Diversifying Membership and Building Inclusion in Governance:
Lessons from Plan International’s Experience

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FOREWORD

Like many INGOs, Plan International is questioning both our core operating model and the effectiveness of governance at international and local levels. This research was designed to help that questioning process. INGOs constantly need to evolve – globally and locally – in order to remain effective and relevant, but major governance change tends to be complex, costly and risky.

Our own folklore tells us that we have been successful in transitioning country operations in India and Colombia, but less so in Brazil and failed when we first tried in Thailand. Knowing that we wish to accelerate the transition process, we were keen to make sure we captured and hopefully learned from the lessons of these four experiences. Although the cases are Plan International specific, we are happy to share our experience and want to learn more from others who are equally wrestling with the complex challenge of reconciling core values with the desire for operational efficiency.

The Hauser Center report has already been broadly welcomed at the highest levels of Plan International, including one reader noting, “It is rare to read a report of this nature and length and agree with every single word in it”. This is a testament to Sherine Jayawickrama’s ability to gain the trust of those being interviewed, to be insightful and openly inquisitive, and to write in an engaging style. From a commissioning manager’s perspective, a particularly valuable experience was a workshop held with an expert panel, pulled together by the Hauser Center, which enabled us to expose not only the obvious lessons but also to clarify the “so what” implications of those lessons. We would particularly like to thank Peter Bell, L. David Brown, Alnoor Ebrahim and Ramesh Singh for their input to this session and also for their contribution to the final report.

Sherine’s opening remarks are particularly poignant: Whilst we in Plan International question our “identity, role and relevance” this report provides us with a route map to ensure we tackle the challenge of local organisation evolution with clarity of purpose. We hope that through sharing our experience we will help others reflect on their own experience and contribute further knowledge to the debate to how all INGOs can maintain their relevance in a rapidly changing development landscape.

Simon Usher
Head of Strategy at Plan International
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## ACRONYMS

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<th>Acronym</th>
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<tr>
<td>CCCD</td>
<td>Child-Centered Community Development</td>
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<td>FCNO</td>
<td>Field Country National Organization</td>
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<td>IH</td>
<td>International Headquarters</td>
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<td>NO</td>
<td>National Organization</td>
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<td>ROA</td>
<td>Regional Office of the Americas</td>
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EXECUTIVE SUMMARY

The traditional aid system is changing in order to remain effective in a shifting global landscape. Southern governments, NGOs and civil society are increasingly the protagonists in development processes in their countries. This challenges international NGOs (INGOs), whose business models, organizational structures and governance systems were born of the traditional aid system, to fundamentally rethink their identities, roles and relevance. Like many other INGOs, Plan International is grappling with these challenges.

What can be learned from peer INGOs?

INGOs like World Vision, ActionAid and Save the Children have been adapting their global structures and governance systems to respond to the need for alignment, the desire for growth, the challenge of legitimacy, and the importance of inclusion. Their experiences emphasize the importance of:

1. having visionary leaders who inspire and support change
2. articulating a clear vision and purpose for change
3. establishing and resourcing dedicated staff capacity to guide change
4. developing shared membership standards that apply equally to all members
5. building effective accountability systems

How has Plan’s thinking on organizational evolution progressed?

Registering local entities in Thailand, India, Colombia and Brazil was part of Plan’s effort to explore new ways of working in countries emerging as economic and geopolitical forces. Today, the question of southern members and broader representation is being engaged in several processes – from the Boston Consulting Group’s review of Plan International’s business operating model to a Board-level review of governance barriers and opportunities with respect to implementing Plan’s new global strategy. Among the rationales for creating southern members, financial motivations seem to take precedence. Increasing Plan’s effectiveness and legitimacy are also becoming important rationales.

What can be learned from Plan’s experiences in Thailand, India, Colombia and Brazil?

Efforts to develop southern members of Plan International have been most successful in Colombia and India, and Fundación Plan and Plan India are now full members of Plan International. Key lessons are:

1. In countries where Plan has a country office, clarify an “ideal” approach. Existing country offices can build the capacities required by a hybrid (program + fundraising) organization, and then be folded into a “shell” entity that is locally registered.
2. In countries where Plan does not have a country office, consider two options: establishing a new organization or merging with an existing local organization.
3. **Consistent, resilient entrepreneurial leadership is essential.** Key transitional leaders must have a “start-up” mentality and be able to effectively navigate the Plan International system.

4. **Build capable, independent local boards.** Plan should not try to control these boards. The role of local boards must be well-defined, and mentoring from other Plan boards can be helpful.

5. **Country offices should begin the process of organizational evolution now.** Country offices should build stronger local roots and greater accountability in-country, even if they are not in a position to register locally or get on a path to Plan membership.

6. **Do not underestimate the implication for organizational culture.** The identity and roles of a Field Country National Organization (FCNO) are dramatically different from a traditional Plan country office; this demands profound changes in organizational culture.

7. **Make pathways to Plan membership (FCNO incubation process) more predictable.** The process leading to membership must be clarified so that the journey can be expedited.

8. **Acknowledge that FCNOs will take time to deliver on desired results.** Do not demand results too soon. Stay the course with important investments in capacity building.

9. **The perception of double standards is corrosive.** Adopt a shared set of membership standards for all National Organizations (NOs) and FCNOs. A sense of equality and fairness is vital.

**How should Plan International move forward an organizational evolution agenda?**

Given the above lessons and the experiences of other INGOs, the following framework could help Plan International advance organizational evolution more effectively and coherently (and at a quicker pace).

1. **Articulate a clear vision and purpose**\(^1\). Being clear about the “why” would help to: develop effective models for implementation; prioritize countries where that purpose should be pursued; and galvanize support for a certain pace of change.

2. **Adapt international governance.** Plan International should consider developing a transitional category of membership – similar to an associate member – to provide the time to build the mutual familiarity and trust required to facilitate full membership.

3. **Build a strong accountability system.** Define a set of shared membership standards that would apply equally to NOs and FCNOs, and build an accountability system that focuses on reflection and learning, rather than compliance and control.

4. **Set out a predictable incubation process.** The steps involved in incubating an FCNO can be standardized, while leaving space for tailoring to context.

5. **Build a supportive global organizational culture.** The culture of Plan International must also adapt to absorb and benefit from the value and perspective that diverse membership brings.

6. **Provide visionary leadership.** Plan International’s top leaders should embrace the role of articulating clear purpose and vision, and motivating staff to advance that vision.

7. **Create dedicated resources.** A small unit should be created at Plan International to provide expertise and tailored support to aspiring and new FCNOs.

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\(^1\) It is important, for instance, not to confuse the purpose of increasing income with the purpose of enhancing local legitimacy or of diversifying Plan’s international governance.
Diversifying Membership and Building Inclusion in Governance: Lessons from Plan International’s Experience

Over the past three decades, as the lines between “developed” and “developing” countries have blurred, Plan has tried to grapple with the implications. The traditional aid paradigm in which high-income countries (in the “north”) transfer financial resources, knowledge and technology to low-income countries (in the “south”) is becoming outdated. Development is now understood to be shaped more by sound policies, effective institutions and citizen participation than by transfer of resources. In recent years, Brazil, Russia, India and China (the “BRICs”) and several Gulf states have emerged as donors in their own right, despite poverty and inequality at home. A set of international commitments to aid effectiveness now emphasize the importance of local ownership and the role of states in the development process. In this context, southern NGOs (as part of the local fabric) are increasingly expected to be protagonists in development processes in their countries, and some donor agencies prefer to fund these NGOs. For international NGOs (INGOs) whose business models, organizational structures and governance systems originate from an earlier era, this requires a fundamental rethinking of identities, roles and relevance.

Like many other INGOs, Plan International knows it must find new ways of working in this shifting landscape; this demands significant adaptation and change in order to remain a legitimate and effective actor in development. Plan International commissioned this paper in order to identify the key lessons that should be learned from its own experience transitioning country offices into independent members of Plan International, and to develop a guiding framework for advancing such transitions more systematically and effectively (and at a faster pace). From the outset, Plan was committed to publicly sharing the outcome of this research, cognizant of its broader value, especially to peer INGOs.

