mission statement</td>
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<td>8. NGO’s chief operating officer</td>
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<td>9. NGO stakeholders</td>
<td>i. Legal document</td>
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<td>j. Nominating committee</td>
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<td>k. Rules for conducting an NGO’s affairs</td>
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<td></td>
<td></td>
<td>l. Group is terminated when its tasks are completed</td>
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Check your answers with those suggested at the end of the module.
“Information by itself is not knowledge; it requires the addition of experience and consideration.”

–Philip Crosby

NGOS WITH A HIGH LEVEL OF GOVERNANCE CAPACITY

To understand effective NGO governance, we look first at a typical governance structure of an NGO with a high level of capacity. A clear picture of effective governance makes it easier to plan actions that move an NGO in the direction of better governance. As you read through the next few pages, your reaction will probably be, “But the NGOs where I am do not function like this!” You are probably right. Most NGOs lack effective governance. Later, we will discuss the NGO realities that Volunteers frequently encounter.

NGOs are directed and controlled by a governing body, or a board of directors. You may also encounter names such as board of governors or board of trustees. In most countries, the board has a legal, moral, and fiduciary responsibility for the organization.

Board’s Major Responsibilities

• Acquire and protect the organization’s assets
• Make certain the organization is working to fulfill its mission

At their best, boards reflect the collective efforts of accomplished individuals who advance the institution’s mission and long-term welfare. The board’s contribution is meant to be strategic and the joint product of talented people. People on a board are brought together to apply their knowledge, experience, and expertise to the major challenges facing the institution.

Strategic thinking and oversight characterize the board’s leadership role. An effective board organizes itself to carry out its duties and responsibilities. To manage the day-to-day operations of the NGO, the board of directors appoints an executive director, sometimes called the chief of operations (CEO). Tensions and inefficiencies result if responsibilities, authority, and working relationships of board and staff are not clearly defined.
A LEARNING MOMENT

The executive director, as you can imagine, has many duties. He/she administers and manages all day-to-day operations of the organization, including:

- hiring and supervising staff,
- monitoring programs and finances,
- providing ongoing leadership,
- advising and reporting to the board on the NGO’s operations, and
- speaking on behalf of the organization as delegated by the chairperson/president of the board.

In our discussion of effective governance, the information is broken into three topics: board structure, governing documents, and board functions.

BOARD STRUCTURE

Boards tend to work effectively when they are structured to carry out each unique mission of the NGO and maximize the individual talents of board members. Dividing the board into committees is a common mechanism for:

- Organizing the board’s work to accomplish the NGO’s mission.
- Preparing board members for making informed decisions.
- Using board members’ skills and expertise (i.e., a board member with financial experience serves on the finance committee and one with a deep understanding of the clients’ needs serves on the program committee).
- Providing opportunities to become involved and serve the organization.

Below is an example of one board structure for a high-capacity NGO. Keep in mind that no one board structure is a good fit for all NGOs.

Chairperson of the Board

- Usually is elected by the board for a set term.
- Presides over general board meetings.
- Speaks on behalf of the organization to the public and media.
- Chairs the executive committee.
Vice Chairperson

- Usually succeeds the chairperson at the end of his or her term in office.
- Assists the chairperson and serves in his or her absence.
- Often chairs the nominating committee.

Standing Committees

- Normally are described in the bylaws.
- Usually include the:

  **Executive Committee:**
  Board chairperson/president, vice chairperson, secretary, and treasurer. Executive committee has authority to make certain decisions between meetings.

  **Finance Committee:**
  The treasurer usually chairs this committee. It provides financial oversight for the organization, advises the board on the budget and financial affairs.

  **Nominating Committee:**
  Often chaired by the NGO’s vice chairperson. Identifies new board members and nominates individuals to serve as NGO officers.

Ongoing Committees

- Normally not prescribed in the bylaws, but necessary to achieve the organization’s mission.
- Might include a program committee, marketing committee, research committee, education committee, etc.
- Allow the board more flexibility to conduct its business and tailor committees to fit the mission of the organization.

