

6th June 2004

**MANAGEMENT AUDIT  
OF  
THE SWEDISH SOCIETY FOR NATURE CONSERVATION  
(SVENSKA NATURSKYDDSFÖRENINGEN)  
SNF/SSNC**

**Executive summary**

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## Executive Summary

Founded in 1909, SSNC is Sweden's biggest and oldest environmentalist organisation, consisting of a national society, 24 county federations and 273 local branches. More than half its 160,000 members are of ten or more years' standing. Of these, 70% are aged over 50 and the majority of members come in the 50-59 age group. The sexes are evenly balanced. Half the members have post-secondary educational qualifications, i.e. college diplomas or university degrees. Of the new members, not quite 80% are aged under 40 and just over 80% are women.

In 1990 SSNC and Sida signed an agreement enabling the Society to support and strengthen environmentalist organisations in the Southern Hemisphere. Support to the East is channelled mainly through three regional networks: Coalition Clean Baltic (CCB), Taiga Rescue Network (TRN) and IFS (the Swedish NGO Secretariat on Acid Rain). Part of this support is disbursed directly by SSNC as organisational support.

Sida has commissioned Professional Management AB to carry out a management audit of SSNC with particular reference to the management of its activities and finances. The assignment included visits to partner organisations in two countries, Poland and Malaysia.

The management audit was conducted by a team of consultants comprising Stina Waern (Management Consultant), Gunnar Danielsson (Authorised Public Accountant) and Arne Svensson (Team Leader). We co-opted two specialists onto the team, namely Rolf Johansson (archive questions) and Sven-Inge Svensson (environmental expert). Barbro Svensson was Project Co-ordinator and QA Manager, and Kristoffer Banasiak served as interpreter and checker of documents in Polish.

Observations were based partly on studies of available documentation at SSNC head office in Stockholm and on interviews. The management audit spans the whole of the organisational structure, both in Sweden and in the South and East.

The analysis and assessment of the areas thus surveyed concerned reliability and relevance. In addition, a general assessment was made of SSNC reporting to Sida and communication within the SSNC organisation itself.

### **Sida-SSNC co-operation**

- Sida-SSNC co-operation today spans programmes handled by three different Sida divisions:
- North/South activities (Sida/NATUR)
- Central and Eastern Europe (Sida/SEKA)
- Information grants (Sida/INFO)

**North/South activities:** When SSNC's North/South programme was inaugurated in 1990, the Society had only limited experience of running its own co-operation projects in the South. Since then, however, sixty or more NGOs in Africa, Asia, Latin America and Oceania have received support through the programme. Four priority fields have been defined for this programme:

- Tropical forests.
- Sustainable agriculture.

- Hydropower.
- Consumption and lifestyles.

The overarching aim of the programme is “*sustainable management of timber, agricultural and water resources and of biodiversity in the South.*”

**Central and Eastern Europe:** This programme started with Baltic Sea and energy/traffic issues, and was preceded by co-operation through IFS from the early 1980s onwards. Co-operation on Baltic Sea issues began with the inauguration of CCB in 1991. SSNC is now an active (founder) member of IFS, CCB and TRN.

SSNC’s spearhead competence with regard to environmental and developmental issues, coupled with its broad membership base, make it an interesting partner for Sida. Sida aims to amalgamate the different forms of support provided to SSNC. Accomplishment of this aim will open the way to more efficient utilisation of resources through closer integration of work at all stages.

Swedish policy has to be governed by two perspectives: the rights perspective and the perspectives of the poor, which is to say that the needs, interests, competence and circumstances of poor people should be a point of departure for efforts to achieve equitable, sustainable development. We wish to emphasise the importance of the effects of Sida’s new overarching objectives on SSNC’s international activity being carefully analysed in the process of strategic revision.

Sida has been looking for closer co-operation with the environmentalist movement. A wider role for SSNC as a frame organisation presupposes its legitimacy as a co-ordinating force within the environmentalist movement and its possession of an administrative capacity measuring up to Sida’s requirements. SEKA/EO has repeatedly criticised SSNC’s administrative handling of the frame grant, e.g. because agreements have not been complied with, reports have been delayed and accounts have not been scrutinised and double-checked. Our inspection shows the criticism voiced by Sida to have been fully justified.

We recommend that SSNC revise its strategy in accordance with Sida’s plan, that SSNC take the consequences of Sida’s new overarching objectives into account in its strategy, and that Sida’s and SSNC’s aim of amalgamating different forms of support be pursued as planned.

