

NGO Structure, Authority, and Standards

Nongovernmental organizations emerge from communities, civil society organizations, collective activities, religious organizations, universities and individual initiatives. Often started as small volunteer projects, NGOs are sometimes referred to as grassroots organizations, voluntary organizations, charities or nonprofits, all names that denote the voluntary, public service, and community orientation that NGOs have. In legal and organizational terms, there is little difference between an NGO and a nonprofit or not-for-profit organization in the United States. Nonprofits and NGOs are the same thing, and only when nonprofits extend their activities overseas are they popularly called NGOs or private voluntary organizations (PVOs).⁵⁹ The term *NGO* denotes an organization that is based nationally or locally but that raises money and organizational capacity to participate in international relief and development activities. This, of course, is only sensitive to organizations based in western or donor countries that extend services through NGOs in developing countries. Nonprofit organizations in developing countries are also often called NGOs but are defined as local NGOs when deciphering differences between international and indigenous organizations that work locally.

Executive Summary

- NGOs emerge from a variety of religious, community, interest, or expertise backgrounds, often starting quite small.
- NGOs are government-registered, legal entities with management structures and financial reporting requirements.
- The NGO community has adopted standards and codes of conduct that many but not all sign and abide by.

NGO can be understood by their orientation or level of operation.⁶⁰

- *Charitable orientation* often refers to a top-down effort with little participation by the beneficiaries. It includes NGOs with activities directed toward meeting the needs of the poor—distributing food, clothing, or medicine and providing housing, transport, schools, and the like. Such NGOs may also undertake relief activities during either a natural or man-made disaster.
- *Service orientation* includes activities such as providing health, family planning, or education services in which the program is designed by the NGO and beneficiaries are expected to participate in implementing the program and in receiving the service.
- *Participatory orientation* is characterized by self-help projects where beneficiaries are involved particularly in implementing a project by contributing cash, tools, land, materials, labor, and so on. In the classical community development project, participation begins with the need definition and continues into the planning and implementation stages. Cooperatives have a participatory orientation.

⁵⁹ For this manual, the term *NGO* will be used widely when referring to any nonprofit organization that operates overseas. The term *PVO* is normally used by the U.S. relief industry to describe U.S.-based organizations and companies that act under contract with USAID and the State Department. The term *NGO* is more widely known internationally, and includes PVOs and nonprofits that act internationally.

⁶⁰ Abstracted from William Cousins, “Non-Governmental Initiatives,” in *The Urban Poor and Basic Infrastructure Services in Asia and the Pacific* (Manila: Asian Development Bank and the Economic Development Institute, 1991).

- *Empowering orientation* incorporates the aim to help people develop a clearer understanding of the social, political, and economic factors affecting their lives, and to strengthen their awareness of their own potential power to control their lives. Sometimes these groups develop spontaneously around a problem or an issue; other times outside workers from NGOs play a facilitating role in their development.

Although this manual focuses on international NGOs, it may be helpful to understand there are many types of NGOs, from community to internationally focused groups.

- *Community-based organizations* (CBOs) spring from personal initiatives. These can include sports clubs, women's organizations, neighborhood organizations, and religious or educational organizations. There are a large variety of these, some supported by NGOs, national or international NGOs, or bilateral or international agencies, and others independent of outside help. Some are devoted to raising the consciousness of the urban poor or helping them understand their rights in gaining access to needed services and others are involved in providing such services.
- *Citywide organizations* include organizations such as the Rotary or Lion's Club, chambers of commerce and industry, coalitions of business, ethnic or educational groups and associations of community organizations. Some exist for other purposes, and become involved in helping the poor as one of many activities. Others are created specifically to help the poor.
- *National NGOs* include organizations such as the Red Cross, YMCAs and YWCAs, professional organizations, and the like. Some have state branches and assist local NGOs.
- *International NGOs* range from secular agencies to religiously motivated groups. Their activities vary from mainly funding local NGOs, institutions, and projects, to implementing the projects.

NGOs have constituencies and develop specialties or areas of interest in which its programming, solicitations, fundraising and growth is oriented. When NGOs are met in the field, there are wide variances in size, appearance, activity, and expertise. It is crucial to understand that when various NGOs operate in the same emergency, there are large but often subtle differences between them.

The international NGOs that are covered in this manual normally have headquarters in a major city of an industrialized country such as Washington, DC, Los Angeles, Seattle, Atlanta, New Haven, Brussels, London, Paris, Geneva, Rome, or Tokyo. NGOs come from any number of places, however, and bring with them a variety of sources of support. With shrinking relief budgets, many NGOs now will have offices in both the United States and Europe to take advantage of funding from different sources, governments, and donors.