This paper first looks at how some peer INGOs address these challenges. It then examines how Plan International’s thinking on organizational evolution has progressed. Next, the paper analyzes Plan’s experiences with evolution and transition in Thailand, India, Colombia and Brazil, and draws out the major lessons to be learned from those experiences. Finally, the paper proposes a framework for moving forward an organizational evolution agenda more effectively and coherently.

A. INGOs’ Adaptation to Shifting Context

Many INGOs’ international structures and governance systems have been adapting – each at its own pace – to changes in their external context and shifts in their own values and priorities. The need for

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2 The author thanks L. David Brown and Peter Bell for their review and feedback on drafts of this paper, and Ramesh Singh and Alnoor Ebrahim for their valuable engagement in this research. Special thanks to Simon Usher for his facilitation, partnership, insight and clarity throughout the research process.

3 The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) are founded on five core principles: local ownership, alignment, harmonization, results and mutual accountability.
alignment, the desire for growth, the challenge of legitimacy and the importance of inclusion and diversity have been key internal factors.

**World Vision International** | World Vision was first among large INGOs to adopt (in 1978) a Declaration of Internationalization that set out a vision of a more equal partnership among northern and southern members. Guided by visionary leaders, World Vision adopted a federalist model to deliberately offset the power of the dominant founding members. Its model is built on four principles: empowerment, interdependence, twin citizenship and accountability. The twin citizenship concept conveys that all offices are both local and global citizens. Thus, no office is fully independent; rather, every office is interdependent. World Vision International consists of four types of entities:

- Interdependent national offices (23) – These include India, Indonesia, Malaysia, Brazil, El Salvador, Guatemala, Germany, Canada and the United States; they are separate legal entities with their own boards of directors, but are **twin citizens** in the broader World Vision system.
- Intermediate national offices (11) – These include Sri Lanka, Thailand, Kenya, France and Uganda; they have their own boards, but certain key decisions require World Vision International approval.
- National office branches (19) - These include Singapore, Ethiopia, Colombia and Lebanon; they have local advisory councils but report to World Vision International line management.
- Program offices (35) – These are mainly in countries where relief programs are being implemented; they report directly to World Vision International line management.

World Vision International invests deeply in building governance capacity across the federation. A central Governance Unit (5-6 staff) and a Regional Governance Advisor in each region provide ongoing support to local boards and advisory councils. Each board has a Board Development Plan that defines the process for new member orientation, annual retreats, collective performance assessment, among other things. To safeguard program quality and ensure organizational effectiveness within a growing federation of diverse members, World Vision has built a comprehensive accountability system – the Integrated Review Framework – which includes peer reviews (assessing local boards and advisory councils), program capability reviews, and operational and finance audits. Every office (including northern offices) is subject to these reviews once every three years. An implication of twin citizenship is that National Directors in offices that have field programs report both to their local boards and to the appropriate World Vision International regional vice president; and National Directors in offices that focus on fundraising report both to their boards and to the International CEO.

**ActionAid International** | ActionAid International’s internationalization process commenced in 2003; it involved restructuring the organization from a loose alliance of mostly European entities into an international federation. To underscore the principle that ActionAid’s entities in the south should have equal voice and access, ActionAid International moved its Secretariat to Johannesburg.
ActionAid conducts due diligence reviews prior to admitting affiliates or associates. The review process prior to deciding on affiliate status has been the key focus. However, the organization has learned that the decision to admit associates is the more critical juncture—because it is difficult to “turn back” beyond this point. ActionAid is currently developing a new review process to reflect this learning.

The organization has two categories of membership: (1) affiliates (which have two votes in ActionAid International’s General Assembly); and (2) associates, who intend to evolve into affiliates (associates have one vote in the General Assembly). Associates can be existing ActionAid country programs, new organizations created by ActionAid, or outside organizations that want to merge with ActionAid. They are expected to become affiliates in 2-3 years after a satisfactory evaluation of their governance processes, accountability mechanisms, organizational health, and inclusion of poor and marginalized groups. At present, ActionAid International has 16 affiliates (including India, Brazil, Nigeria, Guatemala and Ghana) and 9 associates (including Thailand, Tanzania and France). An experienced board member (or senior staffer) of an older ActionAid affiliate sits on the board of each new associate or affiliate, and serves both as a “glue” and a safeguard. Based on its learning that going directly from a traditional country program to an entity governed by a local board is too big a leap in many contexts, ActionAid International is beginning to encourage the formation of advisory boards as a way of easing the transition.

The internationalization process was led by top leaders at the board and management level. A small Governance Unit (3 staff) supports associates and affiliates to develop their governance capacity and systems, and supports governance processes at the global level. The ethic of internationalization has become a point of pride at ActionAid. The description of ActionAid’s structure on its website reads: “rather than emphasize the divide between rich countries which raise funds and poorer ones which spend them, we choose to recognize the more complex modern reality, and strive to work together in a spirit of equality, democracy and accountability.”

Save the Children | In 2005, Save the Children set out to establish strong Save the Children organizations in strategically important countries. This “Stronger Member” priority was driven by a desire to: diversify the organization, expand its global footprint and be positioned for the next wave of policy and advocacy opportunities. A small Stronger Member Team at Save the Children International supports seven priority countries (India, Brazil, South Africa, Hong Kong, Germany, Switzerland, Canada) in which new members have been established. The organization has two categories of membership: (1) full members; and (2) associate members (which use the Save the Children name and participate in all joint initiatives but, unlike in ActionAid International, do not have a vote).

New members can only be established if they are likely to meet Stronger Member goals within eight years. Performance against Stronger Member goals are measured by specific indicators of financial sustainability, market position, governance and management capacity, program quality, brand management ability, and recognition as a national reference point for children’s rights. When associate members are able to meet these goals, they are conferred full member status.
The Stronger Member Team: creates a business plan for each new member and revises the plan on the basis of test results; provides ongoing coaching and support, especially on governance, to new members; agrees on and provides investment funding; and (where an existing national NGO will become a Save the Children member, an example being Fundação Abrinq in Brazil) develops plans to integrate new members into the broader Save the Children system. In the case of associate members, an Assembly of Members (comprised of representatives of Save the Children International) is created to serve as the highest governing body; the national board is appointed by the Assembly of Members. This mechanism operates as a safety net; if the national board progresses well, the Assembly of Members is relatively inactive, but it can reappoint the board if things go seriously awry.

Other INGOs | Apart from the above INGOs focused on children’s issues, other large INGOs have also recognized inclusion of southern perspectives in governance as vital. Announcing significant governance reforms in 2011, Médecins Sans Frontières International President said that “MSF will now be more inclusive and open to new associations emerging in regions where we work, especially in Africa, Latin America, and Asia... we hope that these associations will bring new voices and fresh perspectives to our movement and challenge us to continue to seek and adapt innovative medical approaches to improve our work.” MSF now has associations in Brazil, Argentina, Mexico, India and the United Arab Emirates.

CARE International’s 2007-2012 Strategic Plan articulated “becoming truly global” as a key goal that involved “develop[ing] a robust membership... so that it reflects the societies in which we work... [so that] CARE International will become more relevant and accountable to the people it serves, in turn achieving greater impact and legitimacy.” CARE has 12 full members, including Raks Thai Foundation in Thailand, and two affiliate members in India and Peru. In these three countries, CARE country offices evolved into members.

Oxfam International’s approach to creating new affiliates has been to prioritize G-20 countries (either transitioning existing country offices or inviting local NGOs into the Oxfam confederation) because it wants to position the organization to influence global policy decisions related to its key issues. Among the 17 Oxfam International members are Oxfam India, Oxfam Mexico and Oxfam Hong Kong; Oxfam International also has an advocacy office based in Brasilia, Brazil.

Key Lessons | The experiences of World Vision International, ActionAid International and Save the Children point to five key lessons. They underscore the importance of: (1) articulating a clear vision and purpose for change; (2) establishing and resourcing dedicated staff capacity to guide change; (3) developing shared membership standards that apply equally to all members; (4) building an effective accountability system; and (5) having visionary leaders – in management and governance – who inspire and support change (and are prepared to take risks in order to achieve the vision).