### **SSNC’s organisation and mandate**

We find SSNC to have a clear mandate for international commitment.

The SSNC Board handles relatively few decision-making matters relating specifically to international activities. The latest such item is from 2001 and concerned the strategy for the North/South programme. We recommend the Board to pay closer attention to Sida-funded international co-operation.

We find the scaling of the international department to be reasonable, but we recommend closer integration of national and international work within SSNC. Informal networks already existing between handling officers in the International Department and people in other departments dealing with the same fields can be systematised better, not least where strategic planning is concerned.

The feasibility and forms of greater local co-operation between local branches and partner organisations in South and East should be looked into more closely. One important issue for SSNC's International Department is that of enabling interested members to act as catalysts for the further dissemination of knowledge concerning development issues. The informal structures created through networks (the Dams Network, for example) are important in this connection.

The advantages and disadvantages of a special international branch also need to be discussed. One advantage would be the building up of a formal organisational base for co-operation at grassroots level, reducing dependence on a small group of employees at national head office. This should also serve to reduce vulnerability and to augment commitment to international activities in the formal democratic processes.

### **Policies and strategies**

The statutes and the declaration of aims indicate a number of basic values. These include the value of democratically based voluntary involvement. SSNC is a popular movement which helps to strengthen civil society, giving citizens an opportunity of coming together for a dialogue on important issues for the future.

The guidelines laid down by the Board for SSNC's international activity (1994) state that it is to be based on national involvement but that SSNC must also be responsive and open to the consideration and illumination of issues in accordance with partner organisations' priorities. The North/South programme is based on an internal SSNC strategy which was formulated in 2001 following discussion and resolution by the then National Board.

SSNC's priorities and emphases are based on the guidelines adopted by the 2002 General Assembly, defining the strategy for 2003-2006. The operational guidelines apply to the whole Society. They span a four-year period and indicate intermediate objectives, stipulations or measures of importance for achieving the five overarching objectives endorsed by the General Assembly.

The Board has instructed the Secretariat to frame a new strategy for international co-operation and on this basis to formulate an application to Sida for renewed support during the period 2004-2007.

We recommend SSNC, as part of its work on the new strategy, to carefully analyse means of intensifying the integration of national and international activities and of South and East co-operation.

### **Choice of partner organisations**

SSNC's criteria for the choice of partner organisations are not absolute but are based on a holistic assessment in which consideration is paid to specific circumstances, and above all to local political and cultural conditions. The majority of associates rank as the most active and stable environmentalist organisations in their countries.

SSNC has no standard template for drawing up an application. For those organisations whose applications are granted, an advanced decision-making process exists within SSNC and the network organisations. Not all incoming applications, however, are put through the same process. Certain applications are not considered at all, while others are rejected by the

handling officer. There is reason to develop a more transparent decision-making process, which SSNC can apply to all incoming applications.

The criteria employed by SSNC in its selection of partners faithfully mirrors the Society's own priority fields, policies and objectives, and the partner organisations included in our field studies measure up to these criteria very well. The procedures for SSNC's co-operation with the partner organisations appear to be appropriate and applied in practice. Co-operation is most often governed by agreements containing the main points agreed on (the content of the co-operation, financial support, follow-up and evaluation, reporting, repayment etc.). There is one standard agreement for South and another for East.

Co-operation with the environmentalist organisations in the East goes mainly under the aegis of the three networks – CCB, TRN and IFS. Channelling support through these networks is deemed an advantage by the partner organisations in the East because in the networks they find natural partners. One important task facing SSNC and the networks has been that of phase-out preparatory to EU accession. SSNC and the networks have a working group which co-ordinates and plan these activities. No formal, signed agreements exist between SSNC and the three networks. The latter have their own procedure and guidelines for application, assessment/ranking and debriefing. Agreements are not always drawn up between networks and partner organisation. Instead an application is sometimes confirmed in a letter of transfer. We recommend SSNC and the networks to ensure the existence of signed agreements in keeping with Sida's requirements.

The focus of the SSNC Eastern Europe programme is now shifting, in terms of project funding support, from the Baltic Sea region to the Barents region, Russian Karelia, Belarus and Ukraine. SSNC's co-operation with environmentalist organisations in the accession countries will continue on specific issues and matters of environmental policy.

