How Should an International NGO Allocate Growth?
A Growth Plan for PLAN International

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PLAN International (PLAN) developed a methodology to ensure that its robust growth in the late 1980s and early 1990s was directed in a manner that was explicitly consistent with organizational strategy. This methodology enabled it to target its growth toward countries where child-related need was greater and in which its program approach was likely to have most impact. Managers of international nongovernmental organizations should find PLAN's experience relevant as they strive to strike a balance between organizational expansion, with its pressures and distractions, and the crucial need to maintain institutional focus.

International nongovernmental organizations (INGOs) can scale up their work and impact in several ways, but they often find expansion to be difficult to manage. Of course, there are well-known strategic and managerial challenges facing growing organizations in all sectors of the economy. And INGOs in particular face tough choices when seeking to scale up their impact (Edwards and Hulme, 1992; Billis and MacKeith, 1992; Hodson, 1992). In addition, unlike private and public sector organizations, INGOs lack simple and commonly accepted analytical tools for targeting additional resources consistent with their organizational aims. A slow but steady blurring of institutional focus can result.

This article describes how one organization, PLAN International (PLAN), developed a methodology to direct its geographical expansion in a way consistent with explicit strategic intent. INGO managers should find PLAN's experience relevant as they strive to strike a balance between organizational expansion, with its pressures and distractions, and the crucial need to maintain institutional focus.

An Introduction to PLAN International

PLAN, founded in 1937, is an INGO working in forty countries across Africa, Asia, Latin America, and the Caribbean. Funds are raised for PLAN's work by eleven legally independent foundations in as many developed countries, primarily through child sponsorship. With these funds, the organization seeks to build better futures for deprived children by supporting sustainable community development in the domains of health, education, habitat, and livelihood. In addition, as an integral part of its program, PLAN seeks to build human relationships across cultures, through the individual sponsorship of children by donors. Exhibit 1 illustrates PLAN's essence.

PLAN was founded as Foster Parents Plan for Children in Spain, to help children whose lives were disrupted by the Spanish Civil War. With the outbreak of World War II, it extended its work to include displaced children in war-torn Europe. As the need in Europe declined in the 1950s, PLAN expanded into Latin America, Africa, and Asia, and the organization was renamed PLAN International to reflect its aim to bring constructive and lasting change to the lives of children in need, whatever their circumstances. Today PLAN International is one of the world's largest development organizations, helping over one million children and their families and communities (PLAN, 1998).

INGOs in particular face tough choices when seeking to scale up their impact.

PLAN is a decentralized organization, with a structure divided into six regions spanning the globe. Within these regions are forty-two program country offices that assist local communities in identifying and implementing projects that will most effectively meet their

Exhibit 1. PLAN's Identity, Vision, and Mission

Identity. PLAN is an international, humanitarian, child-focused, development organization, without religious, political or governmental affiliation. Child sponsorship is the basic foundation of the organization.

Vision. PLAN's vision is of a world in which all children realize their full potential in societies which respect people's rights and dignity.

Mission. PLAN strives to achieve lasting improvements in the quality of life of deprived children in developing countries through a process that unites people across cultures and adds meaning and value to their lives by

- Enabling deprived children, their families and communities to meet their basic needs and to increase their ability to participate in and benefit from their societies
- Fostering relationships to increase understanding and unity among peoples of different cultures and countries
- Promoting the rights and interests of the world's children

needs. Day-to-day management is undertaken by the international executive director and six regional directors; international headquarters staff, based in Woking, England, provide services to program and donor country operations. Members of the international board of directors, who are all voluntary, are nominated by the national boards of the donor country offices, in numbers based on the number of children supported by each donor country. Staff in PLAN's fourteen national donor country offices are responsible for recruiting and serving individual sponsors and other donors (PLAN, 1998).

PLAN's income grew strongly over the 1990s, and therefore annual field expenditures were increased from around $50 million in 1987 to over $219 million in 1997, an impressive increase in real terms of more than 220 percent (see Figure 1).

This article describes how the organization developed a rigorous, formal methodology to address a question that became acute during a period of robust expansion: Where should PLAN's strong growth be allocated? In other words, in which countries should the organization expand?

