

SEEKING NGO-DONOR PARTNERSHIP FOR GREATER EFFECTIVENESS AND ACCOUNTABILITY

**Multilateral Investment Fund (MIF) & Sustainable Development Department (SDS)
Inter-American Development Bank (IDB)
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A. PURPOSE OF THE WORKSHOP

Non-governmental organizations (NGOs) and donors increasingly face the twin challenges of demonstrating effectiveness in their work and accountability in their relationships with various stakeholders. Donors, on one hand, are particularly concerned about accountability of NGOs in the efficient and effective delivery of services. NGOs, on the other hand, are often concerned that accountability to donors can overshadow and overwhelm their accountability to communities and to their own missions.

The intent of this workshop was to find common ground for building partnerships that could improve both effectiveness and accountability. The workshop posed two broad questions:

- How can donors assist NGOs in improving their effectiveness, efficiency, and governance?
- How can NGOs assist donors in better understanding their needs, constraints and priorities?

In order to grapple with these questions in some depth, the workshop was designed to be small and intensive, and involved a series of breakout discussion sessions over a 2-day period. The event involved 46 participants, of which approximately half were representatives of NGOs in Latin America and the Caribbean, one-third were representatives of large donors (primarily the Inter-American Development Bank – IDB, but also the World Bank and the Ford Foundation), and the remainder were scholars or members of the NGO community in Washington, D.C.¹

In order to explore the above questions, the workshop was divided into four sessions:

1. *Finding Common Ground on Accountability and Effectiveness.* Participants sought to develop a shared definition of accountability, and to identify complementarities and tensions among different kinds of accountabilities.
2. *Development Experiences and Accountability Mechanisms.* This session further explored mechanisms of accountability used by NGOs and donors, in order to identify mechanisms that are the most useful for improving accountability *and* effectiveness.
3. *Linking Accountability, Long-Term Effectiveness, and Learning.* Participants continued their examination of mechanisms of accountability, but with a focus on those that enhance long-term organizational learning.
4. *Next Steps.* The final session explored two kinds of reporting challenges. First, participants discussed the possibilities for donors to harmonize their reporting requirements of NGOs, so as to achieve efficiencies while maintaining upward and *external accountability* to donors. Second, participants discussed central features of reporting required for *internal learning* in NGOs, and thus for improving effectiveness.

¹ See Appendix 1 for the workshop agenda and Appendix 2 for a list of participants.

B. KEY THEMES AND FINDINGS

Key findings from the workshop can be divided into three categories:

- Principles of Accountability
- Organizational Learning as a Means to Improved Accountability and Effectiveness
- Next Steps in Building NGO-Donor Partnerships

Principles of Accountability

A key aim of the workshop was to find a common understanding of the term “accountability.” While arriving at a single concise definition proved difficult, a number of shared elements or *principles* of accountability were identified. The following 6 principles should be taken as a starting point for further engagement with NGOs and donors:

1. All organizations are accountable to multiple stakeholders, and thus must prioritize their accountabilities.

NGOs are accountable to a range of actors, including communities and beneficiaries, donors, governments, public opinion, private sector organizations, their own membership, staff, volunteers and boards. In other words, NGOs are “upwardly” accountable to funders and patrons, “downwardly” to communities and clients, and “internally” to their own missions and staff. Similarly, donors are accountable to government agencies, elected officials, board members, voters, and NGOs, among others.

Accountability is thus a relational concept, with different kinds of accountability mechanisms necessary for satisfying different stakeholders. As a result of these multiple accountabilities, it is necessary for organizations (donors and NGOs alike) to prioritize their accountabilities. In many cases, mechanisms of upward accountability from NGOs to donors are well developed through reporting requirements and evaluations. However, mechanisms for downward accountability — from NGOs to communities, or from donors to NGOs — are poorly developed. In addition, few organizations have well-established internal accountability mechanisms that enable them to remain focused on their missions and accountable to their own staff and boards.

2. Building trust or confidence (confianza) is at the heart of accountability, and should be commenced at the very beginning of any project or program.

NGOs desire an open and trusting relationship with donors, and donors wish to have confidence that their resources are spent effectively and efficiently. Both expectations are reasonable, but are only infrequently communicated and negotiated among stakeholders. Of primary concern to NGOs is that donor requirements of reporting and evaluation can be onerous and punitive. Reporting formats such as logical frameworks, while potentially useful for planning purposes, are often used as tools to justify continued funding. NGOs are thus reluctant to share information about failures or problems, and to seek external assistance for overcoming development challenges. On the other hand, donors are often concerned that NGOs will not monitor their own

progress without such reporting requirements. As such, the challenge lies in finding mechanisms for building trust and confidence that are seen by key stakeholders as being constructive.

Moreover, trust-building and accountability, start at the very beginning of planning a project or program. The conventional approach to accountability, in which reports and evaluations are generated at the end of a project, builds fear and miscommunication rather than trust. Partnerships among NGOs, donors, and communities, which involve joint planning of programs, can improve downward accountability. They can also enhance buy-in among stakeholders, and thus long-term effectiveness.

3. Accountability is a “chain” that begins with shared values, vision, and goals among stakeholders.

Relationships of shared values are not simply contractual, but are based on a deeper collective commitment to social change. NGOs, donors, and communities must have a shared vision for change if they are all to agree on what constitutes a “successful” development intervention.