SSNC has tended to co-operate with NGOs headed by quite well educated people. This is partly a consequence of the focus on particular environmental problems, added to which, certain of the partner organisations focus on lobbying and see themselves primarily as campaign organisations. Capacity build-up through the recruitment of members from among the poorest inhabitants and by developing their competence does not carry the same high priority. We recommend the clear incorporation of the poverty perspective in the criteria for the selection of partner organisations.

We recommend:

- Successively closer integration of SSNC's national and international activities.
- Closer concentration by the SSNC Board on Sida-funded international co-operation.
- Closer investigation of the feasibility and possible forms of increased local co-operation between branches and partner organisations in the South and East.
- Investigation of the pro's and con's of a branch for international co-operation.
- Clear integration of the poverty perspective with the criteria for choosing partner organisation.
- Inclusion in the new strategy for international activity of clear criteria and methods for phasing out Sida-funded support of projects within the partner organisations.
- Development of the applications procedure to make it more transparent.
- A standard application procedure.

### **Information activities**

SSNC differs from the other big Swedish environmentalist organisations in being democratically structured. In its communication activities the emphasis is on the need to combine recognition with renewal. Insight into the formal decision-making processes and ability to influence them are vital in an NGO. SSNC's communication plan is currently being revised. The SSNC information grant application stated that the revision would be completed on 11th November 2003.

Manpower resources for information activity at the Secretariat have been reduced from 8.1 whole-time equivalents in 2003 to 4.4 in 2004. Priorities and restructurings are needed in order to put the remaining information officers' skills to the best possible use. The steering group has therefore resolved on an infopool to co-ordinate the Secretariat's information activities. It is too early yet to judge the effect of the job cuts and the adoption of an infopool. We recommend that proposals be drawn up for task management of the pool's activities.

### **Management by results**

SSNC has reviewed its objectives and introduced more consistent management by objectives for activities planned, in that the 2002 National Congress adopted overarching objectives for activities and objectives for the four-year period 2003-2006. The National Congress defined 17 objectives in the five sectors of forestry, agriculture, climate, sea and marine fisheries, and chemicals and waste.

The objectives defined by the National Congress are for the most part clear, concrete and verifiable. The problem is that, when establishing a clear level of aspiration through effect targets, that level has to be realistic in relation to the resources (financial and manpower-related) available for the task of achieving the targets. The National Congress, however, cannot control the supply of resources for the four-year period. That supply is affected by a number of factors over which the National Congress and the Board have only partial control. The optimum allocation of operational management responsibilities and tasks between the National Congress, the Board and the Secretariat should therefore be discussed more closely.

It should be indicated more clearly where in the chain of effects the objectives are to lie (impact, outcomes and/or output), and the realism of levels of ambition concerning the project targets should be carefully examined. The way in which the result indicators are to be followed up should be closely defined.

### **Follow-up, reporting and evaluation**

Sida has repeatedly criticised SSNC's non-compliance with contractual obligations in the matter of feedback reporting. That criticism has been fully justified. It goes without saying that a contracting party must honour its commitments under the agreement entered into. SSNC must therefore see to it that the necessary resources, competence and internal quality systems for ensuring this are in place.

It is our belief that SSNC has worked constructively to feed the results of previous evaluations into its development work, but to a great extent the shortcomings mentioned in the 1996/97 evaluation persist, and there is a lack of system about the ongoing follow-up of results. SSNC is expected to be able to present "the project portfolio" and results achieved on a concise level which will also furnish requisite input data for the learning process within Sid and SSNC and, not least, the dialogue between them.

The Letter of Instruction (Regleringsbrev) for 2004 requires Sida to

- evaluate, measure and report all its activities in pursuit of the aim of Sweden's international development co-operation,
- report on the ways in which development co-operation has promoted and been informed by the two perspectives and the main outlines.

This will mean added demands on the input data which Sida receives from various partners, so that SSNC, in addition to responding to Sida's earlier criticism of its reporting of outcomes, will also have to develop the analysis of outcomes in relation to the two perspectives – the rights perspective and the poverty perspective.

Sida has for several years mentioned shortcomings in the annual reports, without any improvement being made. Follow-up has shown only fragmentary compliance with Sida's action programme. No system exists for following up policy and goal formulations, nor do the networks present outcomes in relation to the objectives. There is no outcome reporting where organisational development is concerned. Reports to Sida contain no explicit account of outcomes at societal level ("impact").

Outcome reporting has, however, improved slightly where the North/South programme is concerned, though follow-up of goal-referenced indicators is lacking and there is no analysis of non-compliance and causal relations.