Need for a Growth Plan

Before 1995, PLAN's geographical expansion was guided pragmatically and opportunistically. The result was that incremental resources were directed toward countries where the organizational capacity to grow already existed. Although there is nothing inherently wrong with opportunistic growth, or pragmatism for that matter, this approach allowed the organization to drift. For example, the world average under-five mortality rate (U5MR), weighted for population, dropped continuously from 1975 to 1993 (see Figure 2). The weighted-average U5MR corresponding to PLAN's caseload distribution rose from 1975 to 1980, indicating that PLAN was gradually moving toward needier countries. But after 1981 this trend reversed, and the organization gradually began to work in relatively less needy countries. In fact, PLAN gradually was unintentionally evolving

Figure 1. Growth of PLAN International, 1987–1997

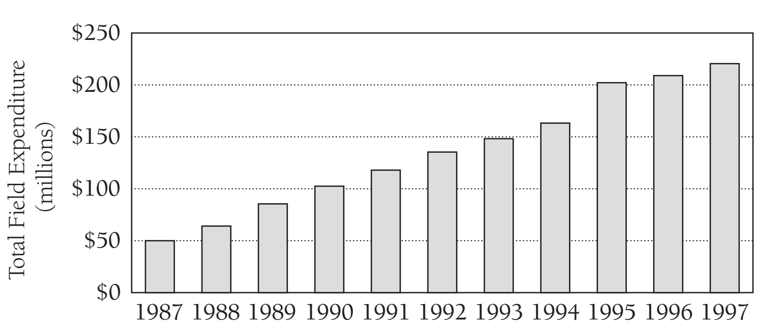
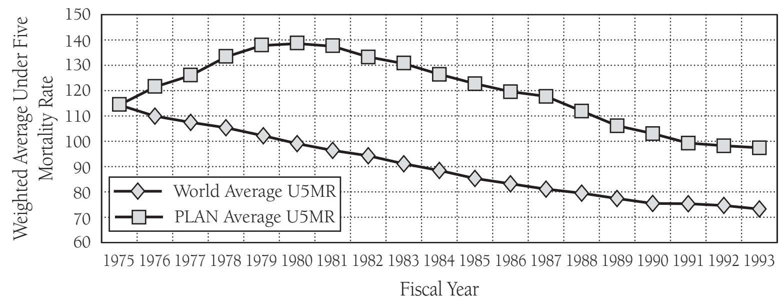


Figure 2. World Average Under-Five Mortality Rate, 1975–1993



Source: World Resources Institute database.

toward working in countries in which under-five mortality rates were decreasing more quickly than the global average.

Two examples illustrate the trend. First, from 1977 to 1978 PLAN's weighted-average U5MR increased from 126 to 132. This increase took place because of strong expansion in Burkina Faso, Bolivia, Haiti, Mali, and Sierra Leone, countries with U5MRs above the PLAN average, and a reduction of caseload in Korea, with a relatively low U5MR. So although PLAN was reducing its caseload in Ethiopia, a high-U5MR country, and increasing it somewhat in Colombia and the Philippines, which had U5MRs lower than PLAN's average, the net effect was to increase global weighted-average U5MRs.

From 1981 to 1982, PLAN's weighted-average U5MR dropped from 137 to 132. Here an increase in caseload in countries with U5MRs above the PLAN-wide average, such as Burkina Faso, Mali, and the Sudan, was more than offset by strong growth in Colombia, Ecuador, and the Philippines, which were relatively low-U5MR countries. Caseloads were increased in Colombia, Ecuador, and the Philippines at least in part because it was easier for staff to manage growth in these countries, a trend that continued through the 1980s.

For an organization seeking to build better futures for deprived children, families, and communities, this drift toward relatively less needy environments was unsettling and inappropriate. Especially during a decade of exceptional growth, a mechanism to enable PLAN managers to target organizational expansion was needed.

Perspectives on NGO Growth

To place PLAN's situation in context, literature exists that characterizes and classifies NGO growth, and various descriptive studies have been published. Edwards and Hulme (1992) define additive, multiplicative, and diffusive strategies for growth: *additive* strategies imply organizational or programmatic expansion; *multiplicative* strategies allow NGOs to scale up through influencing others, networking, and policy work; and *diffusive* strategies increase impact through more informal and spontaneous mechanisms. They also examine some of the stresses and pressures that NGOs faced during periods of growth of various kinds.