Ad Hoc Committees or Task Forces

- Given assignments to be completed in a specified time (fundraising or a special event).
- Disband after their task has been completed.
- Often extremely productive because they have defined tasks to complete within a limited time frame.
Advisory Committees

- Individuals with specific expertise selected as committee members.
  They provide the board with information and advice to understand difficult or complex issues such as a construction project, client demographics, trends in government support, public policy debates, etc.

- Offer advantages to both the committee members and the board.
  Committee members have an opportunity to learn more about the NGO and its board—some may be recruited later as board members.

- Can provide a greater division of labor and fresh new perspectives.

GOVERNING DOCUMENTS

Three documents form the basis for NGO governance: articles of incorporation, bylaws, and the mission statement. These documents, along with the minutes of board meetings, budgets, financial statements, and policy statements, communicate how the organization is governed, individual responsibilities, the organization’s past, and the organization’s future plans.

The articles of incorporation is a legal document that is filed with the appropriate government agency to register the organization as an NGO. Incorporating an NGO, according to the statutory authority of the country, may protect the NGO and its members from unhappy consequences, such as liability for the organization’s debts. Tax advantages are available to registered NGOs in a few countries.

Law prescribes the form and content of articles of incorporation. Although requirements vary from country to country, typical items required in articles of incorporation for an NGO include:

- Name of the organization.
- Duration of the organization (usually perpetual).
- Purpose for which the organization is formed.
- Provision for conducting the internal affairs of the organization.
- Names and address of the incorporators.
- Address of the initial registered office and name of the initial registered agent of the organization.
- Provision for distribution of the assets of the organization on dissolution.

The stated purpose of the organization should be broad enough to enable the organization to evolve as necessary to serve its constituency. The Peace Corps is not an NGO, but its purpose—to promote world peace and understanding—
illustrates the broad scope that is desirable in an NGO’s purpose. Articles of incorporation outline the organization’s form. A set of bylaws, developed by the organization’s constituents and approved by the board, supplements the articles by prescribing detailed rules for governing the organization.

Bylaws often begin with a restatement of the name and purpose of the organization as written in the articles of incorporation. Bylaws are internal documents, a set of rules that enables each organization to conduct its affairs. It is important they be written clearly and in language that is easily understood by all organization stakeholders. Typical items addressed in the bylaws are:

- The frequency, notice, and quorum requirements for organizational meetings.
- Voting qualifications, proxies, and procedures for approval of board items.
- The number and term for members of the board, scope of authority, method of nomination and election to the board, and provision for filling vacancies.
- List of board officers, method of nomination and election, terms of office, powers, duties, and succession.
- Membership and authority of standing committees.
- Title and scope of authority for the executive director/Chief of staff.
- Record-keeping and financial reporting responsibilities.
- Amendment procedures for the bylaws and provisions for dissolution of the organization.

It is wise to stop short of having too much detail in the bylaws to allow flexibility and avoid the necessity of frequent amendments.

For example: A new environmental NGO wants to raise funds on behalf of the local wildlife and decides on an annual banquet as a fundraiser. Over time, this event declines in popularity and the organization decides to make posters and sell them instead of holding the annual banquet. If the bylaws specifically mandate the existence of the banquet committee, the organization would have to work through an amendment to make the operational change. It is better for the board to have the authority to abolish the old committee and establish a new one so that it may proceed with the new project.

Writing and gaining approval for a set of bylaws takes thought, time, and the involvement of the organization’s constituents. Bylaws should be written with an emphasis on fair treatment and transparent governance. Review the bylaws of several NGOs before attempting to write a new set of bylaws.

The mission statement is a communications tool—it guides the board and staff and explains the nature of the NGO to those outside the organization. Therefore, it needs to be concise and memorable. The Peace Corps’ mission is expressed as three goals. Almost every trainee, Volunteer, and Peace Corps staff member
knows and can communicate these three goals to others. If there were 15 goals, would you remember them?

The mission statement is generally more specific than the NGO’s purpose that appears in the articles of incorporation. Some mission statements are a single sentence, some a short paragraph, and some bulleted statements. The mission statement expresses the group’s vision and values. Writing a mission statement forces NGO stakeholders to think through their priorities and carefully align behavior with beliefs.

A mission statement should clearly and concisely answer all three questions shown in the following formula.