The chain accountability need not be linear, but can be circular and inter-connected. Links in the chain are bound together by a common set of goals, which then makes it possible to develop performance measures and indicators that are meaningful and valued by key parties. Such performance measures will be easier to accept if they are balanced by a sense of mutual commitment among actors. These are relationships of mutual responsibility rather than contractual arrangements. The chain is only as strong as its weakest link, thus making it important that all stakeholders are united under a shared vision and goals.

4. Accountability demonstrates transparency with information, and an explanation of that information to stakeholders.

While transparency involves providing information, this is insufficient for purposes of accountability. First, accountability requires that information be provided in a manner that is meaningful to different stakeholders, such that the format for reporting to donors may be very different for that required for informing communities. Second, it is not sufficient simply to provide information about activities and decisions, but also to respond to concerns from different stakeholders. Where it is not possible to respond to the concerns of all stakeholders, a prioritization of accountabilities (Principle 1) is essential.

5. Accountability integrates the measurement of results with mission and vision.

NGOs and donors often measure and report on things that don’t matter! Reports and evaluations are often viewed as mechanisms for justifying existing programs, rather than as mechanisms for improving effectiveness and achievement of mission.

Rather than just measuring results, accountability requires an honest consideration of how those results can inform mission. Which measures are never used for improving activities or decisions? How can data be used to improve effectiveness? It may be useful to think of reporting as a tool

for organizational learning, so that donors can still receive needed reports, but the design of those reports might be modified so as to be more useful to NGOs.

6. NGO-Donor partnerships that focus on organizational learning can improve both accountability and effectiveness.

Development activities involving social and political change are complex, risky, and prone to failure. The long-term effectiveness of development interventions will require an ability among NGOs and donors to look critically and collectively at failures, and to find ways of improving upon them. However, many NGOs see accountability as being about punishment. Prevailing approaches to accountability, in which short-term demonstrations of “success” are rewarded with funds, serve to reinforce this perception.

A focus on organizational learning offers an approach that is more constructive and positive than punitive approaches to accountability. It is through a scrutiny of failed projects, programs, and policies, that NGOs and donors stand to learn the most for improving development interventions. Partnerships that value an honest scrutiny of failure, built on trust rather than punishment, offer opportunities for achieving long-term effectiveness.

To do so, NGOs and donors need to invest in developing metrics and information systems that encourage an examination of failure, and which NGOs find useful for improving their programs. Such systems need not be sophisticated, and in some cases may benefit from simpler and less onerous reporting procedures.

Organizational Learning as a Means to Improved Accountability and Effectiveness

Organizational learning emerged as a focal issue in the workshop, and may be defined as *the process of improving actions through better knowledge and understanding*. According to this usage of learning, simply generating knowledge is not enough; learning also involves the use of knowledge to improve what organizations do. Evaluations and impact assessments can thus be said to contribute to learning only when they lead to changes in actions and decisions. Simply identifying shortfalls in organizational performance and assuming that the information will be used by the organization to improve performance is insufficient for ensuring actual change.

Relationships of power among organizations shape learning processes. Evaluations that reward success while punishing failure (e.g., through revocation of funds or additional conditions on funding) are unlikely to engender organizational learning since they encourage NGOs to exaggerate successes, while discouraging them from revealing and closely scrutinizing their mistakes. Thus, to the extent that evaluation and reporting are used as a control and justification mechanism, they will be unlikely to serve as a means of organizational learning.

Participants at the workshop identified numerous mechanisms of accountability (see the group summaries in Part C, Session 3, of this report). Many of these mechanisms can also be useful for purposes of organizational learning, including:

- Evaluations and impact assessments

- Site visits
- Audits (internal and external)
- Sharing of mistakes and failures, not just successes
- Quarterly meetings among stakeholders
- Planning procedures that engage community members at the design stage

However, to ensure that these accountability mechanisms also serve purposes of learning, participants offered a series of recommendations:

1. Measure impact over longer periods, perhaps after financing for a project is over. Donors tend to ignore what happens in a community after funding has ended, but this is really when results begin to appear.
2. Focus on measuring things that are useful for improving long-term effectiveness! Metrics should not be the main priority, but should be subject to learning processes.
3. Culture has a critical impact on evaluation and, in some cases, requires a change in mindset in order to value learning. A combination of societal attitudes and systemic incentives (both of which tend to sweep problems out of sight) contribute to a failure to learn.
4. Focus on learning and improvement at the organizational level. There is presently too heavy an emphasis on reporting at the project level, with little attention to the organization itself.
5. Measure and fund learning curves at the organizational level. The process of learning from success and failure should be rewarded. Sometimes donors are unwilling to invest in organizations that have much to learn because they see more value in supporting well-established organizations that already possess the required knowledge.
6. Develop benchmarks for learning. NGOs need to learn which questions to ask and which things to measure. Rather than simply reporting on what is asked of them, NGOs need the skills of critical thinking to be able to decide for themselves what is useful to report on.
7. Select external evaluators and consultants who are willing to engage in collective learning. Their personalities and openness to NGOs are as important as their technical qualifications. Donors should seek NGO input in selecting reviewers. A good relationship among consultants, NGOs, and donors will lead to a sharing of information; poor relations will lead to a hiding of information.
8. Provide NGOs with skills of negotiation. In order to work with stakeholders, especially those with greater power (such as donors), NGO staff need training in negotiation, communication, and conflict resolution.
9. Develop systems for the collection and analysis of information. NGOs do not necessarily need complex information systems, but they need to be adequate enough to allow flows of information through the chain of accountability – so that different stakeholders can see what the organization is doing (accountability), the organization can assess its work (effectiveness), and can make midstream corrections (learning).
10. Identify common reporting needs. Since NGOs sometimes have to deal with multiple reporting requirements of various donors, it may be possible to streamline this reporting, and thus improve efficiency. To the extent possible, that external reporting should coincide with internal reporting that is conducted for purposes of organizational learning.