Billis and MacKeith (1992) outline the organizational challenges facing growing NGOs and call for the development of theoretical tools to help managers handle the challenges of expanding operations, whereas Hodson (1992) presents the case for growth and examines the organizational stresses that often result.

Uvin (1995a, 1995b) and Uvin and Miller (1996) outline a framework for examining the *scaling up* of NGO work and describe four generic modes of NGO growth:

Quantitative growth—for example, by increasing budgets, expanding geographical working areas, and augmenting membership bases
Functional growth—expanding the range of activities undertaken and broadening interventions from agriculture, for example, into health or education
Political growth—moving beyond project implementation toward addressing the structural causes of poverty (Korton, 1990)
Organizational growth—strengthening internal capabilities and improving programmatic effectiveness and efficiency, and so forth

Another perspective on growth is that NGOs can scale up by building their institutions, multiplying outreach by working with and through other organizations, diffusing their experience by influencing other actors, increasing their geographical reach, and mainstreaming their experience into the official policy framework.

The experiences described in Howes and Sattar (1992) and Kiriwandeniya (1992) evoke the kinds of institutional stresses and challenges that NGOs commonly face when they seek to scale up while remaining focused on their roles as development agents.

Although valuable research had been carried out to classify NGO growth and important descriptive and experiential results had been published, research and theory in this area was not yet advanced enough to be of practical use for PLAN. Rather than a typology of NGO growth modes, or post hoc descriptions of growth and the challenges that come with growth, an analytical methodology to help orient geographical expansion (Uvin's quantitative growth) was sought, to correct the drift found in Figure 2.

How to Expand: Lessons from Other NGOs and the Private Sector

In the absence of literature references to simple and widely accepted tools to guide investment allocations, consultation was carried out with similar INGOs and with a child-focused multilateral agency. This work quickly established that PLAN's situation was not unique. The geographical expansion that INGOs experience is often strongly influenced by where growth can be handled, given the organization's circumstances, and strategic drift is often the result. These decisions are also often heavily driven by internal politics, pressure from governmental development agencies and other external funders (see, for example, Hulme and Edwards, 1997), attention from the mass media, theories currently in vogue among development professionals, the ability of an individual manager to speak persuasively in public, or simply the dynamics of a particular meeting. Such pressures are not necessarily harmful. But without objective analytical tools that can illustrate the consistency (or inconsistency) of resource allocation decisions with institutional strategy and can therefore guide decision making, the kind of organizational drift that PLAN was experiencing can result.

In the private sector, investment decisions are typically guided by financial tools such as return on investment and the net present value of alternative streams of income and expenditures, but these tools are not usually directly applicable to the nonprofit world. As a response, welfare economists have developed various techniques for comparing different resource allocation options. For example, by quantifying in financial terms the social benefits accruing from various possible investments (for example, in child vaccination or the provision of increased access to education or potable water), a pseudo return on investment can be calculated, a shadow price allocated, and a kind of cost-benefit ratio can be estimated. In this way, the managers of public sector organizations or NGOs can approach resource allocation decisions more objectively.

Unfortunately, the application of these tools is somewhat complex and burdensome, even controversial. The calculation of cost-benefit ratios can overtax staff resources and expertise in NGOs, and the assignment of a monetary value to the life of a deprived child, in order to calculate the "benefit" from a prolonged life or a decreased average infant mortality, can provoke endless and unproductive debate. PLAN thus decided to develop a methodology to direct its geographical expansion.

Basis of a Rational Growth Plan

During the period of growth illustrated in Figure 1, PLAN was rapidly scaling up in all four of Uvin's dimensions. Programmatically, it was venturing into sectors such as income generation and gender equity. It was working hard to scale up organizationally as well by strengthening its management systems and procedures. And it was transforming its program approach to one of a grassroots partnership with communities in the developing world, moving up on Korton's evolutionary scale.

A wide ranging in-house analysis of global poverty trends, funding prospects, and organizational capacities was carried out in 1994.

The culmination of this strategic review was the November 1994 approval by PLAN's international board of directors of nine strategic directions for growth, covering a broad range of issues, such as program effectiveness, priorities for institutional strengthening, the fundraising approach, and a policy for human resource development. The Where to Work strategic direction for growth was particularly relevant in the development of a methodology to guide resource allocation:

> PLAN should gradually evolve towards *needier* countries, and towards poorer regions within new and existing program countries. The essence of PLAN's intervention is that useful and sustainable development is achieved, so that quality of life of deprived children in developing countries is improved. The *potential for impact* should be verified before entry into new program countries [emphasis added].