Who does the NGO serve? + How are they served? + Where are they served? = a complete mission statement

For example, Junior Achievement-Czech Republic’s mission statement is to “Provide a quality economic education for youth in the Czech Republic.” In approving the mission statement, the organization gained the buy-in from Junior Achievement-Czech Republic’s stakeholders—the board, the staff, teachers, contributors, and even students. It took three months to formulate and gain acceptance for this statement. The mission statement is clear. The NGO serves youth. The service provided is “a quality economic education.” The services are in the Czech Republic.

As situations arose, Junior Achievement-Czech Republic was able to rely on their mission statement for guidance. “Quality economic education” translated into spending money to develop and print up-to-date, interesting student textbooks. Teacher training became a priority. When requested to conduct adult business classes, the organization said no, explaining that their mission was to educate youth.
ACTIVITY 5:2

IMPLICATIONS OF REGISTERING AN NGO

Ask your Peace Corps trainers to arrange for a local authority on NGO registration to discuss the following with you:

- Regulations and processes for registering an NGO.
- Benefits of registering an organization as an NGO.

Formulate the questions you want answered. They might include the following:

- What types of organizations can register as NGOs?
- Are there legal restrictions on the number or types of board members, how the NGO obtains funding, etc.?
- Where do you go to register an NGO—which government agency?
- What is the registration process, including documents required and costs involved?
- What are the benefits of registering an organization as an NGO?
- How do government regulations of NGOs affect what NGOs can and cannot do?
BOARD FUNCTIONS

As a governing body, the board has two major responsibilities:

1. Acquires and protects the organization’s assets.
2. Makes certain the organization is working to fulfill its mission.

The following functions enable the board to carry out its responsibilities.

Planning: The board develops strategies to ensure that the mission and purpose of the NGO are carried out. Board members approve short- and long-range plans for the organization. They monitor the effectiveness of the organization’s programs to see if they have met the goals and objectives outlined in the plans.

Personnel: The board hires the organization’s chief operating officer (often called the executive director), makes assignments to the executive director, and monitors his or her performance. It is appropriate for the board or its personnel committee to do a formal performance appraisal of the executive director at least annually. The board approves salary scales and job descriptions for the other staff members who are hired by the executive director. The board approves the personnel policies for the organization. Effective board members respect each other and support the staff.

Financial: The board approves budgets for the organization. No funds should be expended unless the funds are included in a budget approved by the board. The board approves spending reports that are submitted to them on a regular basis. The board is responsible for the legal and ethical actions of its members and those of the organization.

The board is responsible for procuring adequate resources to enable the NGO to fulfill its mission. This includes approval of fundraising plans. Board members are expected to participate in fundraising, and most board members are expected to contribute to the bottom line. An exception is when clients, who may be poor, serve on the board.

Public relations: Board members are aware of all of the organization’s activities and encourage participation in appropriate activities in the community. The board seeks opportunities to enhance the public image of the organization.

Monitoring and evaluation of programs and services: Monitoring is the process of routinely gathering information on key aspects of a project, program, or organization to determine if things are proceeding as planned. Monitoring can identify problems when they are small and easily corrected. Monitoring answers the question, “Are we on the track?” Evaluation answers the question, “Are we on the right track?”

The board approves monitoring and evaluation systems and reviews their results. The executive director, staff, and other stakeholders implement the systems. The board uses monitoring and evaluation information in making decisions to allocate resources and strengthen programs and services.
**Board development:** NGO members may elect the board, but, more often, the board recruits and selects new board members and adopts procedures to encourage excellent board members to continue their service. The board is responsible for creating the diversity and ownership of the wide range of constituency in the NGO. The board monitors and evaluates its own members to ensure that the board is performing effectively.

Finding committed, talented, and willing people is a challenge that each board must face. A diverse board increases the board’s effectiveness and expands the leadership base. As the board looks for talented people, the following attributes should be considered:

- **Expertise:** It is desirable to have some board members with personnel management, fiscal, or legal expertise.

- **Commitment:** An essential characteristic is the commitment a board member has to the organization and its mission.