B. The Evolution of Plan International’s Thinking on Transition and Expansion

New paradigm countries | In the early 1990s, Plan International noted that the traditional country office model no longer fit countries whose economic performance had broken out of the developing country
category. The term “new paradigm countries” was coined to refer to such countries and Plan’s leaders sought new ways to work in these countries. In the early 2000s, a Phase-In, Phase-Out Policy was developed to call for Plan’s exit from countries that met a certain Human Development Index (HDI) threshold. In Latin America, where this would have meant exiting countries where inequality and conflict contributed to persistent poverty despite macroeconomic growth, Plan’s Regional Office argued for a transitional approach in which Plan could remain relevant by redefining its role.

Transition countries | The Growth & Transition Policy that emerged called for new organizational models in countries where poverty and wealth existed in parallel. These new models involved mobilizing local funding and connecting wealthier segments of the population with poverty in their own country. Countries like Colombia, Brazil, El Salvador and the Dominican Republic were identified as “transition countries” and the Regional Office for the Americas (ROA) recruited an individual to build resource mobilization capacity in these countries. With a $1.8 million grant from the Finnish government, local fundraising pilots were launched and meetings were convened to share learning. Although this effort was not sustained at an organization-wide level, the changes that began in Colombia (and, in parallel, in India) continued to gain strength.

The context today | More recently, five parallel processes in Plan have engaged the issue of southern members (or southern representation in governance). First, a review of Plan International’s business operating model by the Boston Consulting Group (BCG) indicates significant internal support for increased southern representation: 85 percent of survey respondents feel there should be increased southern participation in governance and decision making if Plan is to be successful in the future. One of BCG’s eight recommendations to enhance Plan’s business operating model focuses on increasing southern representation in decision making and governance. Second, the Nominations & Governance Committee (NGC) of the Members Assembly is reviewing the barriers and opportunities to delivering on the organization’s One Plan strategy, which envisions “becom[ing] a more effective, efficient and collaborative organization whose individual parts are all striving toward [its] One Goal.”

Fourth, in various parts of Plan, the concept of advisory councils – to engage local civil society, more broadly, and youth, more specifically – is gaining traction. Local advisory councils are seen as a meaningful step toward engaging southern voices in the organization’s decisions and strengthening Plan’s legitimacy with respect to local civil society. Finally, a 2011 working paper which characterizes Plan’s governance system as focused on resource accountability and calls for enhancing inclusiveness and legitimacy, has helped to spur on Plan’s thinking on southern representation.

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4 The One Goal in the One Plan strategy (Plan’s strategy to 2015) is “to reach as many children as possible, particularly those who are excluded or marginalized, with high-quality programs that deliver long-lasting benefits.”
5 The three objectives of Plan International’s growth strategy are: (1) maximizing potential for growth from existing and traditional markets; (2) maximizing potential for growth from new and emerging markets; and (3) enabling Plan to maximize impact and income as locally legitimate civil society organizations (CSOs).
A diversity of approaches | Over the past twenty years, Plan International has pursued a range of approaches to southern representation and growth. Plan India was registered as an Indian entity in parallel to Plan’s country office in India, to provide the alternative of working directly with communities (which international organizations were not permitted to do) and to eventually fundraise locally. In Thailand and Colombia, where Plan had well-established programmatic presence, market studies were conducted to assess local fundraising potential. The Thai National Organization was short-lived. In Colombia, Plan’s country office built marketing and fundraising capacity, and established a locally-registered entity (Fundación Plan) that eventually absorbed its staff and assets. In South Korea, where Plan’s child sponsorship programs had shut down, a national organization (NO) was established based on a market study that demonstrated fundraising potential. Plan also sought to open NOs in an expanded set of northern countries that could help the organization grow and diversify its funding base. In the 1990s, Plan Nederland housed a Marketing Development Unit that took the lead on opening new NOs in the Scandinavian region.

Three drivers | Three drivers are evident in Plan’s approach to expansion, inclusion and change. First, the organization has been attracted by emerging sources of funding (in countries like Brazil, India, Colombia, South Korea and Thailand) or previously untapped sources of funding (in countries like Norway, Denmark, Switzerland and Ireland). Continued growth and funding diversity have been important drivers. Second, Plan has recognized that its traditional role – of securing sponsors in the north to assist children in the south – requires redefinition in countries where great wealth and deep poverty exists side-by-side. Finally, Plan’s core commitment to child-centered community development (CCCD) sets an expectation of inclusion in the organization, and makes it less acceptable that discussions at the highest levels of governance are dominated by northern voices. In the current development landscape, governance systems that concentrate power in the north– and are based on north-to-south resource transfers – are perceived as less legitimate than genuinely inclusive models.

A mix of rationales | With the above three drivers in play simultaneously and four different approaches being taken to creating Plan members in Thailand, India, Colombia and Brazil, no clear consensus has emerged on the rationale or purpose for increasing southern representation at the highest levels of governance. Thus far, the major purpose seems to be financial: growing wealth in middle-income countries offers large new markets for fundraising. All NOs are supportive of expanding this opportunity to raise funds. However, some NOs are less sure about handing over power to local boards. The effectiveness and legitimacy rationales for expanding diversity and inclusion at the highest levels of governance are also gathering momentum. Within Plan, there is an intensifying belief that the new perspectives a more diverse membership will bring to the highest levels of decision making will better position the organization to remain relevant in a fast-changing aid and development landscape.

C. Developing Southern Members: Plan International’s Experience

As Plan International sought to adapt to a changing socioeconomic and geopolitical landscape by using the lenses of new paradigm countries and transition countries, Thailand, Brazil, India and Colombia have received special attention. Efforts to develop southern members of Plan International have been most
successful in Colombia and India; Fundación Plan and Plan India are now full members of Plan International. The internal negotiations and resulting policy\(^7\) that enabled the granting of membership to Fundación Plan and Plan India led to the coinage of the term Field Country National Organization (FCNO). This is distinct from “traditional” NOs which engage in raising funds; the term FCNO indicates that these organizations raise funds and operate programs simultaneously. While recognizing that the term FCNO itself raises some concerns (in that it implies two categories of membership, rather than conveying equality), this paper uses the term FCNOs as it is generally used in the organization.

Thailand

**Plan’s first experiment in a new paradigm country** | Thailand was categorized by Plan International as a new paradigm country in the early 1990s and a market study was done to explore potential for local fundraising. In 1996, after the preparatory work was completed, the Plan International board approved the opening of the Thai National Organization. Given the onset of the East Asian financial crisis in 1997, the opening of the office was delayed. When the Thai National Organization opened in 2000, it was established in the mold of Plan’s other NOs (which focus on fundraising), separate from the existing country office which continued to report to Plan’s international headquarters (IH).

**Confusion, lack of support and isolation** | Having both a Country Director (running programs) and a National Director (leading fundraising) working in parallel in the same country, without a vision of a unified organization in the future, turned out to be confusing and unproductive. The Thai National Organization utilized the country office’s “back office” infrastructure (e.g., finance systems and staff) without having a clear definition of roles or boundaries. Not knowing how to navigate the broader organization for support and not having the capacity to launch a successful fundraising effort, both the National Director and Board struggled to be effective.

**Marketing and fundraising approach** | Since this was Plan’s first attempt to set up a fundraising office in a southern country, little tailored support or investment was available from IH. Board members were identified and recruited, focusing on well-positioned Thai nationals who could raise Plan’s profile in the country. However, the role of the Board (particularly in relation to steering local marketing and fundraising) was not well defined and the Board received little induction or socialization to Plan International. The organization was never able to recover from the fundamental error of building its business model on child sponsorship “priced” similarly to northern NOs. This fundraising product turned out to be ill-suited to the contemporary Thai market and the Thai National Organization was not prepared to shift to mobilizing resources from the Thai private sector. Moreover, with little investment in fundraising or marketing capacity, the Thai National Organization was unable to build awareness of (or trust in) the Plan brand among Thai audiences, and was unable to instill the idea of continuous giving.

\(^7\) The FCNO Policy, adopted by the Members’ Assembly in November 2009, articulates policies related to the creation of new NOs. These cover: use of the Plan name; consideration of due diligence review findings; distribution of votes and delegates in the Members’ Assembly; establishment of a super-majority requirement on votes on “fundamental changes to Plan International”; and transfer of management responsibility for field programs.
among the Thai public. With no clear vision for eventually integrating Plan’s program and fundraising offices in Thailand (and with fundraising expectations clearly not being met), Plan International’s board decided to close the Thai National Organization in 2002.