In his closing remarks, Professor Dave Brown observed that many NGOs see accountability as being about punishment, and that it may be more useful to focus on a brighter side of accountability — i.e., on organizational learning. Most participants agreed that improvements in organizational learning have the potential, in the long run, to lead to improved effectiveness as well as better accountability to multiple constituents.

Next Steps in Building NGO-Donor Partnerships

A range of follow up steps were offered by participants. The following suggestions in particular, are offered as priorities (for a more complete list, see the group summaries in Part C, Session 4, of this report):

1. Document existing reporting and learning platforms in the Latin American and Caribbean region. Potential areas for examination include:

- reporting platforms such as certification systems, standards, and codes of ethics
- examples of innovative partnerships between donors and NGOs, or among NGOs, that are oriented towards organizational learning rather than simply reporting
- variations in reporting among different sectors, such as microfinance, housing, rural development, etc.
- political and economic factors that have led to the development of the platforms
- perceptions of the purpose and effects of the reporting and learning platforms (among NGOs, government agencies, donors, scholars, and other civil society organizations)

Such a study might initially be piloted in one country, such as Argentina and could serve as a model for studies in other countries.

2. Develop a pilot “common learning platform” oriented towards organizational learning rather than simply towards reporting. To do so, it is advisable to first work with a tighter group of 4-5 organizations that may be selected based on:

- interest in and capacity to engage in discussions on such a platform
- commonality in major donors, in order to maintain a manageable number of stakeholders in designing the common platform.
- operations in a fairly well-understood development arena, where relatively simple and clear metrics and learning benchmarks can be developed (e.g., microfinance).
- similarity in size of staff and budget, so that the challenges of developing information and learning systems in the NGOs are comparable.

Upon completion of the pilot project, it may be possible to form a steering committee of NGOs and donors to explore options for scaling up the effort.

3. Establish an annual “IDB Award for Excellence in NGO-Donor Learning” in order to profile organizations that have already developed innovative systems of organizational learning and accountability, as well as exemplary partnerships between NGOs and donors. The award could be designed to:

- disseminate innovations in accountability and learning
- involve more donors and NGOs in discussions about common learning platforms

- build a reputation for IDB as supporting innovation and organizational learning among NGOs.

4. *Engage more donors in a discussion on accountability and organizational learning.* Given the low turnout among donors at the current workshop, all groups expressed an interest in getting more donors involved, possibly through:

- more visible events, such as launching of a set of “Principles of Accountability” or an annual IDB Award program (item 3 above)
- conference or public event on accountability, jointly hosted by the IDB and the World Bank
- an electronic, Internet-based forum on this issue of accountability as a means to involve a wider group of donors and NGOs.
- pilot project to develop a common platform, which would involve a select group of donors and their partners (item 2 above).

C. SUMMARY OF WORKSHOP SESSIONS²

Opening Challenges

The workshop opened with introductory remarks by Mr. Donald F. Terry, Manager of the Multilateral Investment Fund at the IDB, followed by a keynote address by Professor L. David Brown of Harvard University's Hauser Center for Nonprofit Organizations.

Mr. Donald Terry's opening comments posed four challenges for NGOs and donors:

- MIF receives far more requests for support than it can handle, and thus needs clear and transparent criteria for selection that are based in measures of efficiency and effectiveness. Developing fair measures is in the best interest of donors and NGOs.
- The term “metrics” implies a precision in measurement that is not possible in development work. Yet, this does not mean that we should shy away from trying to measure results. NGOs that are doing good work should be rated accordingly.
- How much accountability is too much accountability? NGOs must be exhausted from dealing with all the reporting requirements of funders. On one hand, it is not reasonable to expect NGOs to spend 25 percent of their time filling out forms. But at the same time, we need to go beyond the basics in our measures of efficiency, effectiveness, and accountability.
- In developing reporting and accountability systems, it is necessary for funders and NGOs to put themselves in each other's shoes, in order to understand better their mutual constraints.