Initiatives are followed up primarily by the partner organisations themselves. SSNC has worked actively to successively strengthen relations with the NGOs. We recommend that SSNC develop a model for following up and reporting the results of initiatives in relation to the objectives and that this model be made to include aggregation of outcomes into a concise account. The analysis of non-compliance with objectives and of causal relations should be developed. Reports to Sida should describe how SSNC's initiatives have promoted and been characterised by the two perspectives – the rights perspective and the poverty perspective.

Reports to Sida on the information grant include a detailed description of the way in which the grant has been used, but on the other hand do not include an analysis of the lessons which SSNC has learned from the work done. The analyses of non-compliance with objectives and of causal relations are subject to general deficiencies.

Clear follow-up of indicators connected to the objectives is lacking in the applications relating to the North/South programme and the Eastern Europe programme. This has been developed further for the information grant, applications for which also include a clear presentation of outcomes in relation to the objectives. This is lacking for the other two programmes.

Together with Coalition Clean Baltic, the Swedish NGO Secretariat on Acid Rain and Taiga Rescue Network, SSNC has devised a long-term strategy for successively contributing towards the build-up of a strong Eastern European environmentalist movement, aimed at heightening environmental awareness and safeguarding environmental interests. This strategy involves focusing co-operation initiatives and projects on a democratic organisational structure, information exchange, training and knowledge transfer. The report on outcomes should therefore refer to the results actually achieved in these respects. But the annual report contains no concrete account of the results achieved, whether in quantitative (membership growth, no. persons trained etc.) or qualitative terms (knowledge acquired, attitude changes etc.).

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### **Financial management**

The national organisation's term of activity comprises two calendar years, while its financial year equals one calendar year. We find the input material for decision-making to contain the particulars needed in view of SSNC's commitment to Sida, but we feel that decisions should also be taken concerning the refusal of applications, using the same template for supporting documentation.

SSNC's routines for the management of funds and repayment of interest are contrary to the agreements with Sida and must therefore be corrected. No separate account exists for Sida funds, although under the agreements with Sida and under the "General conditions governing Sida grants to Swedish NGOs" funds granted by Sida should be kept in a separate bank account. Interest income and outgoings are reconciled by SSNC. But Sida's General Conditions only require SSNC to compute interest on grants disbursed by Sida, which means that SSNC may not claim negative interest for periods when it uses its own funds. We recommend that SSNC open a separate account for funds received from Sida, so as to meet the requirement in the agreement, and that correct amounts for interest repayment in keeping with agreements and Sida's General Conditions are computed retroactively and repaid for the number of years decided by Sida.

### **Development of organisation and capacity**

The main purpose of Sida's support to Swedish NGOs is to promote the development of a vigorous, democratic civil society and to strengthen local partner organisations.

The overall impression left by a review of documentation, interviews and field visits is that intradisciplinary/lobbying activity has had higher priority than organisational development activity. Only to a limited extent are the objectives existing for developing the organisation and capacity of the partner organisations accompanied by activities to this end. It is our opinion that the organisational and capacity-related development of the partner organisations needs to be addressed more systematically. This can be done, for example, by means of advisory and educational initiatives. Outcome reporting has mainly centred on intentions and activities accomplished. The effects of initiatives relating to the capacity or organisational development of the partner organisations are extensively lacking.

In the course of the field studies we have noted great respect for opposite numbers in SSNC and the three networks (IFS, CCB and TRN). The Swedish assistance is contributing towards a common development of knowledge. The Swedish party is actively involved in the majority of projects. SSNC emphasises that this working approach is developmental in itself and tends to deepen the democratic workings of the partner organisations. During the field trips, however, it has been asserted that the partner organisations themselves have considerable specialist knowledge of the environmental sector and that support should focus more on their organisational development. Several of the persons interviewed have pointed out that they would have liked to draw more extensively on SSNC's experience of building up a successful environmentalist organisation, e.g. ways of building up viable activities at local level on a voluntary basis, committee work, techniques of formulating objectives and following up results, and so on. Our assessment is that SSNC's knowledge of organisational development could be put to better and more systematic use in international co-operation. We further believe that joint advancement of knowledge by SSNC and the partner organisations is both desirable and possible for the future, e.g. as regards the development of management by objectives and results of Monitoring and Evaluation.

The field studies revealed quite extensive personal links between the organisations studied, which among other things betokens heavy reliance on quite a small number of key persons. The three Malaysian partner organisations (TWN, CAP and SAM), for example, are very closely intertwined. This limited capacity implies relatively high vulnerability, which can adversely affect the sustainability of the NGOs concerned. SSNC can contribute towards greater awareness of the risks by raising this problem in its dialogue with the NGOs.