Taking stock | This negative experience in Thailand made some Plan International leaders doubt the feasibility of creating Plan members in southern countries. However, over time, there has been recognition that this negative outcome was due to: a poorly grounded business plan; the failure to recruit, orient and support the right Thai leadership (at the executive and governance levels); the confusion created between parallel but separate Plan offices (program and fundraising) in-country without a plan for future integration; and the lack of investment in marketing and fundraising capacity (importantly including brand building). With these lessons noted, Plan International is once again rethinking its role in Thailand.

India

The first attempt | Plan India was registered as an Indian NGO in 1996, mainly spurred by the restriction on international organizations working directly at the community level. Registering an Indian NGO would allow Plan to engage directly in communities, in addition to working through local partners. It would eventually enable local fundraising and allow for advocacy on universal birth registration, an important issue for Plan. For a few years, Plan India remained dormant, its board controlled by Plan International staff from the India country office (a long-established presence). In 2001, to explore new ways of working in India as a new paradigm country, four country office staff were seconded to Plan India. With no clear strategy to follow, the National Director resigned after a year, frustrated by the lack of progress.

The second attempt | In 2002, a strategic planning meeting laid out a rationale for strengthening Plan India: the rationale encompassed influencing public policy in India, undertaking local fundraising, being a southern voice within the global organization, and being part of the broader trend of taking local responsibility for development in India. This rationale was accompanied by a vision of Plan India being seed-funded by and affiliated to Plan International, with the goal of becoming a full, self-sustaining member of Plan International over time. This vision was accepted by the board of Plan International in 2002 and it began Plan India’s journey toward becoming a Plan member. The business plan that was developed on the basis of the 2002 decision acknowledged that Plan India needed to: have an independent governing board; build the capacity for marketing and fundraising in the Indian market; and recruit a top-notch National Director who could manage an independent team of staff (and not depend on secondments from the country office).

The right people at the right time | In 2004, Bhagyashri Dengle was hired as National Director of Plan India. Although the country office and Plan India worked out of separate offices, Dengle established a good rapport with Bruno Oudmayer, Plan International’s Country Director in India, and the trust and communication between them spurred the progress of Plan India. Dengle is an Indian national who had worked with one of Plan’s local partner organizations and had deep expertise in programs. She knew Plan’s programs well and was able to convey their value in a compelling way to recruit high-quality
board members and forge corporate partnerships. With Oudmayer’s counsel and support, Dengle was also able to navigate Plan International’s organizational politics to advance the process of securing membership. Oudmayer was succeeded by Roland Angerer, who was transferred from Colombia, where he had played a key role (from the Country Director position) in supporting Plan’s locally-registered entity to prepare for a similar transition. Thus, Angerer provided important continuity, expertise and support to Dengle as she led Plan India on the uncertain path to membership in Plan International.

**Building governance capacity** | A critical dimension of Plan India’s journey is the strategic and patient approach to developing governance capacity. The first step was to develop a governance strategy that: set out the size and structure of the board; defined the board’s responsibilities; articulated individual competencies desired in board members as well as collective competencies of the board; identified skill sets and professional backgrounds that should be represented on the board (e.g., social development, communications, finance and audit, advocacy, fundraising); established nominations procedures and set term limits; and defined the board committees required.

**Recruiting high-caliber board members** | On the basis of this governance strategy, Dengle embarked on a process of attracting individuals who would be strong, independent board members. Although Plan had been working in India for nearly 25 years, it did not have a well-known brand in India, and many of the people Dengle approached could not be persuaded. With persistence and determination, over time, she was able to bring on high-caliber board members (from media, communications, corporate social responsibility and development), including Raj Nooyi, who served on the Plan USA board and was a major donor to Plan. The Plan India board was highly engaged in the development of the organization and its progress toward Plan membership. Quarterly board meetings typically had full attendance – including the consistent participation of Nooyi, who traveled from New York for board meetings – and Dengle felt the strong support of (and accountability to) Plan India’s board.

**Building marketing and fundraising capacity** | Since mobilizing local resources was a major objective for Plan India, building adequate marketing and fundraising capacity was a critical priority. Dengle had no previous fundraising experience and, given both the scarcity of fundraising expertise in India and the high demand for fundraisers among INGOs that were “Indianizing,” recruiting and retaining the right fundraising leadership was a tough challenge. This is an area where systematic support and mentorship from the broader Plan International family could have both expedited Plan India’s progress and contributed to the organization’s base of knowledge on adapting fundraising products and strategies to emerging markets. Despite the limitations, Plan India capitalized on the opportunity to forge corporate partnerships (with the Indian branches of Nokia, Citibank and Coca-Cola, among others) to advance tsunami rehabilitation efforts in 2005. Dengle’s expertise on the program side and her familiarity with institutional donors positioned Plan India well to raise funds from large bilateral government donors present in India. At present, Plan India has more than 40,000 individual donors, a wide array of corporate partnerships and grants from institutional donors (that are both sourced locally and via Plan NOs in northern countries).
Navigating an uncertain path to membership | The most complex challenge for Plan India lay internally. While it was clear, from 2002, that Plan India would aspire to Plan membership, it was not clear that Plan’s operations would be unified in Plan India. At the country level, the complementarity between the country office and Plan India – and the desirability of a locally-owned, integrated Plan operation – grew out of the strong working relationship and goodwill developed between the National Director (Dengle) and Country Directors (first Oudmayer, then Angerer). As Plan India’s fundraising capacity grew, the fact that its income could not be consolidated into Plan International’s worldwide accounts (without a change of status) became problematic. However, some powerful NOs had serious concerns about transferring the oversight of the program portfolio to Plan India and its independent board; they viewed IH as the overall guarantor of program quality and believed that IH oversight was critical to ensuring accountability to their donors, primarily child sponsors. At the same time, some of Plan International’s Indian staff also had qualms about a possible merger of operations because they preferred working for an international organization.

Conducting a due diligence review | In 2009, the Members Assembly requested two of its members to lead a due diligence process to evaluate Plan India’s readiness for membership as well as its capacity to absorb Plan’s program delivery and oversight functions in India. The due diligence process in India was conducted back-to-back with the process in Colombia. The due diligence process reviewed five key areas: (1) legal structure and governance capacity; (2) strategic and business planning capacity; (3) operating systems and risk management capacity; (4) development approach and philosophy; and (5) fundraising and brand management capacity. In trying to evaluate systems and capacities that had become the focus of concern in the run-up to a Members’ Assembly decision on Plan India and Fundación Plan (in Colombia), the due diligence process engaged key issues that should ideally have been part of a thoughtful incubation process several years earlier. Nonetheless, the results of the due diligence process laid the groundwork for moving forward.

Negotiating and securing membership | The resolution that led to Plan India and Fundación Plan being admitted as members was hammered out in negotiations that led to the coinage of the term Field Country National Organization (FCNO) to describe members that were a hybrid of a traditional NO (that raised funds but left the program oversight role to IH and its regional offices) and a country office (that reported to IH through a regional office). Since the major concerns focused on the risks of permitting local boards to oversee country programs that receive significant foreign funding (via NOs), the resolution withheld full oversight of country programs until FCNOs raised 50 percent of their program income locally for two consecutive years.

Integrating two entities into one Plan India | In November 2009, the Members’ Assembly voted to admit Plan India as a member of Plan International. This launched an intense period of transition leading up to Plan India becoming Plan’s single presence in India on July 1, 2010. In the transition period, Dengle led the development of a country strategic plan, and Angerer oversaw the transfer of country office staff to Plan India. The latter process was sensitive because it involved terminating employment of all country office staff and rehiring them as Plan India staff. This created uncertainty and tension, and although re-employment by Plan India was executed quickly, that only marked the beginning of an ongoing process
of shifting the mindset and culture of staff who had worked in a “traditional” country office to a more entrepreneurial climate of an independent local organization governed by its own board.