- **Diversity:** Inclusiveness is better achieved when a board has an equal number of men and women; people of different ages; representatives of the major races, ethnicities, and religions of stakeholders; and representatives of the client populations being served.

Board members have a better chance of being effective if they quickly become familiar with the organization, the board’s responsibilities, and structure. The chair of the nominating committee or chairperson of the board often conducts board member orientation. The NGO’s staff can prepare an orientation notebook containing copies of the NGO’s bylaws, mission statement, strategic plans, board structure, minutes of the last board meetings, and other useful information to present to the new board members at their orientation.

To retain good board members, make the meetings interesting and productive. At least a week before the meeting, send out a meeting agenda and the topics that will be discussed. (See the example below of a board meeting agenda.) Provide board members with opportunities to become involved with specific projects. Board members are more likely to stay active if they have meaningful work.

Thank board members for their work—they are volunteers. Have fun, hold social events, and try to create a sense of community and commitment.
A SAMPLE AGENDA FOR BOARD MEETINGS

Approval of the Minutes of the Previous Meeting

A formal vote is needed to approve the minutes. Minutes should be distributed to all members and not read aloud at meetings.

Chairperson’s Report

The chairperson should state before each item which items are informational and which require board action. The chairperson should remind the members that only policy-making recommendations require board action.

Executive Director’s Report

This report should be in writing. If it is lengthy, it should be distributed before the meeting. The executive director should then highlight important aspects of the written report and take questions.

Financial Report

This report should be included in the executive director’s report, with a summary of where the organization is financially, highlighting income and expenses, project costs, and other pressing financial matters.

Committee Reports

Committee reports should be in writing unless they are very brief. After giving the report, the committee chair should make specific motions when board action is required. Only policy items require board action; no board action is required when the committee chair is simply providing information.

Unfinished Business

The only items belonging in this section are ones raised at previous board meetings. The chairperson should remind the members when the item was raised originally and why it was postponed.

New Business

Major items of business are discussed as part of the chairperson’s report, executive director’s report, or committee reports. At the beginning of the meeting, members are asked if they have additional agenda items, and the chairperson has the option of placing some of these items under New Business.

Discuss Critical Issues (Limit to one or two)

The chairperson outlines the critical issues from his or her perspective and opens the floor for other perspectives and in-depth discussion and analysis.
Next Steps

Identify the critical steps that must be taken before the next meeting and make assignments and due dates.

Adjournment

No formal action is needed. The chairperson announces the date, time, and place of the next meeting or committee meetings, and adjourns the board meeting.

WHAT MAKES BOARDS GREAT

There is a new movement afoot in nonprofit boardrooms. It is called “new work,” another term for “work that matters.” It is a way of moving boards from low-level activity and feelings of discouragement and underutilization to working on issues that get boards charged up with a feeling of success and contribution.

The “new work” movement has four basic characteristics.

1. It concerns itself with crucial, do-or-die issues central to the institution’s success.
2. It is driven by results that are linked to defined timetables.
3. It has clear measures of success.
4. It requires engagement of the organization’s internal and external constituencies.

“New work” generates high levels of interest and demands broad participation and widespread support. Using the following “new work” strategies, boards are finding that their work is more fulfilling and NGOs are seeing the positive impact.

Find out what matters. To do “new work,” board members and management together must determine the important issues and the agenda of the organization. Board members need to understand what the executive director sees as the critical issues. They also need to know what other stakeholders and industry experts think. No one person knows enough to be a sole supplier of information and counsel.

Spend time on what matters. The concerns are not if it is a question of policy or implementation, the question is—is it important enough for the board’s attention. In the old work, boards did not implement; they designed policy to govern the NGO. In the “new work,” it is a question of what is important for the board to spend time on. For example: In a capital campaign, establishing priorities and goals is setting policy, while identifying prospects and making calls is implementation. In the search for an executive director, determining selection criteria is making policy; designing the procedure and conducting the interviews is implementation.
**Organize around what matters.** For the “new work” to happen, substance must dictate structure. The work of the committees, work groups, and task forces must follow the organization’s strategic priorities.

**Focus meetings on what matters.** Design each meeting, asking the questions:

- What is the purpose of this meeting?
- How can we organize it to fulfill that purpose?