Thus PLAN focuses its work in needy areas in which socioeconomic conditions exist, to some degree, for the achievement of sustainable development. This is in contrast to some other organizations, particularly those focusing on policy change, governance, emergency relief, or rehabilitation, to which countries struggling to reach such conditions would be of greater priority.

At a global, organizational level, a growth plan was needed to inform the selection of countries for program operations. Of course, within specific program countries, similar decisions need to be made: which populations should have priority, for example, and which programmatic sectors should be of the greatest importance. PLAN decided to pursue resource allocation in two sequential steps: first, to select program countries on a rational, objective basis; and second, to study resource allocation within each country. In-country planning (targeting particular geographical areas, ethnic groups, and program sectors) was properly left to field staff, together with affiliated communities and program partners, while the selection of program countries would be informed by the global growth plan and subject to board review.

Designing the Growth Plan

The first step for the growth plan was to develop indicators to gauge the two central points of the policy statement: the need of a country and the potential for impact of PLAN's program there. Such indicators would have to be intuitive and useful for managers rather than suitable only for experts, employ data that are widely available in a regularly updated form and generally accepted, and amenable to quantitative techniques so that results could be as objective as possible.

Measuring Need

Because of the focus of PLAN's work on children, any management indicator of need had to be related to child welfare. The U5MR can be viewed as the "single most important indicator of the state of a nation's children" for a variety of compelling reasons (UNICEF, 1993, 1995):

"It measures an end result of the development process, rather than an 'input.'"
It is "known to be the result of a wide variety of inputs."
It is less susceptible to the fallacy of the average because an advantaged child cannot be a thousand times more likely to survive than a deprived child.

Some countries achieve more than can be expected given their levels of national income, and others achieve less.

At the same time, the U5MR is intuitive and useful to managers, and data are updated regularly by many agencies. Finally, the U5MR is amenable to quantitative manipulation because it is an absolute, not a relative, measure.

On this basis, the U5MR was chosen as the parameter by which PLAN would assess need for its growth plan.

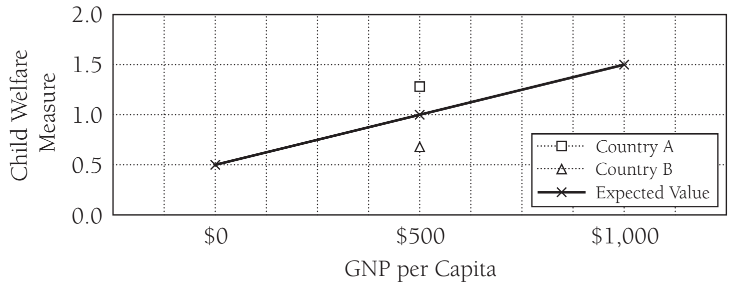
Measuring Potential for Impact

The creation of a simple indicator for potential for impact was more challenging, but the concept of a national performance gap, pioneered by UNICEF, was to be very helpful.

A strong correlation exists between national wealth, as measured by gross national product (GNP) per capita, and various measures of social welfare. In general, the richer a country is, the better off its citizens are: average under-five mortality rates are lower, educational levels are higher, and maternal mortality rates are lower, for example. Because of this strong correlation, given a nation's wealth, various indicators of social welfare can be predicted with a fair degree of certainty. However, some countries achieve more than can be expected given their levels of national income, and others achieve less. Some countries *perform* better than others. War, corruption, the political system of the country, budgetary priorities, and many other factors can affect this performance. In short, the performance of a country in deploying its national wealth, no matter how meager, to achieve the expected levels of social welfare must depend on a wide variety of factors—just the sorts of factors that arguably would determine the potential for impact of PLAN's programs.

Consider two hypothetical countries with similar national wealth, as measured by their respective GNP per capita. The solid line in Figure 3 depicts the global correlation between income and some hypothetical measure of child welfare, constructed by carrying out a log regression analysis on the performance of all countries. As can be seen, country A has a (say, marginally) higher level of child welfare than does country B and is in fact doing better than the

Figure 3. Between-Country Performance Gap



correlation analysis would have predicted. With the same economic resources, country A must somehow be creating a socioeconomic environment that is more amenable to child development than is country B. It is important to note that the absolute level of child poverty in both country A and country B can be quite severe, with many needy children in each country, but the relative performance of the two countries varies. But something is going right in country A, relative to country B.