Taking stock | Although it is less than two years into its journey as a Plan member and the “one Plan in India,” the organization seems to have high potential to deliver on the financial, effectiveness and legitimacy rationales for having Plan members in southern countries. With strong Indian leadership at the management and governance levels, Plan India’s local identity enables a seat at the table in national-level commissions and policy debates. As a result of focusing attention on enhancing brand recognition, Plan is now better known in India and can be a more effective champion of children’s rights. Plan India’s individual and corporate fundraising efforts are providing a vehicle to engage Indian elites and middle classes in child-focused development issues in their own country. At the same time, Plan India’s experience – and the voice and influence of its leaders on the National Directors’ Team and the Members’ Assembly – is providing broader perspective to Plan International’s deliberations.

Colombia

Setting the stage for transition | With a long history of child-centered programs in Colombia – combined with Colombia’s evolution into a middle-income country – Plan’s country office was well-positioned in 2002-03 to be a “transition country” in ROA’s local resource mobilization pilot. A market study to explore fundraising potential indicated that, while Colombians wanted to give to local organizations, they also mistrusted Colombian organizations. This pointed to an innate advantage that Plan had in Colombia: it was part of a large international organization that had strong mechanisms in place to ensure accountability. In 2002, recognizing the importance of building relationships in the capital city, including with media and policy makers, Plan’s headquarters moved from Cali to Bogota. This laid the groundwork for the brand building, board recruitment, fundraising and advocacy work ahead.

The right people at the right time | In April 2006, Fundación Plan was registered as a local NGO with its own board, initially consisting mainly of Plan’s senior management team in Colombia. (Given the U.S. government anti-narcotics initiative named Plan Colombia, a similar name would have been confusing and counter-productive.) From the outset, the expectation was that Plan’s country office would eventually be transferred into Fundación Plan, which thus needed a high-quality board. As Angerer neared the completion of his term as Country Director, an ideal successor was identified in Gabriela Bucher, a Colombian who had fundraising experience at Plan International and had spearheaded ROA’s local resource mobilization initiative. Starting in November 2006, Bucher projected the Fundación Plan brand (rather than the country office’s name) and developed the marketing, fundraising, program quality and talent management capacity required to position Fundación Plan for membership in Plan International. Unlike in India, where two separate entities worked in parallel until they were merged as Plan India, Bucher led both the country office and Fundación Plan (which had a board but no staff), and the country office built the capacities that the eventual, integrated organization would require.

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8 This assertion is based on perspectives shared in interviews with several senior Plan staff and board members, and not on an independent evaluation of organizational impact.
The average monthly donation (typically monthly via direct debit) to Fundación Plan is USD 17, and acquisition cost per donor is USD 80. Fundación Plan’s acquisition costs and attrition rates compare very favorably with other NOs in Plan International.

Building a top-notch board | Starting in 2006 with a board that consisted of senior Colombian staff, Bucher proceeded to build a high-quality, external board that was committed to Plan’s transition in Colombia. Members of the board came from a variety of professional backgrounds, including marketing, advertising, finance and corporate leadership. Given that Fundación Plan served (at first) as a vessel for receiving local donations, the board’s role was essentially advisory. However, Bucher reported to the board on a quarterly basis, inducted them into Plan and sought their guidance on important matters related to the transition ahead. This reinforced their sense of ownership of Plan’s work in Colombia and their engagement in efforts to facilitate a strategic transition. Since the process of transition was slow, the board was asked for patience; providing the time and space to orient a new board to Plan’s work and build trust between the new board and Plan International was essential.

Managing change, building organizational culture | Bucher put together a creative, senior management team that could prepare the country office for transition. She deliberately infused an entrepreneurial, start-up ethos in what was a 45 year-old organization. There were widespread concerns among staff that a Colombian organization may not be as stable as Plan International. Knowing that resistance to change must be addressed and that staff must be motivated to embrace a new identity and way of working, the senior management team tried to cultivate an open, dynamic, team-oriented organizational culture. Leaders framed the transition in terms of the principles of participation and inclusion that were so important to CCCD, Plan International’s signature program approach. They argued that transitioning from an INGO to a Colombian NGO would enable local ownership of Plan’s efforts and allow for greater Colombian influence in the global organization. A competency-based management system was developed, based on the competencies staff needed to implement CCCD in a fundraising organization. To assuage staff concerns about the possibility of corruption after the transition, a zero tolerance policy on corruption was adopted and a whistle blower policy was put in place.

Marketing and fundraising approach | With Fundación Plan in place as the local recipient, Bucher led the effort to build professional marketing and fundraising capacity at the country office (eventually to be transferred to Fundación Plan). Grants from local sources (e.g., Colombian government, corporations) were prioritized and a wide set of institutional partnerships were forged. From the outset, a decision was taken not to build individual giving on child sponsorship (which is the norm in most NOs) but rather to raise funds for the issue of child rights. This was accompanied by a strategy to position Fundación Plan’s brand as a trusted, capable local NGO (affiliated with a large INGO with a solid track record) dedicated to securing child rights. A media alliance with RCN, the largest private television network in Colombia, gave Fundación Plan a weekly slot in a leading news program (reaching 5 million people monthly) for content related to children’s issues. This alliance, now in its fourth year, has helped make Fundación Plan a prime source of information on child rights issues in Colombia. Such exposure for the Plan brand – combined with the fact that no redefinition of brand identity was necessary, given Plan’s...
low recognition in Colombia – bolstered Fundación Plan’s ability to cultivate a monthly giving donor base that contributes to the cause of child rights, rather than to sponsorship of a particular child.

Navigating an uncertain path to membership | The process of becoming a member of Plan International was uncertain: there was little clarity about what expectations should be met, or when/how the decision would be made. Responding to concerns that some NOs had about transferring oversight of country programs to Fundación Plan, Bucher entered into the process of obtaining ISO 9001 quality certification (received in November 2009) for the organization. She wanted this to serve as assurance that Fundación Plan’s systems and processes were trustworthy and effective. In 2009, the due diligence review commissioned by the Members’ Assembly was conducted (back-to-back with Plan India, as described in the previous section) and, in November 2009, the Members’ Assembly voted to grant Fundación Plan membership in Plan International.

Taking stock | Fundación Plan now has 4100 monthly donors, and close to half of its grants come from local sources, including substantial grants from Colombian government ministries. Its diversified budget is mainly grant-funded, although Fundación Plan remains a recipient of child sponsorship funding from various NOs: some USD 4 million of its USD 20 million annual budget consists of international child sponsorship funds. Fundación Plan’s local monthly donors support the cause of child rights more broadly, providing Fundación Plan with flexible funding without the administration cost associated with child sponsorship. The organization has 38,000 followers on Facebook, and is increasingly engaging young audiences via social media. Special attention is given to connecting privileged urban youth with young leaders in poor communities (mobilized in Plan’s community projects). Fundación Plan’s marketing and fundraising efforts are extensive, ranging from face-to-face fundraising in shopping centers, celebrity ambassadors, fundraising campaigns on television (supported by an in-house call center), fee-generating child protection training for the private sector, and payroll giving campaigns. Fundación Plan has substantially enhanced its brand recognition in Colombia. This has increased its access to national policy debates. The board provides a strong sense of results-orientation and entrepreneurialism to the organization, and provides good access to influential networks and local expertise. Juan Emilio Posada, chair of the board, represents Fundación Plan at the Members’ Assembly and is a strong contributor to its deliberations.

Brazil

Starting up in a new context | Plan Brasil was locally registered in 1997 as part of Plan International’s desire to work in new paradigm countries. Following instructions from the regional office, the first Country Director focused on establishing capacity for program delivery (although the original business

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9 Plan had closed down its original country office in Brazil in the 1980s.
plan had called for starting local fundraising as well). Programs are based in the northeast of Brazil – in Pernambuco and Maranhão – where socioeconomic indicators are weak and the organization can add value on child rights and development issues. Given no pressure to build brand identity in Brazil, begin local fundraising or develop advocacy capacity, Plan Brasil did not establish a presence in the south (in São Paulo, the major commercial center) or in Brasilia (the capital, where federal government offices and embassies are based). When Plan Brasil was identified in 2002-03 as a transition country in which local fundraising would be piloted, its limited geographic base presented a challenge.