Four common responses from board members and some suggested activities are:

**We need more background to make a decision.**

Convene a meeting to engage and educate the entire board about issues facing the organization. The goal is to air views, invite questions, and consider alternatives—not to win an argument. No specific decision will be made and no votes will be taken.

**We don’t know what to do about a current problem.**

Form small groups to generate more involvement and ideas. Boards must grapple with complicated issues that defy easy solutions; get multiple perspectives; and develop solutions that reflect the group’s best thinking.

**We face a crisis.**

In times of crisis, set aside usual board business to concentrate on the task at hand. A crisis could be the death of an executive director, the loss of a major funding source, or a split within the board itself. Review the mission statement in times of crisis to help the group stay on course.

**We need to deal with sensitive governance issues.**

Hold an executive session. Executive sessions are for board members only.

ACTIVITY 5:3
GETTING TO KNOW THE GOVERNANCE OF A LOCAL NGO

Ask the executive director of a local NGO if you can interview him or her. Develop a set of interview questions about the structure and governance of the organization. Review the NGO Capacity Profile in the appendix to Module 3. Work with your language instructor or a colleague to ensure you are asking questions in a culturally appropriate manner and using the best language possible.

Sample questions:

• What adjectives would you use to describe your board?

• How would you describe the members of the board and how do they help you?

• How many board members do you have; in what ways do they participate in the governing of the NGO?

• Does the board have committees; what functions do they perform?

• How do the NGO bylaws help you govern the NGO?

You may find it difficult to get specific information about the board for many reasons—culture, language, openness of the executive director, etc.

After you have gathered the data, use the NGO Capacity Profile to determine the NGO’s governance capacity. What strategies might you suggest to improve the NGO’s board if you were working with this organization? How would you proceed? What approach would you take with the executive director to get his or her commitment to your suggestions?

What have you learned during this activity that you plan to use in working with NGOs during your Peace Corps assignment?
THE REALITY OF NGO GOVERNANCE

In the last several sections, we have described effective NGO governance and how ideal boards operate, and you have participated in activities to increase your understanding of governance. The reality is that most NGOs do not have effective governance and those that do usually do not need Peace Corps Volunteers. It is time to explore the reality of NGO governance and think about how PCVs can apply what they have learned to help NGOs govern more effectively.

“Experience is not what happens to you; it is what you do with what happens to you.”
— Aldous Huxley

NGOs are born out of a desire to solve a problem, meet a need, or create new opportunities to help others. They often start out as small organizations with two or three friends and colleagues as members of the governing body and volunteers functioning as staff. Sometimes the NGO is started and run by only one individual. As these founders gain experience, the organization evolves from a group of friends managing all aspects of the NGO to one that depends primarily on hired staff to handle the day-to-day activities. The core group of founders may resist for a long period of time increasing the diversity and inclusiveness of the governing body. Although it is not unusual, and perhaps normal, for difficulties to emerge as the NGO matures, it is still difficult and uncomfortable for those making the transition from a small group of dedicated individuals to an effectively governed, professionally managed organization. It can be great fun and very satisfying to be part of a developing organization, but the road is usually rocky.

Talk to your NGO Counterpart or co-workers to determine “their priorities” for improving the NGO’s governance. Use the NGO Capacity Profile (see Module 3 appendix) to identify the organization’s governance capacity. Note: Most Volunteers report their colleagues don’t select the same priorities the Volunteer would choose. It is their choices that count.

Decide on one or two doable tasks. The task may be as small as keeping written minutes of the board meetings. Small successes build confidence that larger changes are possible. People tend to get tired and give up if the plan is too grand or takes too long to accomplish.
STRATEGIC PLANNING FOR NGOS

Are the organization’s board and staff ready to plan for a week, a month, six months, or a year? Encourage them to start planning at a level that is challenging but has a high probability of success. Strategic planning is a good practice, but the NGO you are working with may not be ready to do a strategic plan. Organizations that have never done a one-year operational plan most likely do not have the experience to undertake long-range planning. The good news is that many strategic planning concepts apply to shorter-term planning.