Bearing in mind that PLAN seeks to focus its work in areas where conditions are not hostile to sustainable development, the organization might anticipate having more impact in the country that is achieving all that can be expected (no matter how little) with the resources (no matter how meager) it has. In other words, PLAN should target its marginal resources on country A instead of country B.

Thus, instead of somehow directly measuring the likely impact of PLAN's program in a given country, a task that is conceptually complex, an indirect measure is used: the performance of that nation in achieving child development, no matter what the level of national wealth is.

To assess this performance in real life, a compound index of the status of children was created. The index was formed by combining the U5MR, the percentage of primary school children reaching grade 5, and the enrollment ratio of females as a percentage of males in primary school. These data are all readily available, intuitively simple to use, and absolute rather than relative measures. (The U5MR is therefore used twice in this analysis: once directly, to measure need, and again indirectly, as one of three components combined and analyzed to measure government performance. The U5MR was chosen again because it is an effective measure of need and at the same time well represents the impact of efforts of a government in the health and education areas.)

This index, referred to as the PLAN Index, was then analyzed to determine whether a given country, while qualifying as a PLAN program country, was achieving more or less than could be expected given its national income. The difference between actual and expected performance was denoted as the PLAN gap.

The PLAN gap was calculated by performing a standard log regression on the PLAN Index against per capita income at purchasing power parity. A graphical portrayal of the result is given in Figure 4; the gap between the smooth series of diamond-shaped points, which represents expected levels of the PLAN Index for all countries qualifying as program countries, and real levels, shown as round points, represents the PLAN gap. A positive PLAN gap (actual points above predicted levels) indicates that a country is performing better than would be expected given its national wealth; a negative gap suggests that performance is lagging.

A methodology based exclusively on data misses much of value: informed judgment, experience, and intuition.

Quantitative Results

The analysis described was carried out on the eighty-one countries that PLAN considered for program operations. Then these countries were prioritized by combining the U5MR (measuring need) with the PLAN gap (measuring potential for impact); the U5MR was added to 2.5 times the PLAN Gap to produce a compound index that was used for sorting.

The results are shown in Table 1, which orders countries by this compound index; current program countries are shown in italic type, and countries selected for active consideration as new program countries are shown in boldface type. Thus Niger would appear to have the highest priority and the Dominican Republic the lowest. Four countries in which PLAN had program operations in 1995—Colombia, Paraguay, Sri Lanka, and Thailand—no longer qualified and were therefore scheduled for phase-out.

Qualitative Factors

A methodology based exclusively on data misses much of value: informed judgment, experience, and intuition. These are also valuable tools when considering resource allocation. And responsiveness and flexibility are two of the virtues of NGOs. These attributes can