Professor Dave Brown followed with an insightful perspective on “Mutual Accountability and Development Partnerships.”³ He emphasized a series of conceptual challenges to building accountability in development partnerships:

- NGOs and donors must explicitly consider the question of *Accountability to Whom?* Organizations are accountable both to themselves (in terms of internal expectations and values) and to multiple external stakeholders.
- There are multiple *Sources of Accountability Standards*, and it is not always obvious where these standards come from. For example, standards emerge from: social ideals that are based in norms and values; organizational strategies through which NGOs have flexibility with respect to whom they choose to be most accountable to; and, domain negotiations in which standards emerge through negotiations among various actors. In other words, it is not possible to have an “objective” set of standards, since they are influenced by values, strategic interests, and negotiations.
- There are at least 3 *Models of Accountability* which provide a conceptual basis for understanding relationships and issues:

² Special thanks to David Moore, Nancy Becerra-Cordoba, and Matthew Bond, all of Virginia Tech, whose copious notes and language skills were instrumental to this summary.

³ Only a handful of key points raised in Professor Brown's presentation are noted here. See Appendix 3 for the full text of slides of his presentation.

- Representative model premised on a process of elections, and in which elected representatives are given a mandate by voters.
 - Principal-Agent model in which the role of an agent is to carry out the interests of a principal, and in which a contract serve as a basis for agreement (such as is commonly the case with funding from donors to NGOs).
 - Mutual Accountability model in which multiple actors seek to build shared values and goals as a basis for joint action, and where there are compacts of mutual responsibility rather than formal contracts.
- The *Mutual Accountability model* is, perhaps, the most challenging to develop but also the most suitable for creating “partnerships” among organizations. It can be helpful in establishing a joint commitment among actors to a shared vision and goals, in bridging understanding from multiple perspectives, in building a collective capacity for social and institutional learning.
 - Key challenges in *Donor- Civil Society Organization (CSO) Partnerships* lie in managing power differences by building relationships of trust and mutual respect. In doing so, we shall need to examine the underlying reasons for using accountability mechanisms such as evaluations and common reporting platforms. Do we wish to use evaluations primarily as a tool for reporting to donors (i.e., external accountability) or for improving what we do (i.e., learning and internal accountability)? A common reporting format might be possible in well understood arenas of development such a microfinance, but doing it in less understood areas might lead to the development of faulty standards. In building partnerships, we will need to be attentive to shared values and goals, and which accountability mechanisms enhance (rather than erode) those commonalities.

Session 1: Finding Common Ground on Accountability and Effectiveness

The primary aim of the first session was to come up with definitions of accountability. Prior to doing so, however, participants discussed two other concepts — Effectiveness and Efficiency — in order to find common ground on their meanings in English and Spanish.

Professor Alnoor Ebrahim of the Center for Global Accountabilities (Virginia Tech University) proposed definitions for “efficiency” and “effectiveness.” Participants noted that these two terms are quite similarly used in Spanish. However, finding common ground on the term “accountability” proved considerably more complex.⁴

Effectiveness (*Efectividad*) is about producing a desired effect or result. It is typically measured through impact assessments, evaluations, and outcome measures, and is reported quarterly or annually. But does the act of reporting and measuring improve effectiveness? Do we do it simply for showing results, or for learning to improve them? In other words, it is possible that our focus on measuring tangible results (to demonstrate effectiveness) occurs at the expense of identifying ways of improving what we do (thus limiting effectiveness)?

⁴ The PowerPoint slides for this presentation are attached in Appendix 3.

Efficiency (*Eficiencia*) is about producing a result with minimum waste or effort; achieving greater output with the same input. NGOs with low overhead costs are typically assumed to be more efficient than those with higher overhead costs. It is also assumed that increases in efficiency can be achieved through economies of scale. But can the drive for efficiency compromise effectiveness? In other words, is it not possible that an NGO which devotes considerable time to the process of development (and thus seeks long-term sustainability in its work), could be viewed as being inefficient and ineffective in the short run?

Accountability is variously termed in Spanish as “*Rendición de cuentas*” or “*Responsabilidad*”. There is no direct translation, and the term can be confused with “accounting” or “accountancy.” Thus, it was crucial to build common ground through a discussion on the term.

Participants formed three breakout groups, which provided the following definitions and perspectives:

Group 1

Accountability involves many ideas, including:

- Trust and social legitimacy
- Balance of power between NGO and donors
- Responsibility
- Transparency
- Shared goals

While it is important to demonstrate results in the work of NGOs and donors, it is necessary to involve participants (e.g., community members, NGOs, and donors) as protagonists who have a real say in projects and programs. More than accountability, the process of building relationships or partnerships among NGOs and donors is about creating “flows of trust/confidence” aimed towards a single goal. It is an opportunity to learn from experiences.

Group 2

- Accountability/responsabilidad is a “chain.” It starts with values and vision of an organization, which must be explicit.
- It involves transparency of information, with results being measured systematically (for quality and quantity), and linked to mission and vision.
- Shared values are needed, and also a punitive structure.
- Alternative definitions of accountability include “To be able to explain what I do on the radio” and “When a soccer coach loses a couple of games, he is out.”

The chain of accountability is not necessarily linear, but can be circular and inter-linked. It requires a combination of internal values/responsibility and external authority.

Group 3

- To be accountable means to ACT, inform, communicate, and respond to stakeholders about the resources and outcomes of a project in an ethical, transparent and responsible way.

- To ACT requires attitude, ability, and action. In other words, accountability is built on social values (attitude), organizational capacity (ability), and implementation that are informed by those values and capacity (action).