“If you prepare yourself at every point as well as you can, with whatever means you have... you will be able to grasp opportunity for broader experience when it appears. Without preparation you cannot do it.”
— Eleanor Roosevelt

A strategic plan does not guarantee you will reach or exceed your goals. But, at the very least, it provides you with a clear, well-lighted path to reach them. Governing an NGO in the absence of a thoughtful strategic plan is like going on a hike in the middle of the night without a flashlight, a map, or knowledge of the terrain. You may reach your destination, but not on time. Or, you may become lost or stop before you get where you want to go.

Sometimes strategic planning is flawed because the plan fails to integrate the spirit or higher purpose of the organization, the commitment of its members, its ideals, or the reason the NGO was founded. Other times, the plan focuses only on the higher purpose and ignores the realities that every organization faces. And, in a surprisingly large number of cases, NGOs don’t bother to create strategic plans—they just do not place much faith in such plans or they don’t believe they can implement them.

If an organization does not have a strategic plan, the board and NGO management probably deal informally with many strategic issues—a practice that may allow crucial facts, ideas, and assignments to fall through the cracks.

There are a number of good strategic planning systems. The outline below has been used successfully by Volunteers to assist NGOs in thinking through their strategic plans.
A MAP OF THE STRATEGIC PLANNING PROCESS

Plan to Plan

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<td>Staff writes strategic plan including a financial plan</td>
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<td>NGO board adopts strategic plan</td>
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<td>Staff and board implement plan</td>
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<td>Monitor to determine that plan is being carried out as designed</td>
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<td>Evaluate to determine if the plan has achieved the intended goals and objectives</td>
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For additional information read Strategic Planning Workbook for Nonprofit Organizations (see Resources section at the end of the module for information).

THE PEACE CORPS VOLUNTEER AND NGO GOVERNANCE

Did you learn to drive a car by sitting in the car and having someone else do the driving, or did you learn by driving the car yourself? The people who taught you
to drive probably more than once fought the urge to “do it themselves” or to “take control.” Aren’t you glad they resisted, and let you make some mistakes and gain the skills to become a good driver?

It is easy to become passionate about the work of an NGO. You may be tempted to step out front and lead or try to do everything yourself. However, as a Volunteer, your assistance from the sidelines as a coach and sometimes cheerleader is a better approach to assisting the NGO’s board and staff in developing the knowledge, skills, and attitudes that result in a strong sustainable organization.

The message is not “sit back and advise.” Struggling NGOs need an extra pair of hands, new and different ideas, and someone to help them network. So, roll up your sleeves and get to work. Help the board and staff:

- Write a mission statement.
- Register the NGO with the designated government agency.
- Recruit board members and volunteers.
- Prepare clear, concise reports to enable the board to make good strategic decisions.
- Conduct effective meetings.
- Document minutes of meetings and policy statements.
- Learn how to use computer software and the Internet to make their jobs easier.
- Use databases to handle information more efficiently.
- Prepare financial plans and research and develop grant proposals.
- Put in place systems to track and monitor program and budget activities.
- Design public awareness and program materials.
- Assess information on the external and internal environment of the NGO.
- Develop a strategic plan.

The list of ways you can assist an NGO is endless. Work with the board, staff, and other stakeholders; help them increase their capacity to run an effective sustainable organization. But do not be the decision maker.

There will be potholes in the road you travel in working with NGOs. Discuss with the Peace Corps staff the post’s guidelines for working with NGOs.

These guidelines are based on past experience and contain cautionary road signs that are put up to warn Volunteers. Please listen to the warnings and have a safe journey.
“It is other people’s experience that makes the older man wiser than the younger man.”

— Yoruba proverb

We hope that the readings and activities in this manual have provided insight into how NGOs operate and the knowledge, skills, and techniques you will need to work with your organizational partners in strengthening these organizations. When you begin your work with NGOs, watch for the small signs of success, and do not forget to celebrate the little victories.

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KEY TERMS

Key terms are defined as they are used in the module. A _space_ is provided to write the local language translation of the word or phrase. Work with your language teachers to find the right translations and build your technical vocabulary as you study this module.

**Articles of incorporation** is the legal document filed with the appropriate government agency to establish the NGO as a registered organization.