Figure 4. PLAN Gap Analysis

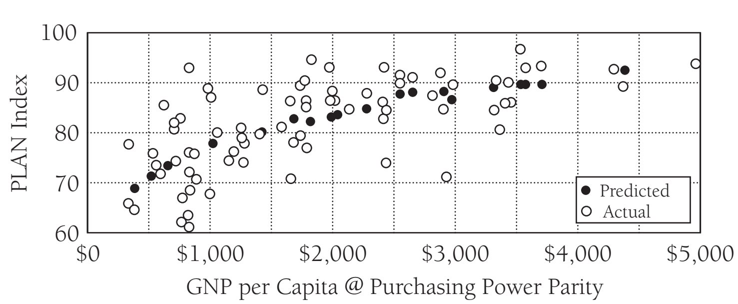


Table 1. PLAN Prioritization Matrix

Country Priority	PLAN Index	Action
1. Niger	302.2	Monitor situation.
2. Angola	273.8	Monitor situation.
3. Sierra Leone	*270.5*	*Retain current level of resource allocation.*
4. Mozambique	**267.2**	**Request board permission to negotiate agreement.**
5. Afghanistan	227.1	Monitor situation.
6. Eritrea	**226.1**	**Request board permission to negotiate agreement.**
7. Guinea	*220.9*	*Increase current level of resource allocation.*
8. Mali	*218.9*	*Increase current level of resource allocation.*
9. Malawi	*213.0*	*Increase current level of resource allocation.*
10. Gambia	209.8	Too small.
11. Zambia	202.9	Monitor situation.
12. Zaire	198.1	Monitor situation.
13. Ethiopia	*195.6*	*Greatly increase current level of resource allocation.*
14. Equatorial Guinea	194.7	Too small.
15. Guinea-Bissau	*194.5*	*Increase current level of resource allocation.*
16. Liberia	192.1	Monitor situation.
17. Tanzania	*192.0*	*Increase current level of resource allocation.*
18. Burundi	191.2	Monitor situation.
19. Nigeria	191.0	Monitor situation.
20. Mauritania	188.9	Too small.
21. Uganda	*185.3*	*Increase current level of resource allocation.*
22. Chad	181.6	Monitor situation.
23. Lesotho	174.9	Monitor situation.
24. Burkina Faso	*171.1*	*Increase current level of resource allocation.*
25. Central African Rep.	165.1	Monitor situation.
26. Madagascar	164.8	Monitor situation.
27. Cambodia	163.9	Monitor situation.
28. Somalia	163.5	Monitor situation.
29. Bhutan	161.7	Monitor situation.
30. Rwanda	160.0	Monitor situation.
31. Côte d'Ivoire	143.4	Monitor situation.
32. Sudan	*134.4*	*Increase current level of resource allocation.*
33. Haiti	*133.1*	*Increase current level of resource allocation.*
34. Ghana	*131.5*	*Increase current level of resource allocation.*
35. Togo	*131.2*	*Increase current level of resource allocation.*
36. Myanmar	130.3	Monitor situation.
37. Comoros	127.2	Too small.
38. Swaziland	125.5	Too small.
39. Laos	124.0	Monitor situation.
40. India	*123.5*	*Greatly increase current level of resource allocation.*
41. Senegal	*122.0*	*Increase current level of resource allocation.*
42. Benin	*117.7*	*Increase current level of resource allocation.*
43. Bangladesh	*117.3*	*Greatly increase current level of resource allocation.*

(continued)

Table 1. *(Continued)*

Country Priority	*PLAN Index*	*Action*
44. Indonesia	*115.4*	*Greatly increase current level of resource allocation.*
45. Nepal	*112.3*	*Increase current level of resource allocation.*
46. Kenya	*111.2*	*Retain current level of resource allocation.*
47. Bolivia	*103.7*	*Increase current level of resource allocation.*
48. Cameroon	*103.1*	*Increase current level of resource allocation.*
49. Congo	102.4	Monitor situation.
50. Tagikistan	101.3	Too small.
51. Pakistan	**97.0**	**Request board permission to negotiate agreement.**
52. Zimbabwe	*93.2*	*Retain current level of resource allocation.*
53. Papua New Guinea	92.5	Too small.
54. Guyana	92.4	Too small.
55. Turkmenistan	89.7	Too small.
56. Cape Verde	84.3	Too small.
57. Yemen	82.4	Monitor situation.
58. Macedonia	77.4	Monitor situation.
59. Uzbekistan	76.7	Monitor situation.
60. Mongolia	76.6	Monitor situation.
61. Vietnam	*71.0*	*Greatly increase current level of resource allocation.*
62. Nicaragua	*68.3*	*Increase current level of resource allocation.*
63. Philippines	*68.2*	*Reduce current level of resource allocation.*
64. Kyrgyzstan	68.0	Monitor situation.
65. China	*67.2*	*Increase current level of resource allocation, then phase out.*
66. Azerbaijan	66.1	Monitor situation.
67. Vanuatu	65.7	Too small.
68. Iraq	64.5	Monitor situation.
69. El Salvador	*63.6*	*Retain current level of resource allocation.*
70. Peru	*61.8*	*Increase current level of resource allocation.*
71. Egypt	*60.4*	*Increase current level of resource allocation.*
72. Albania	*59.3*	*Increase current level of resource allocation, then phase out.*
73. Honduras	*58.4*	*Retain current level of resource allocation.*
74. Armenia	51.8	Monitor situation.
75. Kazakhstan	50.4	Monitor situation.
76. Ecuador	*50.0*	*Reduce current level of resource allocation.*
77. Guatemala	*49.8*	*Retain current level of resource allocation.*
78. Morocco	49.1	Monitor situation.
79. Moldova	44.3	Too small.
80. Syria	38.2	Monitor situation.
81. Dominican Rep.	*36.0*	*Increase current level of resource allocation.*
*82. Colombia**		*Phase out.*
*83. Paraguay**		*Phase out.*
*84. Sri Lanka**		*Phase out.*
*85. Thailand**		*Phase out.*

Note: Countries marked by an asterisk no longer qualify.

be especially useful when employed in the light of the rigorous analysis that was carried out.