Summary of Session 1

The three views on accountability presented by the breakout groups have much in common. In general, the groups provided a normative vision for accountability that may be synthesized as follows:

- Accountability begins with shared values, vision, and goals among stakeholders. Such relationships are not simply contractual, but are based on a deeper collective commitment to social change.
- Accountability demonstrates transparency with information, and an explanation of that information to stakeholders. It is not sufficient simply to provide information about activities, but it is necessary to explain it and to respond to concerns from different stakeholders.
- Accountability integrates the measurement of results with mission and vision. Rather than just measuring results, it requires an honest consideration of how those results can inform mission.
- Accountability balances authority with responsibility. Performance measures and punitive responses may be needed, but they must be balanced with a sense of mutual commitment among actors. These are relationships of mutual responsibility rather than simply contractual arrangements.
- Trust/confidence (*confianza*) is at the heart of the issue of accountability.

Participants were emphatic that accountability is a multi-dimensional and complex concept, not one to be narrowly viewed in terms of financial reporting from NGOs to donors. In particular, it appears to have more to do with deeper issues of trust building than with accounting and basic reporting.

Session 2: Development Experiences and Accountability Mechanisms

The purpose of this session was to examine how accountability is practiced — to look at and prioritize actual mechanisms.

Lisa Jordan of the Ford Foundation, moderated this panel and commenced the discussion by introducing the experiences of three NGOs in establishing accountability systems:

Atila Roque, Executive Director, ActionAid
 Kenneth Giunta, Vice-President, InterAction
 Alejandra Solla, Directora Adjunta, Fundación SES, Argentina

Atila Roque's presentation centered on ActionAid's strategic shift from being a poverty-oriented organization with heavy involvement in child sponsorship, to a "rights-based" focus on the structural causes of inequality and poverty. Since 1999, the organization has engaged in an internal debate on its own identity and mission, leading to a series of major transformations:

- Examination of the organization's identity and purpose has resulted in a shift from service delivery to a rights-based focus on impacting relationships of inequality and power
- The structure of the organization has changed from having a head office in the North and members in the South, to a new headquarters in South Africa, and country members in both the North and South (USA, UK, Ireland, Greece, Brazil). Over the next two years, the prevailing membership will be Southern (with the addition of Indian, Ghana, and Nigeria).
- Legitimacy of the organization is shifting from being a funder to being public interest oriented, by engaging in efforts to shape public policy.
- Accountability is mission-focused, rather than donor-focused. To be accountable requires a process of permanent examination of practice against stated vision and goals.
- Accountability is operationalized through an *Accountability, Learning and Planning System (ALPS)*. Launched in 2000, the system is principle-oriented in at least two ways. First, it is very reflexive, stimulating self-criticism, which can be very difficult in a large organization. Second, it has shifted the direction of reporting, by minimizing demands from the central office and maximizing the process of reporting in committees. This process has forced a review of internal culture and ossified relationships between departments, while also impacting relations with Northern partners.

Kenneth Giunta discussed the efforts by InterAction to develop and certify standards of behavior among its members. With 168 members, InterAction is the largest coalition of US private voluntary organizations operating internationally in humanitarian and disaster relief contexts. In 1992, the coalition launched a set of organizational standards (or codes of conduct) for its members, motivated largely by an interest in preserving the public trust. While InterAction's members are required to abide by the standards — which concern areas of financial management, fundraising, governance, human resource policies and program performance — they are largely self-certified. However, in recent years InterAction has undertaken steps to move beyond self-certification:

- *Self-Certification-Plus (SCP)*, launched in 2004, is a pilot project designed to be a learning exercise for members and InterAction. Members who volunteer for SCP are asked to assess whether the indicators or metrics of compliance are actually viable and useful in practice. The first set of SCP pilot reports, due June 30, will be used by InterAction not only to verify compliance with standards but, more importantly, to gauge whether the evidence used for measuring compliance is adequate and feasible to collect by NGO members. The ultimate goal is to use the certification guidelines to enhance the operation, effectiveness, and efficiency of members.
- *Third-Party Auditing*, with the assistance of Social Accountability International (SAI), is also a pilot project to see if it is possible to have an external audit of compliance with the standards. This effort is currently limited to five very large child sponsorship NGOs. InterAction has observed that while these 5 NGOs are all focused on child sponsorship, they all go about their implementation differently. As a result is it possible to have a single set of auditable standards for these organizations? InterAction has worked with SAI to develop a certification manual (to be launched this year), and will audit the work of the 5 NGOs. Auditing teams will include members of SAI, accompanied by experts familiar with child sponsorship in order to provide the necessary context for the audit. Third-party auditing may not make sense for all organizations, but it may be valuable for

large and highly visible organizations such as those engaged in child sponsorship around the world in order to build legitimacy and public confidence.

