

Sustainable Finance for Conservation in Africa

REFLECTIONS ON BOARDS OF TRUSTEES OF FOUNDATIONS IN AFRICA

By

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Several papers, documents and books have been drafted on Boards of Trustees of foundations, but just a few (if any) deal with the securities of those foundations in Africa. This paper, which is submitted to the Arusha Conference on Trust Funds in Africa, initiates the basis for reflection on this subject from lessons learned but also from the interpretation of the recommendations for foundations of other continents. Certain items raised may seem far too simple or obvious; however, they are not always enforced. We hope that the discussions that this paper will trigger will enrich our reflections on the Board of Trustees in Africa for a better management of our Foundations. This is one of the major objectives of this Conference.

A. About the Role of the Board of Trustees

Most specialists agree to make a distinction between two main roles of the Board of Trustees of foundations: (1) the role of support to the executive branch, and (2) the role of Governance of the organization.

In their role of support, the Board of Trustees members bring their competencies, knowledge and specific experience in the management of the foundation. In general, they are selected on the basis of their potential contribution to the organization. Within the context of the northern countries, this contribution is sometimes assessed by the amount of the financial resources mobilized by the trustee (give, get or get out).

In their role of governance, the Board of Trustees defends the interests of the founders, donors, beneficiaries and the society in general. This governance takes the form of a control over the activities of the executive team; both on the strategic plan and on the operational and financial plan.

Although, basically, those two main roles aim at preserving the interest of the foundation, before the executive, they are opposed. Indeed, if the support is made to help the executive in the management of the foundation, the control, on its part, is made on its own side.

For a fair operation of the foundation, it is necessary that a balance be found between these two roles of the Board of Trustees, especially vis-à-vis the executive. Indeed, the Board members should not foster the role of control at the expenses of that of support, even if the latter is more difficult to ensure. The Board should not put pressure over the executive just to cover its failure to its role of support.

It is disappointing to sometimes find that the Board of Trustees is considered as another constraint to be overcome rather than a resource that can be mobilized for the executives in their actions.

In order to optimize the support and control of the Board of Trustees over the executive, the following actions could be profitable:

1. The development of a manual of the Board of Trustees that stipulates the roles and responsibilities of its members, regarding both support and governance.
2. The establishment of Technical Commissions within the Board so that each member can bring a specific support and use a specific control relating to his competencies over the executive.
3. Finding means of reducing the negative pressure over the executive by developing motivation systems.

B. About the Composition of the Board of Trustees

In theory, the members of a Board of Trustees are recruited according to their competencies, experience and expertise. It is quite logical that such competencies are diversified within one Board so that each decision can be analyzed from various points of view.

However, it has been noticed in a few foundations that the geographical or political criteria take over in the selection of the Board members. The reason often given for such choices is that all regions of intervention of the foundation or all political trends must be represented within the organization to avoid any critics from politicians and decision-makers.

This consideration can be valid in some contexts, but the geographic and political criteria should not take precedence over the technical diversification, which is more useful and advantageous for the foundation.

In addition, at the time of selection of the members by cooptation, the members tend to recruit people who have the same profile, the same profiles, and the same values as theirs. This quite natural phenomenon could and should be avoided by establishing specific policies in the Board manuals.

On the other side, it has been noticed that the presence of influent persons in the Board of Trustees can help the foundation in both its strategic and daily management. Indeed, apart from their competencies and experience, the members bring in the connections and relations (Rolodex), which often opens the access to other useful resources to the foundation.

Basically, the best way to avoid monopolies and reactions as “a lot of stupid sheeps” within the Board of Trustees consists of bringing in diversity in its composition:

1. Technical diversity: Ensure that the Board members bring their various and diversified expertise that can cover all important technical aspects of the foundation’s management;
2. Diversity of interests: Respect a balance between the members from the public and parastatal administration, those from the private sector and those from the civil society, without overlooking representatives of the beneficiaries;

3. Diversity of values: try, to the extent possible, to strike a balance between the socio-cultural groups within the Board, namely: ages, genders, origins and social segments, geographical representations, etc.
4. Diversity of personalities: Never let a single person of strong personality or strong influence dominate the group. It is always necessary to try and integrate other persons who have plenty to fall back on to strike a balance in the debates within the group.

C. About the Decision Process within the Board of Trustees

Our societies have the reputation of being conservative in terms of decision-making. The social hierarchies are always well respected, even in very official groups such as the Boards of Trustees. Patriarchy and respect for the seniors remain immutable values and are difficult to upset. Thus, the opinion of someone who has a lot of experience or has occupied important positions, even in a totally different area, will often be listened to than that of a young technician, an expert in his area.

This situation appears in the discussions within the board, and they appear to be in a one-way direction. Once the “patriarch” has talked, the other members are ill at ease to add their comments or contradict him, to say the least.

This monopolization of the decisions can be avoided:

1. By fostering the debates within the Board by ensuring that all alternatives, constraints and consequences of a decision have been thoroughly discussed and assessed;
2. By making all the “shyest” members speak up first so that their contributions are not influenced by those of the bolder ones;
3. By instituting a vote on each decision to make in the Board. If the topic is a touchy one, it can even be thought to organize a secret poll;
4. By putting all members of the Board of Trustees at the same level of information during and between the Board’s meetings;
5. By nominating one person to play the role of “the devil’s advocate” within the Board to avoid over-friendly decisions.