**Board of directors** is the most common English name for an NGO’s governing board. The board constitutes the ultimate legal authority for the NGO. This oversight body takes many different forms, depending on the cultural or national context.

**Bylaws** are a set of rules adopted by an NGO for governing its meetings and affairs.

**Fiduciary responsibility** requires exercising a higher degree of care than one normally would for one’s own personal affairs. A person who holds something in trust for others acts in a fiduciary capacity as a **trustee**. For example, the governing board of an NGO holds in trust funds donated or provided by others...
and has a fiduciary responsibility to both donors and program beneficiaries of protecting and using the funds for their designated purpose.

**Governance** refers to a system of oversight, exercise of authority, or control within an NGO.

A **mission statement** is a cogent, vivid description of an organization’s identity, the people it serves, its geographic scope, and how the organization accomplishes its purpose.

**Strategic planning** involves a time horizon that extends beyond a single fiscal year (unlike an operating plan and budget). A **strategic plan** looks beyond the internal realities of an organization to consider the impact of external events and trends on the work and effectiveness of the organization.

**Values** are the organization’s guiding principles, a set of common agreements about how the organization conducts itself and relates to its various stakeholders.

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**RESOURCES**

These resources are available through the Peace Corps Information Collection and Exchange (ICE). The citations are presented as they appear in *The Whole ICE Catalog*.


One of several booklets produced by the National Center for Nonprofit Boards (NCNB) as part of the NCNB Governance Series. Clarifies the responsibilities of the board as a collective entity as well as the responsibilities of individual board members. Describes 10 different functions, including determining an organization’s mission and purposes, selecting and overseeing its executive, ensuring effective planning and adequate resources, monitoring its programs and services, and enhancing its public image.

Explains the nature of strategic planning, its benefits, and the steps involved. Also describes the role of the executive director and the board in planning and implementing strategic planning.

Internet:

www.seflin.org/nsfre/ncnb.mnu.htm — links to information on boards and board development as well as to the National Center for Nonprofit Boards.

www.idn.org — a source for information on NGOs and development.

www.pactworld.org — information on NGO effectiveness and development issues.

http://alcazar.com/wwwvl_idc/ — information on international development and cooperation, with articles on NGO management.

Other Materials:


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MODULE 5 Reference

SUGGESTED RESPONSES TO LEARNING OBJECTIVES

Differentiate between the two words in each of the following sets.

**Governance** involves leadership, strategic thinking, and vision, whereas **management** focuses on the day-to-day operations.

The NGO’s **purpose** is a statement of the broad changes the NGO wants to make in the society, and the NGO’s **mission statement** details who will be served by the NGO, where will they be served, and how they will be served.

**Articles of incorporation** is the legal document that contains the information needed to register an NGO with the designated governmental agency; **bylaws** contain the rules that govern the organization’s meetings and affairs.

A **standing committee** is specified in the bylaws and usually consists of the executive committee, the finance committee, and the nominating committee. **Ad hoc committees** are formed for a specific task and are dissolved when their task is completed.

**Facilitators** help people work together but do not impose their will or opinions. An **authoritative leader** articulates a vision, points the way, and makes decisions.

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Summarize, in 35 words or fewer, how the “new work” of boards improved governance.

The “new work” suggests that boards and management determine the important issues, spend time on what matters, organize around what matters and focus meetings on what matters.

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Demonstrate an understanding of the strategic planning process by correctly completing the following statement.

Strategic planning involves a timeframe greater than **one year**. To ensure buy-in by the NGO’s stakeholders the planning progress should be **participatory or inclusive**. Before writing goals and objectives, planners need to survey the organization’s **external** and **internal** environment and clarify the organization’s **mission statement** and **values**. The NGO’s **staff** usually prepare the strategic plan; the plan must be approved by the NGO’s **governing board** or **board of directors**.
**ACTIVITY 5:1 Reference**