Alejandra Solla spoke of the experience of Fundación SES, which works on issues of equity and social justice in Argentina, and interacts with communities, various civil society organizations, and donors. In creating accountable partnerships, the organization seeks:

- Overlapping missions. It is sometimes difficult to identify commonalities with donors, but it is essential to find two to three core areas of overlap in mission. If organizations can't work on the basis of shared mission and values, then it will be difficult to assess success in achieving goals.
- Trust, at both the individual and organizational levels. This is necessary for a recognition of mutual importance and shared values, and is achievable through long-term commitments to one another.
- Sustained and regular dialogue with partners. Regular forums are necessary for sharing what didn't work in programs, and to ask for suggestions.
- Systems for quality management. First, it is necessary to have tools for measuring quality, which can include standards for organizational structure and governance (Fundación SES has developed a CD for this purpose). Second, monitoring and evaluation systems should focus on improving what we do, and for thinking long-term.
- Systems for cooperation. Opportunities for partners to get together annually are necessary, and can be formalized through an annual meeting of partners, as well as by forming advisory councils such as an Administration Council and a Youth Council.
- Systems for dealing with tensions and problems. It is natural to have different priorities and measures; sometimes donors want "lentil stew" and we want a "potato dish", but there must be means for dialogue.
- Linkages among accountabilities to different stakeholders. While there may different ways of being accountable (and communicating our work) to communities, donors, and state agencies, we should nonetheless be accountable for the same thing (i.e., shared vision and goals).

Summary of Session 2

In her summary comments on the panel, Lisa Jordan observed key points of common ground among the speakers:

- *All three speakers clearly prioritized their stakeholders.* For example, ActionAid's focus was on the mission of the organization. All of its relationships to external stakeholders are subservient to its rights-based approach. ActionAid has prioritized internal accountability to mission. InterAction, as a coalition of organizations, prioritizes the "public trust" which is essential to maintain and grow. Its accountability standards, and its recent project auditing effort with SAI, aim to enhance public trust in its member organizations through a process of certification. Finally, Fundación SES sees itself as equally accountable to multiple stakeholders and has thus established a series of mechanisms for engaging with each stakeholder (such as through its advisory councils).
- *There can be tensions between mechanisms preferred by different stakeholders.* Each speaker referred to fairly flexible mechanisms of accountability that can be adjusted as

needed. But what donors sometimes need at the end of a grant period on their desks is not as flexible. This is a real tension, based on concrete differences in what is useful for decision making in each organization.

The question period led to a series of additional key observations:

- We often measure and report things that don't matter! We need systems and structures that focus on improving performance. Action Aid's ALPS system uses both a participatory system of regular reporting, and a less frequent system of formal reporting.
- Managing power relations is central to partnerships, and we need assessment tools that help us think through and balance power.
- It may be useful to think of reporting as a tool for organizational learning, so that donors can still receive needed reports, but the design of those reports might be modified so as to be more useful to NGOs.
- The cost of external certification of standards can be high. The five child sponsorship agencies undergoing InterAction's audit process with SAI will spend about \$500,000 in total. However, the costs of the Self-Certification-Plus program are considerably lower, largely consisting of time. They can lead to long-term benefits in terms of improved public standing and improvements in organizational performance.

Session 3: Linking Accountability, Long-Term Effectiveness, and Learning

The morning of the second day began with a presentation by William Reese, Executive Director of the International Youth Foundation (IYF), who provided an overview of efforts to develop metrics for outcome measurement in his organization, along with a perspective on the challenges of building a common data system and reporting platform. The IYF seeks to improve the employability of youth in the Latin American and Caribbean region through information technology skills development. It currently operates a program of US\$25 million, which includes US\$10 million in MIF support, involving some 30-35 projects.

Mr. Reese's comments highlighted a number of challenges with respect to reporting and performance measurement:

- A key challenge facing IYP has been to work with its grantees not only in providing technical assistance but also in strengthening learning and evaluation, and disseminating lessons learned.
- The organization has developed a set of clear and simple metrics that are helpful in assessing its own progress. For example, it can now claim that 12,000 youth receive job training and placement services, 80% improve employability, 40% are placed in jobs, and the program generates 36 events and publications.
- The data/information system is designed to generate analyses that can be customized according to need. It is user friendly, with most of the data being input directly by the grantees. IYF is then able to see the data in aggregate at the project, country, and regional levels.
- As a grantee, this data systems allows IYF to pool results of the entire program (with 30-35 projects) in order to report to large donors such as MIF, USAID and other foundations or corporations. As a grantor, IYF does not have to burden its grantee NGOs with such data aggregation. However, it is still the case that IYF's grantees have a heavy reporting burden.

- The biggest challenge still remains in financial reporting, and not in other kinds of more qualitative reporting, because donors have different requirements.
- Although IYF has tried to make its common reporting platform fairly simple and clear, it is not sure how useful the format has been for enabling learning in the NGOs. This could be a useful case study of common reporting platforms.

Alnoor Ebrahim then provided a short presentation to recap the previous day. He emphasized the fact that NGOs are accountable to multiple stakeholders (see PowerPoint slide of “Accountability Relationships” in Appendix 3). While mechanisms of upward accountability to funders and regulators are relatively well established, mechanisms of downward accountability (from NGOs to communities, and from funders to NGOs) are only weakly developed.

He also introduced the concept of “organizational learning,” which may be defined as *the process of improving actions through better knowledge and understanding*.⁵ It is not sufficient for an organization simply to collect data; in order for learning to occur, the organization must use that information to guide its decisions or actions. To do so, however, requires an openness to sharing failure, and an effort to develop information systems that staff can use and understand (rather than overly complex systems that are intimidating). A number of key concepts discussed during this workshop – accountability, effectiveness, and learning – are linked through information:

- Accountability depends on relationships, where different audiences need different kinds of information.
- Effectiveness depends on what information is valued, in order to judge whether or not a project or program is effective.
- Organizational learning depends on what is done with that information, in terms of how it influences decisions or activities in the organization.

