
IN SUMMARY: “Who Guards the Guardians?”

A workshop on the accountability and governance of NGOs.

INTRODUCTION:

The workshop was held Thursday, 3 April 2003, from 9:00am- 4:30pm at the United Nations Headquarters in New York City. The objectives were to:

- Create a dynamic forum to explore the critical issues related to NGO accountability and governance.
- Help to advance current thinking on accountability and governance by identifying emerging issues & trends and innovative and practical approaches.
- Provide a snapshot of the status of the 21st Century NGO Research Program.

The following document provides an initial summary of some of the themes and discussion areas that arose during the afternoon. A list of the workshop participants is provided at the end of this note.

CURRENT THINKING:

- There is increasing awareness of an ‘accountability deficit’ in all sectors (business, NGO, and government).
 - While the NGO accountability debate has gone on for decades the contemporary debate has reached a more critical level; some even talk of the notion of ‘perform or perish’.
 - NGOs are among the world’s most trusted institutions. However, the rapid growth in the number, influence and effectiveness of NGOs in recent years has produced greater demands for NGO accountability.
 - While NGO accountability is not the top priority for NGOs, it is becoming mainstream. The question is not whether the agenda is an important one for NGOs, but rather what percent of effort an organization should dedicate to ‘product vs. process’. The debate is also moving from the abstract concept of accountability to discussions of practical mechanisms.
 - The drivers of accountability include: moral obligation/ethics; societal criticism and changing expectations; performance, and avoidance of regulations.
 - There is not a ‘one size fits all’ approach to accountability because there are many different types of NGOs. The approach to accountability
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should respect the creativity and innovation of individual organizations.

- NGOs are accountable to a variety of stakeholders including: those who shape their operating environments (e.g. governments, donors); civil society at large (social movements, public, grassroots, other NGOs); and those that NGOs often attempt to influence (private sector, global institutions, governments, etc.)
- It is interesting to note that many of the accountability and governance issues addressed are similar to those raised in the corporate sector several years ago.

**PRACTICAL
EXPERIENCE:**

- Oxfam has done a 360 review of the board and of the chief executive officer. A slide depicting 'what Oxfam needs from its board of directors' and vice-versa is available on sustainability's website.
 - The Sierra Club has 5 board members that are elected by the membership (700,000). There is a chapter in every state and state/national consistories. Funding from corporations is an accountability issue that is handled on a case-by-case basis.
 - The ICC's governance structure includes: the office of the president, the council (representative of 70 countries) and the board of directors. The council and board have budgetary powers. Policy statements are a product of the membership.
 - One children's organization thinks of accountability as successful delivery of mission. It ensures that: staff is reflective of the constituency served, parents are engaged, learning circles share best (and worst) practice, and a culture of candidness is maintained.
 - In India, funding is dependent on international funds. Accountability and communication tools are necessary to turn to the public for funding.
 - There are several models of legitimacy including:
 - Self-regulation: In South Africa, the NGO sector agreed upon broad ethical guidelines, beyond the law, similar to other professional associations
 - Certification: The Philippine Certification Model is 3 years old. It is resource intensive (including a peer review) and recognized by the government (via tax break).
 - Registration: In India the principle ministry interfaces with NGOs in a 'registration' process that is less bureaucratic. (The Credibility Alliance was formed by the NGO sector in India to self-regulate before the government stepped in.)
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**CHALLENGING
QUESTIONS:**

- *Are there universal accountability standards (principles/values) for NGOs?* For example: ‘practice what you preach’, transparency, and democratic representation? There is no magic bullet—the diversity of NGOs requires different types of accountability. A single standard on accountability was not recommended. However, principles on accountability that are sensitive (so that they don’t curtail the diversity) may be possible. A set of minimum norms to ensure greater credibility & transparency is needed.
- *Is regulation inevitable? If yes, than is self-regulation possible?* In the US, groups ranging from the Better Business Bureau to the SEC (e.g. Sarbanes-Oxley Act) are calling for NGO accountability.
- *To whom is NGOs accountability important?* Accountability is determined by market – donors, beneficiaries, and foundations. Taking an outside-in perspective (from the view of other stakeholders) will help to overcome blind spots and ensure that no stakeholder is harmed unintentionally. It’s better to think about ‘Mutual accountability’ (especially in partnerships). Corporations must be accountable for their externalities; NGOs is for their impacts. A dynamic stakeholder mapping is needed.
- *How does accountability help/hinder an NGO’s mission? Is this an add-on or strategic approach?* Accountability can be described as managing resources, delivering mission, or fulfilling promises. On the positive side, accountability can increase trust and the commitment of those involved in the mission. The negative side includes increased cost, time, and decreased tactical options—however these can be avoided if it is seen as strategic instead of an add-on.
- *How does geopolitical and geographic context influence NGO accountability and governance? (Laws, culture, funding)*
- *Who are the guardians? How is the accuracy of their information determined? (How do NGOs establish legitimacy and credibility?)*
- *Does funding compromise independence?*

**A NOTE OF
PRECAUTION:**

- Beware of ‘corporate speak’. Look for language ‘indigenous’ to NGOs. NGO accountability and governance should be disentangled from the corporate experience.
 - Beware of complexity – there is not a ‘one size fits all’ approach. SustainAbility should make a real effort to narrow the definition of NGO for the report.
 - Clarify the drivers of accountability and clearly define the problem or need NGOs are facing.
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- Cultural implications are important in accountability. For example, there is no word for accountability in Portuguese! Both language and imagery must speak to as many cultures as possible. What types/features of organizational culture encourage and support accountability?
 - A simple continuum of terminology is needed to address transparency, legitimacy, and accountability. At this point, we need to allow for fluidity and confusion, and not 'straightjacket' the issue.
 - Do not confuse accountability of a single NGO with accountability of the NGO community.
 - What is the role of the United Nations on this issue?
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**FURTHER
INFORMATION:**

Presentations & papers from the workshop are available on the website:
www.sustainability.com/programs/pressure-front/workshops.asp :

Other information & Resources:

- Board Source research includes: Governance Futures (USA); Surveys of Non-profit Governance (in various countries), regional principles of governance; and a self-assessment tool for non-profit boards. (www.boardsource.org)
- Global Accountability Project Report 'Power Without Accountability' is a comparison of NGO and corporate accountability focusing on transparency and governance, providing scores for 18 organizations. (www.oneworldtrust.org)
- Credibility Alliance is working towards creating measures on standards, and ratings for the NGO sector in order to enhance credibility. (www.credibilityalliance.org)
- The CIVICUS Legitimacy and Transparency Programme aims to enhance the legitimacy, transparency and accountability of civil society organisations. (www.civicus.org)

For additional information on this workshop and our ongoing '21st Century NGO research programme please contact Katie Fry Hester at fry@sustainability.com.

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