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<tr>
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<th>POSSIBLE ANSWERS</th>
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<td>1. Ad hoc committee</td>
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<td>2. Advisory committee</td>
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<td>3. Articles of incorporation</td>
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<td>4. Bylaws</td>
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<td>5. Leader of NGOs governing body</td>
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<td>6. Mission statement</td>
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<td>7. NGO’s governing body</td>
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<td>8. NGO’s chief operating officer</td>
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<td>9. NGO stakeholders</td>
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<td>j. Nominating committee</td>
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<td>k. Rules for conducting an NGO’s affairs</td>
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<td>l. Group is terminated when its tasks are completed</td>
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TRAINER’S NOTES

MODULE 5
EFFECTIVE NGO GOVERNANCE

Overview:
In this module the elements of effective NGO governance are presented. This module also presents methods and techniques for Volunteers to use when facilitating NGO stakeholders as they think through and implement actions to improve their organization’s governance. Note: Consider postponing this module until an In-Service Training (IST) where Volunteers and their NGO partners can explore the subject of governance together.

Time:
Reading 1 hour
Activities and debriefing of activities 4 hours

Materials:
Flip chart, markers, and a summary of national laws related to the establishment of an NGO and the responsibilities of the governing board.

Preparation:
Review this module and make changes to better reflect the local NGO environment and to fit your training situation before copying this module for training participants. Talk with NGO executive directors and board members in your host country to get a sense of their successes and challenges. Learn about legislation pertaining to NGOs and prepare a summary or arrange for a knowledgeable individual to brief training participants on local NGO laws.

Debriefing the module and processing the learnings:
Take time to discuss with training participants the important role governance plays in achieving an active sustainable organization. Explore with them the implications for governance of culture, tradition, and local NGO laws. Discuss their involvement in an NGO’s governance. Check to determine that training participants are comfortable with their mastery of topics covered in this module after a self-evaluation of the knowledge, skills, and attitude objectives. If trainees feel the need for additional exploration of certain topics, help them plan how their needs can be met.
TRAINER’S NOTES

ACTIVITY 5:1
NGO GOVERNANCE QUIZ

Overview:
The NGO governance quiz in this activity encourages training participants to think about terms associated with NGO governance.

Time: 15 minutes

Materials:
Copies of the quiz are provided in this module, and suggested responses are located at the end of the module.

Debriefing the experience and processing the learnings:
This is a self-discovery activity for the reader. Suggested responses are found at the end of this module. Reviewing the answers to this quiz provides an opportunity to discuss how local culture, tradition, and NGO laws affect NGOs’ governance. Remind trainees that the quiz terms may have different meanings depending on the local culture.
TRAINER’S NOTES

ACTIVITY 5:2
IMPLICATIONS OF REGISTERING AN NGO

Overview:
In this activity training participants gain an understanding of the legalities and benefits of registering an NGO.

Time: 1 hour

Materials:
Collect samples of registration forms and local NGOs’ articles of incorporation. If the documents and laws are in the local language and long, it would be useful to provide training participants with a translation and a summary.

Preparation:
Help training participants develop a list of NGO registration questions. Brief the presenter on what questions to expect so they can prepare the answers.

Debriefing the experience and processing the learnings:
Government regulation of NGOs affects each organization’s operations and varies greatly from country to country. In some countries, such as Turkmenistan, an NGO may have to register as a business. NGO legislation is still being developed. Help training participants think through the impact of local regulations on NGOs.
ACTIVITY 5:3
GETTING TO KNOW THE GOVERNANCE OF A LOCAL NGO

Overview:
This activity provides trainees with an opportunity to learn about and reflect on a local NGO’s governance and the board’s roles and responsibilities. This exercise may increase trainees’ awareness of the complex roles of an NGO’s board and management.

Time: 2 hours

Materials:
The NGO Capacity Profile, in the appendix to Module 3.

Procedure:
Identify local NGOs whose executive directors are willing to be interviewed by trainees. Assist trainees in developing a set of interview questions about the structure and governance of NGOs. Involve language instructors to ensure the trainees are asking the questions in a culturally appropriate manner and using the best possible language. Use the sample questions in the activity as guidelines.

Debriefing the experience and processing the learnings:
• Describe how you felt when interviewing the executive director?
• What information surprised you?
• What were the important points made by the executive director?
• What piece(s) of information gathered struck you as significant?
• How do you plan to use what you have learned in assisting NGOs?