The Octagon, one of several tools for assessing the strengths and weaknesses of organisations, can be applied both to one's own organisation and to partners. It can serve as an aid to the conduct of a structured dialogue with a partner organisation when the aim is to arrive at an overall picture and get to know the organisation closely. It can also assist the selection of partners, the grouping of partner organisations in relation to their need of internal organisational development, or identification of the point in time when organisational development support should be phased out. The Octagon is based on the idea of capturing an organisation's capacity and development profile by systematically reviewing and assessing a number of basic aspects.

We recommend that:

- Greater priority is given to organisational and capacity-related development.
- SSNC make more extensive use of its own experience and members in a joint process of organisational and capacity-related development.
- SSNC include in its next application to Sida an internal project for developing, in consultation with the partner organisations, a Monitoring & Evaluation model, which can be used by SSNC and its partner organisations.

### **Planning of activities**

The plan of activities is structured by subject fields and not by country and/or organisation. The allocation of responsibilities between the handling officers in the International Department also conforms to subject fields, except in the case of East co-operation. The effect is for expert knowledge in the various subject fields to be more strongly emphasised than other competence.

The planning of activities and the allocation of responsibilities should hinge on the type of capacity development envisaged. At present the focus of attention is on lobbying work, i.e. expert knowledge and professional competence. If organisational development had been given top priority, it would have been natural for the planning activities and the allocation tasks to focus more on the partner organisations and not so much on subject fields. Whatever the allocation of tasks and responsibilities, co-operation within the Secretariat has an important bearing on the optimal deployment of resources.

It is SSNC's democratic structure that sets it apart from other big Swedish environmentalist organisations. *Dedicated, efficient, knowledgeable* and *involved* are key SSNC concepts. Participation shows that everyone is needed and that SSNC addresses the local perspective, immediate problems and perceptions of nature. The bulk of SSNC's activities focuses on Sweden and has always done so.

Through its extensive environmental and organisational knowledge, SSNC is well placed for supplying experience of interest to organisations in the South and East. The establishment of contacts between people sharing the same basic values creates prospects of those relations

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enduring and continuing to develop even after financial support has been phased out. We therefore recommend SSNC to intensify the mobilisation of its members for international co-operation.

### **Archive management**

A special investigation has been made of SSNC's archive management. Applications and other business are registered only if "serious". We recommend SSNC to initiate internal development work on matters of order, listing and weeding out, to develop an archive formation plan and to devise written archiving routines.

Filing routines are at present lacking. Documents are logged and archived "*according to longstanding practice*". Written archiving routines should be devised. All incoming items of business occasioning action should be logged, so that their receipt or non-receipt can be verified. Now that SSNC has introduced a computerised logging system (ÄHS), staff should be able to access it from their own computers. This would in all probability improve knowledge and understanding of good transaction routines and follow-up and of archive maintenance.

### **SwedWatch**

The SwedWatch project was started in 2001 by SSNC, together with FiVH (Future in Our Hands), Forum Syd (the Swedish NGO Centre for Development Co-operation), Rädda Barnen (Save the Children Sweden) and the Church of Sweden. Operative responsibility according to the allocation of roles and responsibilities agreed on devolves on the steering group. On 21st November 2002 Sida cancelled the co-operation agreement for SwedWatch, due to a FiVH employee having made an improper withdrawal, itself made possible by serious deficiencies of internal control and management within the organisation.

For 2003 SSNC took charge of the management of Sida funding awarded and of accountability to Sida for the deployment of those funds. During 2003 the funds were administered on the same liens, as SSNC's own funding allocation from Sida, i.e. they were paid into SSNC's bank account and no separate SwedWatch funding account existed

SwedWatch, which is registered as a voluntary, non-profit organisation, assumed responsibility for activities, finance and personnel as from 1st January 2004, while SSNC remains the mandator vis-à-vis Sida. SSNC, acting on behalf of SwedWatch, applies for funding from Sida, and on receipt the funding is transferred directly to SwedWatch, which keeps it in a bank account. Under the agreement, SwedWatch has among other things pledged itself to give SSNC an annual account of the deployment of the funding as prescribed by Sida, to engage an Authorised Public Accountant and generally to comply with existing agreements between SSNC and Sida. SwedWatch's organisational capacity and activities should be analysed more closely when an evaluation and follow-up report become available.