The quantitative analysis was reviewed by a panel of PLAN staff, a member of PLAN's international board of directors, and an invited guest from another large INGO. Table 2 outlines a few of the qualitative factors examined in this review.

This discussion produced a proposal for resource allocation (a growth plan), which was reviewed by PLAN's senior management team of field and headquarters-based staff. Thus the objective analysis was complemented by extensive discussion based on experience. For example, although analytical work highlighted Niger as the highest priority in 1995, political instability there meant that PLAN did not consider working in that nation until quite recently. And though some PLAN regional directors felt strongly that PLAN should continue to direct resources to countries such as Colombia and Sri Lanka, analytical results were helpful in convincing managers that these countries, though undeniably poor, had less child-related need than others and should thus be lower priorities for the organization. The final growth plan was therefore created by combining the priorities and recommendations emerging from rigorous analysis with the informed experience of field-based staff.

Table 2. Qualitative Factors for Review

Qualitative Factor	*Points for Discussion*
Projected U5MR	What is the trend for need in the country? Is the effect of HIV/AIDS likely to increase U5MRs beyond current trends?
Development climate	Is the environment in the country conducive to development? Is the government in favor of NGOs working there? Has the government signed the Convention on the Rights of the Child, and produced a plan of action to implement the convention?
Risk	How risky is the environment in the country? Is it stable? Are international investors working there? How likely is conflict, war, or some other similar problem?
Market potential	Is there likely to be interest from sponsors and other donors? Are there ties between the country and any of PLAN's donor countries?
Saturation	How many INGOs, bilateral agencies, and multilaterals operate in the country? What are their budget and geographical coverage? Is there room for PLAN?
Caseload potential	Is the population of needy children large enough to enable sufficient economies of scale for PLAN?

How Managers Use the Growth Plan

The growth plan was produced in 1995 and updated in 1997. PLAN's international board of directors reviewed the plan on both occasions and use it routinely to review staff requests for the approval of new program countries as well as for the phase-out of current program countries.

PLAN's senior management team frequently reviews resource allocation requests, including when annual budgets are formally approved and when adjustments are made during the year. Because discussions begin with a review of the analytical results from the growth plan, the entire process is less confrontational, more objective, less emotional, and more productive than before. The competing views of field managers are balanced with objective and rigorous analysis.

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Although discussion is still heated and disagreements are still common, the whole process is more transparent and open. On those rare occasions when consensus on a particular resource allocation decision was not reached, the international executive director has taken the final decision. In most, but not all, cases he has endorsed the course of action recommended by the growth plan; where his decision has varied from the plan, it has often been to strike a geographical balance across PLAN's regions. These more objective discussions have had a significant effect on resource allocation decisions.

Of the ten highest-priority countries identified in Table 1, four were established program countries in 1995. Of the remaining six, two were chosen for active consideration; investigation of the remaining four was considered to be premature by field staff due to a variety of country-specific factors. And one country well down on the list, Pakistan, was selected for active consideration as a new program country in spite of a low priority, mainly because many countries of higher priority were deemed too unstable to be considered at that time. (Subsequently, several of these higher-priority countries have become somewhat more stable, and PLAN has begun to consider them as new program countries.)

Results to Date and Future Projections

Figure 5 illustrates the effects of the use of the growth plan. Although the global weighted-average U5MR is projected to climb slowly, PLAN's weighted-average U5MR is expected to rise more rapidly, indicating that the organization is projecting gradual growth into needier areas. PLAN has indeed begun this adjustment toward consistency with board-mandated strategy.