D. About Voluntary Work of the Board of Trustee Members

It is often difficult to demand from volunteer members of the Board of Trustees to regularly devote a substantial part of their time to the foundation while, often, they have other important responsibilities in their official and remunerative functions.

Indeed, voluntary work is a concept of the Northern countries, especially the United States. It can only be used in the best fashion in our foundations if the people concerned benefit from other sources that bear ensured income.

On the other side, by accepting to seat within a Board, each member is aware of this material constraint. If he engages himself in this responsibility, it is often because he finds interests other than material ones. Such interests may include:

1. The satisfaction of effectively contributing to the mission of the foundation and bringing a positive change to the society or the community;
2. The implicit recognition of the member's expertise in his or her area;
3. The honor and prestige of leading or representing a benefactress organization with a relatively substantial capital;
4. The enjoyment of a certain recognition that the members of the Board of a foundation are "trustworthy", hence the name "Trustees";
5. The possibility of developing new knowledge and professional relationship that could be useful in the future.

These advantages that the foundation offers must be emphasized to attract the best member candidates and to keep them continuously motivated during their mandates.

In addition, the resources in terms of time and expertise that the Board members contribute to the foundation already constitute their input to it. This input should be clearly recognized by the foundation through communications supports, such as the annual report, to satisfy the interests of one or several of the above interests.

E. About Leadership

In the foundations of Northern countries, the Executive Secretary often seats at the Board of Trustees, and, sometimes, chairs it. This system allows avoiding conflicts in leadership between the Board and the Executive Secretary.

In the Southern countries, the leadership within the foundations can vary between the Board, more specifically the Chairman, and the Executive, especially the Executive Trustee.

This variation may come, inter alia, from the various points emphasized above:

- The lack of clarity on the roles of the Board of Trustees and the executive;
- The composition of the Board, especially the personalities of its members as well as that of the Executive Secretary;
- The decision process within the Board;
- The volunteer work of the Board members as opposed to the professional nature of the Executive Secretariat function.

This conflict in leadership may create some complications in the foundation's management, among which one can cite:

- The wait-and-see game between the Board and the executive: each party awaits the initiatives of the other party and, eventually, nobody does anything;
- The opposition to change from the foundation: it is better to do nothing rather than take the risk of making errors;
- The divergence of vision and, especially, of strategies to reach it: each one tries to impose his vision and strategies;
- The overlapping of roles between each others: i.e. strategic decision-making deemed as operational by the executive, and, in return, involvement of the Board of Trustee in the executive's operational activities.

To overcome such complications, it is recommended to:

1. Clearly define the respective roles of the Board and the executive, and, above all, define the items that are debatable, such as the development and establishment of strategies or policies;
2. Keep the Board regularly informed of the executive's activities so that any potential irregularity by the latter cannot reach a catastrophic amplitude before being noticed and so that the Board members can bring in their help and support during the winding up of one activity;
3. Optimize the meeting time and availability of the Board of Trustees to discuss more about questions pertaining to operational problems;

Ensure, at the time of his recruitment, that the Executive Secretary dares to take initiatives and that he ensures his responsibilities.

F. About the Evaluation of the Executive Secretary

The professional relationship within our societies is not distinctly separated from our social relationships. One Malagasy proverb often cited even says: "it is better to loose money than to break up friendship". This culture that is not basically bad can, however, prevent the Board of objectively appreciate the job of the Executive Secretary of a foundation.

In addition, the absence of operational loss and profit figures (bottom lines) like for businesses makes the objectivity of the evaluation of the Executive Secretary more difficult. Of course, the funds raised and subsidies granted can serve as the basis to a rational assessment. However, that type of assessment cannot integrate the quality dimension, which is more important, especially when dealing with long-term impacts. The question would be to know evaluate the future impacts of today's decisions made by the Executive Secretary.

The answer to this question constitutes one of the most difficult tasks of the Board of Trustees in terms of control. However, this task could be facilitated if the Board follows some basic rules, such as:

- Follow the principle that the evaluation is more of a tool to improve performance than a means to punish the counter-performance of the assessed individual.

- Establish an annual work plan on the basis of which the forecasts and the accomplishment of the Executive Secretariat will be compared.
- Have the Executive Secretary make a self-evaluation of his or her fulfillment including the main initiatives taken during the period.
- Get the assessment of all the Executive Secretary's "clients" -- that is the persons to whom he or she provides a service-- for a full and objective evaluation:
 - The Board, pertaining to the terms of reference.
 - The foundation's employees, pertaining to management style and leadership.
 - The beneficiaries, pertaining to the objectives of the foundation.
 - The partners, pertaining to teamwork and negotiation capacities.
- Make a self-evaluation of the way the Board itself plays its different roles of assistance and governance. This will be done in order to determine potential additional expertise to strengthen the Board.

G. Conclusion

If organizational manuals are often established for foundations' management per se, it appears that the development of a Board Manual becomes essential. Indeed, the success of a foundation depends heavily on the effectiveness of its Board.

The Board Manual, which aims at guiding the Board members in their own management will include, at least:

- The roles and responsibilities of the Board of Trustees and of its members,
- The Board's organization chart and committees,
- The composition of the Board and the recruitment criteria for new members,
- The operational rules, particularly for meetings,
- The means and criteria for member assessment.

The Board itself will be responsible in the establishment and the enforcement of this manual. That is part of its governance role.

USEFUL SITES

The following web sites give relevant information on Board management and development:

- <http://www.boardsource.org/intel/faq.htm>
- http://search.genie.org/genie/ans_result.lasso?cat=Board+Development