NGO Foundations and Structure

NGOs founded in the United States to serve populations outside the United States fall under the same rubric that nationally based and local organizations do. An NGO is an incorporated or organized body

that abides by laws, can make contracts, employ people, make legally binding relationships with other entities, and generally operate as a corporation within the country or state of origin. For those NGOs based in the United States, each state has different regulations, although most require that the organization fulfill several requisites:

- establish and maintain a mission or charter, and articles of incorporation or association;
- establish a board of directors or trustees that assume responsibility for the organization's financial, operational and general well-being as well as legal status;
- establish tax-exempt status from both the federal government Internal Revenue Service (IRS) and the appropriate state government entities should the organization want to accept tax-deductible and to remain somewhat free of federal and state taxes themselves;
- maintain audited and accredited financial records; and
- remain financially, legally, and organizationally sound, and abide by specific rules or guidelines set forth by federal and state law.

Most NGOs are incorporated organizations that are structured to protect its founders, employees and board members from personal liability. The incorporation process serves to establish bank accounts and contracts, to accept donations, purchasing abilities, and buy insurance, and establish relationships with other organizations and governments or other entities. As an organization, the NGO is the embodiment of its mission and of the articles of incorporation or association.

Board of Directors

The board serves as the trustee body of the NGO, normally part of the large-scale decision-making process and thematic issues of the organization. There is no financial benefit or reward for board membership and members have no financial interest in the organization's programming. Although in many cases, board members agree to give (sometimes substantial) financial gifts to the organization, board members are valuable in that they extend the organization's resources into various communities and encapsulate personalities that are not specifically significant in daily operations but that lend credibility to the organization as a whole. Many NGO boards are packed with celebrities, former government officials, experts, academics, and community leaders with the intention of attaining recognition or publicity that would not otherwise be attainable. During emergency appeals, NGOs will often send board members out to make public statements, write newspaper or journal editorials, make speeches, or give interviews to spark focus on the organization's work and needs in responding to the emergency.

NGO boards vary widely in style. Some are very active, often establishing close relationships with NGO officers and staff and involving themselves in programmatic planning processes and fundraising and therefore must be consulted when new programming is in planning. Other boards are largely fundraising entities, lending their names to give credibility to an organization's fundraising practices. In a few cases, boards are primarily symbolic, giving way to an NGO's strong leadership, and only fulfilling the legal requirements of meeting a specific number of times each year and certifying financial obligations.

An NGO's board is legally liable for the organization. In some U.S. states, and in some other countries, this liability differs. Generally, though, the board is the pinnacle of oversight of the organization's direction, mission, articles of incorporation or association, executive leadership and even programs. It is normally involved in only the larger thematic decision-making and guidance, not the daily workings of the NGO unless there are specific issues. Occasionally a board member will tour an NGO's programming in the field.

NGOs often have board members who were once colleagues or government and military officials. Understanding that boards generally have a large level of influence or involvement with the NGO is essential to understanding what type of tact or approach is appropriate when attempting to work with, coordinate, guide, or even understand a particular organization. Table 4.1 outlines a few of the differences between various types of NGO boards.

Table 4.1 NGO Board of Directors Comparison		
<i>Features or Characteristics</i>	<i>Benefit</i>	<i>Drawbacks</i>
Well-known individuals	Assists the NGO with credibility should the NGO alone be unknown, small or new. Also provides the NGO with star power or the ability to raise money when associated with a popular or well-respected mentor.	Sometimes unwieldy to manage; top level NGO personnel spend significant time managing board meetings, functions, travel plans, and coordination.
Technically oriented	Can assist the NGO officers and staff with know-how, regional knowledge, donor identification and management experience. Often valuable for NGOs that are new or that are seeking guidance in a new sector or region.	Often cannot offer substantial credibility with the general public; potentially limited and stems the board's innate function of spreading the NGO's presence into different communities.
Removed	Often valuable if NGO has strong officer and staff base. Gives NGO personnel room to operate, and only serves the minimum requirements established by law.	Often offers no guidance or allows NGO to veer from mission or charter; can often become too removed and lose influence over NGO officers and staff. Problematic if poor decision-making becomes common.
Large	Extends the NGOs reach into various communities and is a sign that something is being done right; also provides increased levels of leverage and of sources of knowledge.	Often unwieldy and difficult to manage; potentially removed and difficult to find firm decision-making or unified opinions.
Small	Easy to manage and involve in decision-making; NGO personnel can form close relationships with the board and can utilize the board's functions easily. Easier to find consensus for decision-making and thematic issues.	Potentially weak or limited in scope of outreach possible; Potential for negative signal to donors or public.