Participants then continued their breakout session from the previous afternoon. They were asked to provide recommendations on: how to prioritize accountabilities; key mechanisms for each stakeholder group; and, capacity building needs for improving accountability and effectiveness. The groups were asked to discuss three questions (modified from the original program):

- What mechanisms lead to internal improvement in an NGO or donor (i.e., learning)?
- What learning mechanisms would you like to develop in your organization’s future?
- What can donors do to assist NGOs and themselves to build learning capacities?

A summary of findings from each group is presented below.

⁵ This definition draws from Fiol, C. M., & Lyles, M. A. (1985). Organizational Learning. *Academy of Management Review*, 10(4), 803-813.

Group 1

The first group developed a matrix listing key stakeholders and accountability mechanisms.

Matrix of Accountability Mechanisms and Stakeholders

Accountability Mechanism/Group	Public Opinion	Communities	Donors	Government	Other Civil. Society Actors/Partners	Private Sector	Members of the org.	Board Members	Media	Staff	Volunteers	Beneficiaries
Standards	x	x	x	x	x	x	x	x	x	x	x	
Audits		x	x	x	x	x	x	x	x	x	x	
Evaluation		x	x		x		x	x		x	x	
Participation in governance structures		x					x	x		x		
Annual Reports		x	x				x	x	x	x	x	
Stakeholder meetings		x		x	x	x	x	x			x	
Accompaniment	x	x	x		x	x	x	x		x	x	
Diffusion of information	x	x	x	x		x	x	x	x	x	x	
Social monitoring	x	x		x	x		x	x				
Spending audits							x	x				
Learning systems												
Peer evaluations												

This matrix should be taken as a starting point, as the group did not have sufficient time to complete its discussion (and hence the incomplete x markings). It may be useful as a diagnostic tool for each NGO and donor, in order to facilitate discussion on:

Who are our stakeholders?

Which mechanisms do we use for different stakeholders?

Which cells in the matrix are useful (at present)?

Which cells would be more useful (ideally)?

Which cells are not useful?

What is the difference between external pressure and internal value that is presented in the mechanisms?

The matrix can also be useful in sorting out which mechanisms are implemented because they are obligatory (e.g., as a result of requirements by donors) and which mechanisms provide information that is internally useful to the functioning and improvement of the organization. In addition, there is considerable common ground between mechanisms, since some may enable accountability to multiple stakeholders.

Group 2

The group identified several key mechanisms of accountability, drawing upon the case of Solidarity in Literacy, Brazil, which is an organization that reaches 4 million people.

- Financial systems – with reporting to donors, government, and communities
- Impact evaluation – for both external and internal accountability purposes
- Site visits – not only by donors to NGOs, but also by/to different stakeholders
- External audits – which may be financial and/or social. Auditing firms may not have the expertise or capacity to adequately audit social development work.
- Dissemination of information – to various stakeholders. However, dissemination does not always imply transparency. (The case of the World Bank was raised, which generates hundreds of reports and has an internal evaluation unit, but is still not viewed as being transparent).
- Sharing of mistakes or failure – in order to correct those errors. This can, however, be a risky endeavor in terms of jeopardizing funding.
- Quarterly meetings – for purposes of internal learning among staff, particularly in large organizations with separate units or divisions.
- Negotiation capacity and training – in order to equip NGOs to better negotiate contracts and agreements with donors.
- Planning procedures – in which community members are engaged at the design stage of planning, thus launching a “chain” of accountability.

Donors can assist NGOs in building their capacities for improved accountability and organizational learning by improving:

- Information collection and analysis. If NGOs can identify best practices and track their work systematically, then it may be possible to scale up their experiences to national or regional projects.
- Information dissemination. Since different kinds of information and feedback are needed for different audiences, it is difficult to generate a single report for all stakeholders (e.g., communities, donors, boards). Some results may be important only to specific groups of stakeholders. NGOs need assistance with respect to channeling and disseminating information on their work.
- Selection criteria for external evaluators and consultants. Individuals hired by donors to conduct external evaluations or audits need to be better selected. Their personalities and openness to the NGO are as important as their technical qualifications. One option may be to secure the NGO’s input in selecting reviewers (e.g., by organizing a team in which the donor provides the NGO with several reviewers to select from; or by permitting the donor to identify one reviewer and the NGO another, as part of a review team). A good relationship with consultants will lead to a sharing of information; poor relations will lead to a hiding of information.
- Benchmarks for learning. Rather than evaluating NGOs on results alone, it would be useful to develop criteria for assessing organizational learning. Reporting and information generation shouldn’t be “cold” but should be tied to learning or internal improvement.
- Flexibility in the “chain” of accountability. Because different stakeholders will value different kinds of information, it is necessary to tailor that information. This allows both for a continuity of information through the chain, and translation or subjectivity in its communication. The reporting needs of donors should not become the dominant reporting format.

Group 3

This group focused its discussion on key changes it wishes to see in terms of systems of accountability, reporting, and learning. There are two key problems at present:

- There is too heavy an emphasis on reporting at the project level, with little attention to the organization itself.
- NGOs tend to say what donors wish to hear. They are inclined to show the results that they know donors want to see.