Role of board | When Plan Brasil registered locally, its board consisted mainly of Plan staff; the expatriate Country Director served as chair, and some community leaders were placed on the board. The board was not considered an important body, and Plan’s approach was to ensure control over the board. This was a lost opportunity to engage experienced, well-positioned, well-networked Brazilians in Plan’s work, and seek their guidance and expertise in developing Plan Brasil’s strategy and approach. Given that Brazil was a relatively new context for Plan International, the lack of local contacts and steering was a big disadvantage. As a result, Plan’s programmatic work became isolated in the northeast and, when Plan Brasil began its local fundraising pilot in 2002-03, it had little local capital (in the form of networks, access, brand awareness or champions) to draw from.

Lack of vision, national leadership and consistent strategy | Over the past ten years, Plan Brasil has made intermittent progress along an uncertain path. Plan International has not demonstrated a clear or consistent vision for its presence in Brazil. When Brazil was identified as a transition country, Plan Brasil participated in the local resource mobilization initiative led by ROA, and added staff capacity in marketing and fundraising. The lack of connection to wealthy urban centers was a limitation. For a short period, Plan Brasil opened an office in São Paulo, and secured some 300 individual donors through a marketing campaign and built relationships with several major corporations. However, the cost of maintaining a São Paulo office was not commensurate with the funds being raised, and the office was shut down. Without a clear vision for Plan Brasil’s future – and with conflicting signals of running Plan Brasil like a branch office with a purely symbolic board and, at the same time, seeking to raise local funds – the organization has proceeded in fits and starts. Country directors, mostly expatriates with no fundraising expertise, have experimented with fundraising efforts that have not been sustained. The lack of Brazilian leadership has been a major handicap. In addition, Plan International’s intermittent investments in marketing and fundraising have not recognized the time it takes for a new brand to make headway in a large, sophisticated market like Brazil.

Looking to the future | Plan’s experience in Brazil is often perceived as similarly negative to Plan’s failed attempt to create an independent Thai National Organization. Indeed, a proposal to close Plan Brasil was floated two years ago, but was opposed by two NOs that would have had to discontinue 6000 child sponsors if Plan’s programs in Brazil had ended. Given Brazil’s rising geopolitical importance and its expected economic growth trajectory, there is strong commitment within Plan International to “make it work” in Brazil, and a new National Director is currently being hired for Plan Brasil.
D. Lessons from Plan’s Four Country Experiences

Plan International’s experience in Thailand, India, Colombia and Brazil evolved in different ways, given the various players, contexts, opportunities and constraints. First, in Thailand, Colombia and India, Plan had well-established country offices, whereas Brazil was relatively new to Plan. Second, in Colombia and India, the “transitional” Country Directors were completely supportive of the evolution of the organization toward Plan membership, and the “start-up” National Directors were citizens of their countries, and had credibility in local civil society and a skill for navigating Plan’s global organization. In Thailand, the expatriate Country Director was distant from the Thai National Organization and the start-up National Director was isolated from the global organization. In Brazil, most Country Directors were expatriates with traditional country office backgrounds. Third, in Thailand and India, the country office and locally-registered entity existed in parallel; in India, momentum gathered after a vision emerged of integrating both entities into a unified Plan presence. In Colombia, the country office built the capacities that would be required of a hybrid (fundraising and programming) office and created a locally-registered entity that served as a “shell” into which the country office was transferred. In Brazil, only one locally-registered office existed from the outset, but it first built only programming capacity and, when it added marketing and fundraising capacity, it was pursued as separate and distant from its programs.

Few of these different approaches were undertaken based on deliberate planning and strategy. Rather, they unfolded organically, for the most part, and led to different outcomes. Plan India and Fundación Plan are now the pioneering FCNOs of Plan International. The Thai National Organization was short-lived and Plan Brasil has made intermittent progress. Stepping back from these four experiences, the following lessons can be learned.

1. In countries where Plan has a country office, clarify an “ideal” approach | As discussed above, Plan has pursued various approaches and experienced the implications. Plan’s experience in Thailand indicates that separate fundraising and programming offices running in parallel without a vision of eventual integration (or current complementarity) is not effective. In India, while two separate offices existed, key leaders had a clear vision of future integration. However, when the integration took place, the merging of two profoundly different organizational cultures was complex, and Plan India faced acute resistance from country office staff. In Colombia, the country office itself built the competencies and relationships that a hybrid (fundraising and programming) organization would require, providing more time for the process of changing organizational culture. The locally-registered organization, Fundación Plan, was initially only a receptacle for locally raised funds and had a board that essentially played an advisory role. This provided the time for a thoughtful induction of the board to Plan International. When the formal transfer of the country office into Fundación Plan occurred, both sides were well prepared for the transition. Given these three experiences, the “ideal” approach seems to be for the existing country office to begin the evolution toward a hybrid organization — building capacity in communications, marketing and fundraising, and eventually hiring a National Director (although important work could begin under a transitional Country Director) — even as a locally-registered entity is established and a local board recruited. Furthermore, clarity about what end state is being sought is essential.
2. **In countries where Plan does not have a country office, consider two options** | Particularly in a large country (like Brazil) with a vibrant civil society, establishing a new organization from scratch is not the only option. A merger with an existing local organization working on children’s issues should be seriously considered. This is the approach that Save the Children took in Brazil, when it merged with Fundação Abrinq, a well-established Brazilian NGO focused on child rights. Oxfam is considering a similar approach in Brazil. Mergers can be extremely complex – particularly the integration of two different organizational cultures – but they expedite the process of becoming rooted in a new country. If the choice is made to locally register a new organization, Plan must commit to investing the time, resources and attention in: hiring an entrepreneurial National Director who has strong local credibility and networks (and the skill to navigate the Plan International system effectively); recruiting and inducting a top-notch local board; developing a country strategy that provides a compelling articulation of Plan’s value-add in the local context; and advancing programming, marketing, fundraising and advocacy in an integrated manner (rather than creating separate program and fundraising silos). Most importantly, Plan International must recognize that tangible results will take time – for example, Save the Children’s rule of thumb is eight years – and that a predictable commitment of resources is an essential ingredient of success.

3. **Consistent, resilient, entrepreneurial leadership is essential** | In India and Colombia, a clear lesson is that unwavering leadership, persistence and strategic vision on the part of key transitional leaders were essential. In Thailand, the National Director was new to Plan and unable to effectively connect with the broader Plan system; and, in Brazil, multiple changes in country-level leadership, together with a lack of strategy and vision on the part of Plan International, has been a handicap. That Dengle and Bucher were nationals of India and Colombia respectively seems to have been important, as was their ability to navigate the Plan International system. Another factor that made Dengle and Bucher effective leaders in a critical, transitional phase was their skill at building and drawing from their local boards. Developing governance capacity has to be accompanied by developing the readiness of National Directors to be governed, and Dengle and Bucher embodied such openness and receptivity. The support they received from other champions at Plan was also vital. In times of uncertainty and in the face of resistance and risk-aversion, Dengle and Bucher were able to retain an entrepreneurialism and determination that gave their efforts forward momentum.

4. **Build capable, independent local boards** | There is no under-estimating the importance of a high-caliber board of directors in guiding the start-up of a new organization or the transition of an existing country office. There are several lessons that emerge from Plan’s and other INGOs’ experiences. First, if signals are given that Plan seeks to control the board or is hesitant to cede power to nationals who are independent of Plan, it will be hard to attract board members who want to play a serious role in a complex endeavor like creating an FCNO. The need for a safeguard is understandable and, as ActionAid International does, setting aside a board position for a board member from another Plan member (perhaps another FCNO) might be desirable. A more conservative approach would be to appoint an Assembly of Members composed of Plan International leaders (as Save the Children International does) that retains the ability to dismiss the
board if things go awry, but is essentially dormant if progress is smooth. Second, it is important to deliberately define the board’s role (especially in relation to executive management) and the collective skill set needed. Plan India’s governance strategy is an excellent template for prospective FCNOs to use going forward. Third, to build a strong sense of leadership and ownership on the board, Plan could recruit top-notch individuals to form the nucleus of a board (calling on the relationships of board members in other NOs and FCNOs to do so) and provide those individuals the space to recruit the rest of the board. Fourth, a thoughtful, deliberate induction of the board to Plan International and to Plan’s work in-country is essential. This induction process worked well in India and Colombia, and the National Directors’ approach was a critical ingredient. Fifth, the positive mentoring relationships that have formed between Plan Australia and Plan Hong Kong, and Plan United Kingdom and Plan Ireland, illustrate that such mentoring relationships could also be fruitful between a well-established NO or FCNO and a prospective FCNO. Finally, while recruiting a high-quality first board is essential, it is equally important to build the systems that ensure a robust nominations and orientation process, so that future board transitions are smooth.