Figures 6 and 7 demonstrate the pragmatic balance that characterizes the growth plan. As can be seen in Figure 6, if on the one hand PLAN had focused growth with regard to need only, the

Figure 5. Under-Five Mortality Rate Trends, 1975–2010

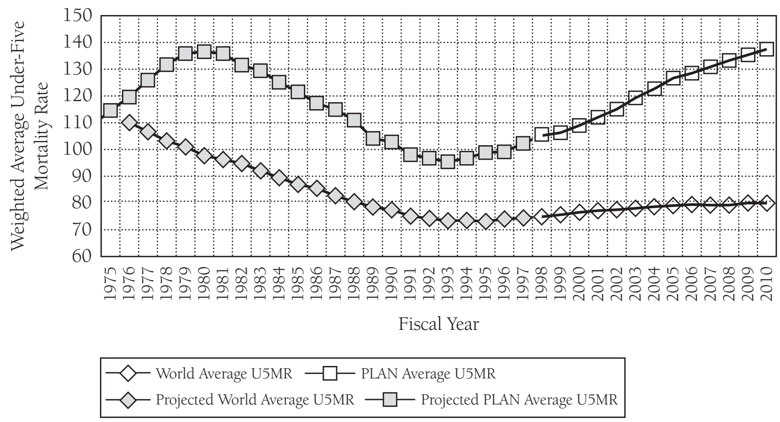
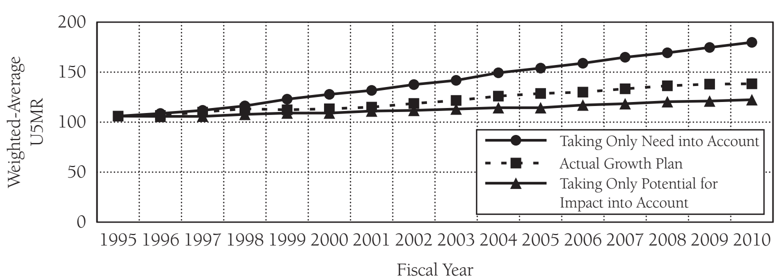


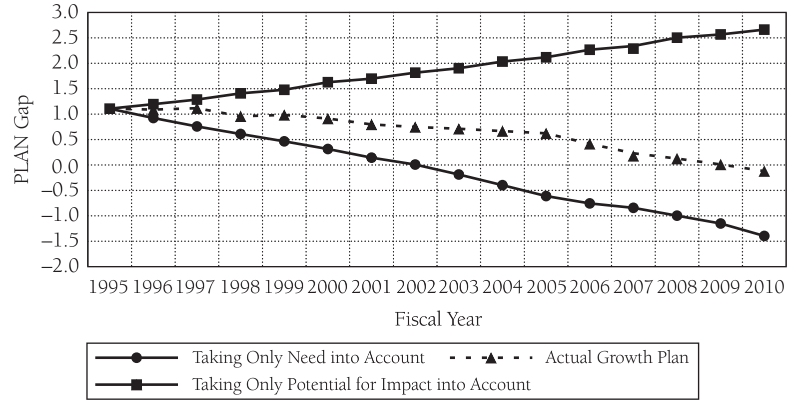
Figure 6. Weighted-Average U5MR Trends



organization's weighted-average U5MR would have risen from around 100 to nearly 180. If on the other hand it had grown only in countries with relatively greater potential for impact, then the organization's weighted-average U5MR would have increased only slightly, from around 100 to near 110. Use of the growth plan, balancing need with potential for impact, has led to current projections that show the weighted-average U5MR increasing to nearly 140 in the year 2010. A balanced course, taking both need and potential for impact into account, is illustrated.

Figure 7 illustrates the same kind of balance with regard to potential for impact. If on the one hand the organization had taken into account only potential for impact when directing growth, the weighted-average PLAN gap would have increased from just over 1.1 to around 2.7. If on the other hand PLAN had taken into account only need in directing growth, the weighted-average PLAN gap would have decreased from around 1.1 to −1.2. Again, use of the growth plan has steered the organization on a balanced course, and current growth projections indicate a gradual decline in the PLAN gap from 1.1 to around −0.1.

Figure 7. Potential-for-Impact Trends



Conclusion

PLAN International grew strongly in the decade from 1987. But before the rigorous and objective growth plan, growth was opportunistic and drifted toward less needy areas. By creating an analytical methodology for targeting geographical expansion, derived from a board-approved policy, a tool was created to enable managers to direct growth. This tool, when complemented by informed judgment and experience, allowed the organization to allocate its resources in a rigorous manner consistent with its growth strategy, balancing the child-related need of target populations with a rigorously defined potential for the impact of the organization's programs.

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