Practically speaking, NGOs are not governed by any specific international law. They are free to participate in international operations as a unique and independent actor, and although neutrality or other specific guidelines protect their activities, they are largely unaccountable to any entity that the NGO is not under contract with (a specific donor, government, or company). Instead, the collective NGO community is governed by a series of self-initiated or externally imposed legal and ethical guidelines. These include the following elements:

- *Restrictions within the legal structure of the NGO's country of origin.* This might be tax laws, donor restrictions, accountability and transparency standards, political or geographical limitations, and the like.
- *Guidelines, rules, or stipulations of the donor agency or source.* In receiving funding from a donor, NGOs will often be subject to the special requirements the donor agency sets out. Large government donors, such as USAID or the United Kingdom's DFID (Department for International Development), are often bound by restrictions as to hiring, religious activity, associations while implementing programs, geographical flexibility, safety measures, reporting procedures, accounting methods, antiterrorism compliance (since 2001), and even technical specifications. An NGO will have an interest in operating within the guidelines of any donor requirements when it has an overarching interest to maintain positive relations with the donor.
- *Restrictions within the legal structure of the country in which the NGO operates.* When an NGO operates in any country, it must register with the central or provincial-state government authorities, and continue throughout the emergency, to report to that entity, its activities, whereabouts, materials it uses, funds it receives and the types of materials imported (assuming that there is still some form of central government authority). NGOs must abide by local, state, national and international laws generally, and during emergencies must remain accountable to the donor community, to its constituencies, and to the national government or lead governing authority in the region.

The trend is for NGOs to join or propose coordination mechanisms (see chapter 7) and as donor pressure continues to mount on NGOs to maintain credible, accountable, and transparent programming while providing effective services, NGOs have created a series of standards and best practices that help to improve the overall quality, consistency, and fluidity of NGO programming worldwide. This is helpful for outside agencies that have to deal with NGOs, for NGOs themselves, and ultimately for the recipients of NGO programming.

The following are the most commonly used and cited standards:

- The Sphere Project (www.sphereproject.org)
- The Interagency Standing Committee Guidelines (www.humanitarianinfo.org/iasc)
- MSF Clinical Guidelines (www.refbooks.msf.org/MSF_Docs/en/MSFdocMenu_en.htm)
- SMART Indicators (www.smartindicators.org)

The Sphere Project

The aim of Sphere is to improve the quality of assistance to people affected by disaster including the accountability of states and humanitarian agencies to their constituents, donors and the affected populations.

Sphere is a voluntary initiative of international and national NGOs, the International Red Cross and Red Crescent Movement, UN agencies, donor agencies, host governments, and representatives from affected populations. Sphere is based on international humanitarian, human rights, and refugee law and the *Code of Conduct: Principles of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programs*.

The objectives of the initiative are to (1) to improve the commitment to and effective use of Sphere by all actors involved in humanitarian action; (2) to strengthen the diversity and regional balance of organizations in the governance and implementation of Sphere; (3) to develop and nurture a cadre of people who are able to use Sphere effectively; (4) to coordinate and interact with other humanitarian initiatives, and work together when that complements Sphere's aim; and (5) to understand and increase the impact of Sphere.⁶¹ A revision of the handbook is scheduled for release in 2010.

The Sphere Project text is available online without charge (www.sphereproject.org). The website also lists upcoming training courses and other resources useful for NGOs. The Sphere Manual, the staple of the project, presents technical standards in five sectors: nutrition, food, health, shelter and camp design, and water and sanitation. It is formally endorsed by the U.S. Department of State's Bureau of Population, Refugees, and Migration (PRM), USAID (OFDA), UNHCR, and the Inter-Agency Standing Committee (IASC). The manual is used in training around the world, the focus of which has been primarily on outreach, international training, security, and minimum standards.⁶²

The Inter-Agency Standing Committee

The IASC is a unique interagency forum for coordination, policy development and decision-making involving the key UN and non-UN humanitarian partners. The IASC was established in June 1992 in response to UN General Assembly **Resolution 46/182** on the need to strengthen humanitarian assistance. General Assembly **Resolution 48/57** affirmed its role as the primary mechanism for interagency coordination of humanitarian assistance.

The IASC develops humanitarian policies, agrees on a clear division of responsibility for the various aspects of humanitarian assistance, identifies and addresses gaps in response, and advocates for effective application of humanitarian principles. Together with Executive Committee for Humanitarian Affairs (ECHA), the IASC forms the key strategic coordination mechanism among major humanitarian actors.

61 See The Sphere Project, www.sphereproject.org.

62 Ibid.

The objectives of the IASC are sixfold: (1) to develop and agree on system-wide humanitarian policies; (2) to allocate responsibilities among agencies in humanitarian programs; (3) to develop and agree on a common ethical framework for all humanitarian activities; (4) to advocate for common humanitarian principles to parties outside the IASC; (5) to identify areas where gaps in mandates or lack of operational capacity exist; and (6) to resolve disputes or disagreement about and between humanitarian agencies on system-wide humanitarian issues.