5. **Country offices should begin the process of organizational evolution now** | Although the four country examples in this paper are seen through the “FCNO lens,” it is clear that Plan country offices can and should begin a process of evolution – to build stronger roots and greater accountability in-country – even if they are not in a position to register locally or get on a path to Plan membership. Such evolutionary steps would improve country offices’ effectiveness and legitimacy, and position them well to become locally-registered organizations in the long-term. It is clear that Plan had very little name recognition to use as a foundation for marketing and fundraising in India, Thailand and Colombia. In Colombia, even prior to the registration of Fundación Plan, the country office began to invest in communications, which served as a basis for later marketing and fundraising efforts. Also, after Fundación Plan was registered (and prior to the country office being transferred into it) its board served essentially in an advisory capacity, providing important local ownership to Plan, and contributing a strategic orientation to the country office’s evolution. This demonstrates the value of having advisory councils (without legal or fiduciary responsibilities) that lend country offices the perspective, expertise and counsel of an important group of national actors. While these advisory councils are not “boards in training,” they can provide the nucleus of a high-quality board if these country offices do progress on the path to Plan membership. Experimenting with local fundraising could also be an important step in an evolutionary process. In countries where great wealth and deep poverty co-exist, mobilizing in-country resources should be a key part of the country strategy (but that does not necessarily have to be linked with getting on a path to Plan membership).

6. **Do not underestimate the implication for organizational culture** | Given that the identity and roles of FCNOs are dramatically different from a traditional Plan country office, the change in organizational culture that must accompany the evolution to FCNO status is profound. This has not been sufficiently acknowledged or supported by Plan International, although thoughtful management of the change process and the attention paid to building an entrepreneurial culture has served Plan India and Fundación Plan well. This was aided by the articulation of a compelling case for change at the country level: the argument that an empowered, locally-owned Plan could more effectively
advance CCD was critical. Change in organizational culture at the country level must be accompanied by complementary changes at the global level. This is discussed in the next section of this paper.

7. **Make the pathway to Plan membership (the FCNO incubation process) more predictable** | In India and Colombia, the transition to FCNO status depended more on the key individuals involved than on the effectiveness of a deliberate incubation process. In fact, given that the process was “made up along the way” in all four countries, there was little predictability as to what steps needed to be taken, what expectations needed to be met, or what support might be available from IH or NOs. Now that two country offices have successfully transitioned into Plan members and there has been time to take stock of “what it takes” to accomplish this transition, it is time to clarify the process leading up to membership so that that journey can be expedited for country offices in the future. Recommended steps in this process are fleshed out in the next section of this paper.

8. **Acknowledge that FCNOs will take time to deliver on desired results** | Given that a leading result sought by Plan International in emerging markets is strong local fundraising, there has been a tendency to demand results too soon without making the investments required to secure those results. In Brazil, Plan International has not prioritized the need to: develop presence and relationships in São Paulo; support focused brand building efforts with respect to specific target audiences; connect the fundraising and programming dimensions of the organization for greater coherence; and recruit a high-caliber board that can strategically guide Plan Brasil. Plan’s marketing and fundraising investments in Brazil have been intermittent, and decisions made on the basis of short time horizons have pulled the plug on promising investments prematurely. Similarly, building governance capacity takes time, and crises can be an important crucible that makes a nascent board stronger. If Plan International wants to seed a growing number of FCNOs that can bring greater southern voice at the upper reaches of the organization’s governance, it must stay the course with investments in fundraising, governance and program management capacity.

9. **The perception of double standards is corrosive** | Although it is unintentional, Plan’s use of the term “FCNO” conveys a division between NOs and FCNOs, and invites perceptions that FCNOs are given second-class citizen status. The term “member,” which conveys equality, is not often used to describe FCNOs. The rigor of the controls applied to FCNOs (to mitigate risk to Plan International) is perceived to be greater than the standards that NOs are held accountable to. To level the playing field and communicate a sense of equality and fairness within the global organization, Plan International should adopt a shared set of standards to which all members will be held accountable. World Vision International’s standards and its integrated review framework – including peer review of governance – provide good ideas to draw from.

## E. A Framework for Moving Forward

Given these lessons, and drawing from the experiences of other INGOs, the following framework could help Plan International establish FCNOs more effectively and coherently (and do so at a quicker pace).
1. **Clarity of vision and purpose** | At World Vision and ActionAid, the internationalization process was driven by leaders who painted an inspiring vision of a “truly international organization.” Implicit in that vision and purpose was the acknowledgement that the original power distribution within these organizations was unsatisfactory (or even counter to their development philosophy). World Vision recognized that its international partnership was not a true partnership as long as money was the key determinant of power; the principle of equality, within a framework of interdependence, was established at the outset. ActionAid recognized that its commitment to social justice, built on the principle of inclusion, would be hollow if not reflected within its own organization. Oxfam recognizes that its effectiveness in the global policy arena requires presence and influence in G-20 countries; this is a more targeted purpose compared to World Vision and ActionAid, and helps Oxfam focus on developing affiliates in key G-20 countries. Thus far, Plan International’s approach to developing southern members has evolved organically, shaped by its experiences in India and Colombia. It has not been driven by a well-defined purpose linked to its ability to deliver its mission. Rather, Plan’s approach has **combined multiple purposes:** tapping new markets for funding, increasing local legitimacy, increasing southern representation in governance, and enhancing program effectiveness by engaging local civil society. This combination of purposes, and the implication that successful southern members should deliver on all of these purposes, may be problematic. It is worth **separating out these purposes** and considering the best way of achieving them. For example, tapping new markets might be achieved without registering locally or getting on a path to Plan membership. Conversely, a locally-registered office may have strong potential to be a financially sustainable, value-adding member of Plan International but may not be able to raise significant funds locally. **Being clear about the overarching vision and purpose** – the “why” – would help Plan International to: develop effective models for implementation; identify and prioritize countries in which those purposes should be pursued; and galvanize support for a certain pace of change in the organization.

2. **Adapt international governance** | If Plan International is to create many more FCNOs, its international governance must adapt to support them and be shaped by them. In India and Colombia, country-level leaders (in management and governance positions) steered the process out of their personal commitment to creating effective, locally-driven organizations. The broader organization fully entered the picture only in the later stages, when decisions had to be made about admitting Plan India and Fundación Plan as members of Plan International. This is when the due diligence process was conducted and the FCNO Policy negotiated. Given the enormous effort that Plan India and Fundación Plan had put into the transition process, there was a lot of pressure to find a way for them to become members. The “all-or-nothing” proposition – either these offices would become full members or they would remain country offices (despite the considerable changes they had undergone) – weighed in the direction of granting membership, but the perceived risks of doing so prompted the imposition of controls and restrictions to manage risk. Other INGOs have addressed this eventuality by developing a system of tiered membership. For example, in ActionAid International, country offices interested in becoming affiliates (full members) are first voted in as associates if they meet certain criteria of “readiness” and, after several years of further transition,
Before Plan India and Fundación Plan were granted membership, Raj Nooyi and Juan Emilio Posada (from their boards) were invited to attend Members’ Assembly meetings as observers. Both added much value to deliberations; their inclusion was implicit recognition of their organizations’ transitional status. Creating an associate membership category would formalize this.

Similarly, World Vision has four types of entities – from branch offices to fully interdependent national offices. Save the Children has two categories of membership: associate members and full members. Plan International should consider developing a transitional category of membership – similar to an associate member – to acknowledge the progress that country offices are making toward full membership and to provide a window for the last phases of transition. Due diligence processes would need to be conducted at both junctures (when considering candidates for associate membership and full membership) and candidates would need to pass satisfactorily.

ActionAid’s recent learning indicates that special attention must be paid when assessing “readiness” for associate membership. Having a transitional membership category brings the candidate organization into the global organization, and provides the opportunity to build the mutual familiarity and trust required to facilitate full membership.