The following IASC guidelines are available (effective late 2009):

- *Operational Guidelines and Field Manual on Human Rights Protection in Situations of Natural Disaster*
- *Women, Girls, Boys & Men: Different Needs—Equal Opportunities. IASC Gender Handbook for Humanitarian Action*
- *IASC Policy Statement Gender Equality in Humanitarian Action*
- *Disaster Preparedness for Effective Response—Guidance and Indicator Package for Implementing Priority Five of the Hyogo Framework*
- IASC advocacy paper *Humanitarian Action and Older Persons: An Essential Brief for Humanitarian Actors*
- *Checklist for field use of IASC Guidelines on Mental Health and Psychosocial Support in Emergency Settings*
- *Guidelines on the Use of Foreign Military and Civil Defence Assets in Disaster Relief—Oslo Guidelines* (Revision 1.1, November 2007)
- *Civil-Military Guidelines and References for Complex Emergencies*
- *Guidelines for HIV/AIDS Interventions in Emergency Settings*
- *Implementing the Collaborative Response to Situations of Internal Displacement. Guidance for UN Humanitarian and/or Resident Coordinators and Country Teams*
- *Special Measures for Protection from Sexual Exploitation and Sexual Abuse*
- *Plan of Action and Core Principles of Codes of Conduct on Protection from Sexual Abuse and Exploitation in Humanitarian Crisis*
- *Respect for Humanitarian Mandates in Conflict Situations*
- *Saving Lives Together: A Framework for Improving Security Arrangements Among IGOs, NGOs and UN in the Field*
- *Exit Strategy for Humanitarian Actors in the Context of Complex Emergencies*

MSF Clinical Guidelines

These guidelines were developed by Médecins sans Frontières (MSF) and are freely available to download from their website (www.msf.org).⁶³ Well-known and used across the NGO community, they include

- clinical guidance,
- essential drugs,
- management of epidemic meningococcal meningitis,

63 Médecins Sans Frontières (MSF), also known as Doctors Without Borders

- obstetrics in remote settings,
- rapid health assessment of refugee or displaced persons,
- refugee health, and
- tuberculosis guidelines.

SMART Indicators

SMART is a voluntary, collaborative network of all humanitarian organizations: donors, international and UN agencies, NGOs, universities, research institutes, and governments. It includes organizations and humanitarian practitioners who are leading experts in emergency epidemiology and nutrition, food security, early warning systems, and demography.

SMART addresses the need to standardize methodologies for determining comparative needs based on nutritional status, mortality rate, and food security and establishes comprehensive, collaborative systems to ensure reliable data is used for decision-making and reporting.

SMART was initiated in response to the lack of a coherent understanding of need, in turn attributable to the use of many methodologies, consistent, reliable data for making decisions and reporting, the necessary technical capacity to collect and analyze reliable data and comprehensive, long-term technical support for strategic and sustained capacity building. The goal of SMART is to reform the system-wide emergency responses by ensuring that policy and programming decisions are based on reliable, standardized data and that humanitarian aid is provided to those most in need.

The SMART methodology uses crude death rate (CDR) and nutritional status of children under five as the most vital, basic public health indicators of the severity of a humanitarian crisis. These two indicators are used to monitor the extent to which the relief system is meeting the needs of the population and the overall impact and performance of the humanitarian response. NGOs with certain U.S. government funding are required to report using SMART to retain funding.

NGO Codes of Conduct and Standards

The *Principles of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Response Programs* is also a staple reference document for many NGOs.⁶⁴ Although not universally accepted, these norms normally are accepted by U.S., Canadian, and European Union-based NGOs and provide the language for what most NGOs feel is their creed or most basic elements of service. The language is general and includes the primary theme that every person deserves and should receive humanitarian assistance when needed. As well, it suggests that aid should be given impartially and without stipulation or restriction, and that beneficiaries are humans and should be treated as such (for the full text, see annex 4).

64 For the full text and explanation, see www.ifrc.org/publicat/conduct/code.asp. The full text is included in annex 4.

InterAction has a series of PVO standards that each of its member NGOs must follow. These are compiled in an extensive document that serves as a guiding tool for NGO management. The intent was to ensure and strengthen public confidence in the integrity, quality, and effectiveness of member organizations and their programs. The standards cover budgetary allotments, gender balance on governing boards, financial accountability, and hiring practices, and provide a baseline series of standards in management activities to promote professionalism and accountability among the InterAction members.⁶⁵

The More Standardization, the Better

A large part of the international NGO community promotes standardization and protocols because it ensures that such a wide-ranging body of organizations operating in such critical settings have some form of accountability. All of the referenced guidelines, standards, and codes of conduct are common knowledge among the NGO community.

⁶⁵ InterAction, www.interaction.org.