3. Effective accountability systems | The FCNO Policy is the key policy that establishes “rules” with respect to FCNO roles and authorities. This is complemented by membership agreements and affiliation agreements that are signed between each FCNO and Plan International. The key champions for FCNOs perceive the FCNO Policy, while important in breaking through the impasse that blocked Plan India and Fundación Plan from obtaining membership, as inhibiting future potential for organizational evolution and FCNO incubation at the country level. They perceive the FCNO Policy as being inhospitable to experimenting with local fundraising, which could be an important barometer of readiness to evolve toward Plan membership. They are also concerned by the FCNO Policy associating control over program delivery with percentage of funds raised locally. Plan International needs a more objective, positively-oriented system for managing risk, encouraging alignment and ensuring accountability. The adoption of an accountability system that focuses on reflection and learning, rather than compliance and control, could be important. World Vision International’s peer review system for governance assessment (and its complementary review systems for finance and program) is a good example. This would need to build on a set of shared standards for members that would be applied equally to NOs and FCNOs. Due diligence reviews (of aspiring NOs and FCNOs) and other reviews (of current NOs and FCNOs) would assess potential or performance against those standards.

4. Predictable incubation process | In India and Colombia, the lack of clarity about the steps required to obtain Plan membership caused much delay and frustration. This is understandable for these initial experiences, but there is no reason not to provide more standardization and predictability to the process now, given the lessons learned. Major steps in the incubation process (not necessarily sequential) might include:

   a. Assessment of country office’s “readiness” to begin journey to Plan membership
b. Articulation of case for change at the country level (beginning the process of changing organizational culture)

c. Development of a strategy for the evolution of the country office (guided by a clear vision for Plan in the country)

d. Identification of an NO or FCNO that can play a mentor role

e. Registration of Plan as a local entity (and writing of bylaws)

f. Recruitment of a National Director (could be delayed if an appropriate transitional Country Director is in place)

g. Recruitment of the Board of Directors (could start with a nucleus and let the nucleus lead the remainder of Board recruitment)

h. Induction of the Board of Directors

i. Investment in communication, brand management, marketing and fundraising capacity (in accordance with the vision and strategy)

j. Investment in organizational capacity for financial management, risk management and process improvement

k. Commissioning of due diligence process (based on shared standards for all Plan members)

5. **Global organizational culture** | It is not only organizational culture at the country level that needs to change. Importantly, the culture of the global organization must also change to absorb and benefit from the value and perspective that diverse membership brings. The resource-oriented culture of Plan today – which equates funds raised with influence and power (reflected in the distribution of votes at the Members’ Assembly) – must change to acknowledge the importance of other forms of value that southern members can bring. It is important to manage this process of change deliberately and thoughtfully. Thus far, Plan International’s stance toward FCNOs has been oriented toward building controls and compliance, rather than welcoming new members for their innovation potential or optimizing the innovations produced by FCNOs. For example, Fundación Plan’s *4S* Nordeste monitoring and evaluation system, its process of obtaining ISO 9000 certification and its strategy of raising unrestricted funds for the cause of child rights could serve as important learning for the broader organization.

6. **Visionary leadership** | Having visionary leaders in key management positions (in country offices, FCNOs, NOs and IH) and in key governance positions (in FCNOs and NOs) is essential. The transformation of World Vision and ActionAid have been enabled and led by visionary leaders who were prepared to transcend their national interests and take risks to pursue a principled approach to organizational evolution. These leaders took a “leap of faith” and motivated staff to follow, projecting an inspiring vision and arguing a compelling case. Plan International’s top leaders should embrace the role of articulating clear purpose and vision (in relation to the future role, structure, diversity and power distribution of Plan International’s governance system) and embodying the entrepreneurial culture that should accompany that.

7. **Dedicated resources** | If the creation of FCNOs is going to be advanced more systematically and at a faster pace, Plan International must instill greater standardization in the process (while leaving room
for contextualization and creativity) and create dedicated capacity to support the process of change. There is an important role for a small unit at Plan International – and perhaps scattered in appropriate regional offices – to play with respect to providing expertise and tailored support to aspiring and new FCNOs. World Vision International’s Governance Unit, ActionAid International’s Governance Team and Save the Children’s Stronger Member Team play an important role in helping their broader organizations put their visions into action at the country level. Plan International’s vision with respect to organizational evolution should guide the structure and role of a similar unit. This unit would need to prioritize among various roles, including: defining shared membership standards; building an accountability system to bring these standards to life; guiding capacity building investments; advising on local registration and founding documents; supporting local board recruitment and development; helping country leaders to navigate the Plan International system; and advising on change management issues at the country and global level. Staff in this unit would build expertise in building new FCNOs and would be able to translate that into a more effective, expedited process.

**F. Conclusion**

Given its lessons from Thailand, India, Colombia and Brazil – and the opportunity to learn from and possibly advance beyond some peer INGOs – Plan International confronts an interesting set of opportunities and challenges. External conditions are signaling the need to become a truly international organization (rather than an organization dominated by northern powers), and internal appetite is growing for a more inclusive organization where southern perspectives are represented in the upper reaches of governance. Thus far, creating FCNOs has been seen mainly as a country-by-country process. What is evident is that the choice of broadening the number of countries in transition, as well as expediting the process of transition, amounts to a transformation of the global organization (not just a transformation of country offices). Visionary leadership is required to paint a picture of why such change is required, how it will make the organization more effective, and what it will take to get there. In the absence of such visionary leadership, fundamental disagreements about the change required – or the need to change at all – can persist. Given that such disagreements over FCNOs are already evident among members of Plan International, it is worth taking the time to build consensus on the need for change and the broad dimensions of change required. Although it is tempting to minimize the amount of change required, it is vital (to long-term success) to establish a sense of urgency, acknowledge the implications of change, plan systematically and manage the change process deliberately.
Annex 1

List of Interviewees

1. Roland Angerer | Regional Director, Regional Office of the Americas, Plan International | Former Country Director (Plan in India) | Former Country Director (Plan in Colombia)
2. Werner Bauch | International Board Member, Plan International
3. Gabriela Bucher | National Director, Fundación Plan
4. Mathew Carlson | Deputy Regional Director, Regional Office of the Americas, Plan International | Former Country Director, Plan Brasil
5. Daniela Costa | Head, International Governance, ActionAid International
6. Maja Cubarrubia | Country Director, Plan Thailand
7. Bhagyashri Dengle | National Director, Plan India
8. Peter Gross | International Board Member, Plan International
9. Nathalie Inion | Global Analyst, Plan International
10. Joshua Liswood | International Board Member, Plan International | Board Member, Plan Canada
11. Neelam Makhihani | Chief Executive, The Resource Alliance
12. Peter Moore | Former ActionAid UK Board Member
13. Raj Nooyi | Board Member, Plan India | Vice Chair, Plan USA
14. Clare Rodger | Head, Stronger Members Unit, Save the Children International
15. Wayne Parchman | Senior Director, Integrated Review, World Vision International
16. Juan Emilio Posada | Board Chair, Fundación Plan
17. Dan Stoner | Former Country Director, Plan Brasil
18. Simon Usher | Head of Strategy, Plan International
19. Ian Wishart | National Director, Plan Australia

List of individuals engaged in discussions related to this research

1. Peter Bell | Former CEO, CARE USA | Senior Research Fellow, Hauser Center
2. L. David Brown | Senior Research Fellow, Hauser Center
3. Eliana Restrepo Chebair | Vice President, Innovation & Knowledge, Fundación Plan
4. Claudia Vásquez Durán | Director, Talent and Organizational Culture, Fundación Plan
5. Alnoor Ebrahim | Assistant Professor, Harvard Business School
6. Carlos Alfonso Aparicio Gómez | Board Member, Fundación Plan
7. Alex Jacobs | Director, Programming & Effectiveness, Plan International
8. Molly Jacobsen | Boston Consulting Group
9. Eloisa Machado | Program Unit, Cartagena, Fundación Plan
10. Awara Mendy | Boston Consulting Group
11. Hernando Torres Pacheco | Director, Legal, Fundación Plan
12. Ramesh Singh | Former Chief Executive, ActionAid International
13. Melanie Swan | Regional Head of Strategy, Regional Office of the Americas, Plan International
14. Iván Darío Parra Orozco | Director, Marketing & Communications, Fundación Plan