These two problems lead to “sinister relations” among NGOs and donors which are not good, neither for NGOs, donors, nor communities. The group offers a number of steps out of this dilemma:

- Measure impact over longer periods, perhaps after financing for a project is over. Donors tend to ignore what happens in a community after funding has ended, but this is really when results begin to appear.
- Metrics should not be the main priority, but should be subject to learning processes. It is not clear how often NGOs and donors need to think about organizational learning, but at least periodically.
- Culture has a critical impact on evaluation and, in some cases, requires a change in mindset in order to value learning. Among many of our societies and organizations, the mindset is to sweep things (problems) under the rug. Changing a mindset, however, poses risks with respect to ensuring funding.
- Measure and fund learning curves. The process of learning from success and failure should be rewarded. Sometimes donors are unwilling to invest in organizations that have much to learn because they see more value in supporting well-established organizations that already possess the required knowledge.
- Data collection, entry, and reporting doesn't necessarily lead to learning. Learning comes periodically and can be assisted during evaluation phases.
- NGOs need to learn which questions to ask and which things to measure. Rather than simply reporting on what is asked of them, NGOs need the skills of critical thinking to be able to decide for themselves what is useful to report on.

Summary of Session 3

This session yielded several general findings about the links between accountability, effectiveness, and organizational learning:

1. All organizations are accountable to multiple stakeholders. Accountability is thus a relational concept, with few (if any) universal accountability mechanisms. We thus need to think about multiple accountabilities, some of which may be in tension with one another. NGOs are accountable to a range of actors, including: communities and beneficiaries, donors, governments, public opinion, private sector organizations, their own membership, staff, volunteers and boards.
2. In most cases, NGOs prioritize accountability to mission and to communities. While accountability to donors is very important, it should be viewed in terms of how it helps achieve accountability to mission and communities (rather than detracting from it).
3. There are many mechanisms of accountability, but not all are equally important. A range of mechanisms were identified (e.g., standards and codes of conduct, financial and social

audits, monitoring and evaluation, peer evaluations, participation, reports and disclosures, stakeholder meetings, information dissemination, learning systems, site visits, negotiation mechanisms, planning procedures).

4. It may be useful to identify mechanisms that can serve multiple constituents simultaneously. Can reporting be streamlined so that it satisfies donors, governments, and communities all at once? Or do we need to generate separate reports for each audience?
5. Accountability starts at the very beginning of a process. To generate reports at the end of a project misses the point of downward accountability to clients and communities. In order for NGOs and donors to be downwardly accountable (and to ensure effectiveness) it is necessary for communities to be involved in planning interventions as early in the process as possible.
6. Systematizing the collection and analysis of information may be helpful for ensuring accountability, effectiveness, and learning. NGOs do not necessarily need complex information systems, but they need to be adequate enough to allow flows of information through the chain of accountability – so that different stakeholders can see what the organization is doing (accountability), the organization can assess its work (effectiveness), and can make midstream corrections (learning).
7. Shared values matter, particularly when donors send consultants to assist or evaluate NGOs. When this is the case, it is easier to build a shared assessment of effectiveness and to commit to making changes to improve performance.
8. Trust is central to any form of accountability and learning, so that partners in a relationship are willing to share failures and to chart strategies for improvement. There are different ways of operationalizing trust (in the 3 different models of accountability discussed by Professor Brown), and it may vary with cultural context, but it remains a crucial factor in building partnerships that are both accountable and learning-driven.

Regulatory frameworks in the region for civil society organizations⁶

Janine Perfit, Senior Civil Society Specialist, IDB

Prior to closing session 3, Ms. Janine Perfit provided an overview of challenges facing the development of “enabling” regulatory environments for the operation of civil society organizations. Key issues raised during her presentation included:

- An “enabling environment” refers to regulatory reforms favorable to the formation and strengthening of CSOs.
- The IDB has examined the state of regulatory frameworks and proposals for reform.
- The primary focus is on 4 components of the regulatory environment:
 - Constitutional provisions (e.g., freedom of association)
 - Rules for the creation and termination of organizations
 - State supervision of such organizations
 - Fiscal rules (e.g., on taxation, contracting with government, etc.)
- Cooperation between states and NGOs requires clear rules so that the public knows how to engage with state agencies. Such rules include procedures for bidding and procurement.

⁶ For a copy of the full paper, please contact Ms. Perfit at janinep@iadb.org

- Self-regulation is important and can occur through various mechanisms such as CSO by-laws which create a positive public perception of CSOs. Such by-laws should be public and enable for transparency with information.
- Periodic revision of legislation and rules is essential; however, often the key problems lie in implementation rather than in good policy.

Session 4: Next Steps

Steve Wilson and Daniel Shepherd of MIF led the final session of the workshop on the possible advantages to and challenges in developing common reporting and learning platforms:

- Funding organizations such as the IDB must ultimately rely on some basket of measures or indicators of effectiveness. But can we come up with a reporting process that lowers the costs of time, money, and effort for donors and NGOs, and at the same time enhance learning?
- In looking at performance indicators, we need to go beyond conventional means of reporting, and engage in “partnerships” that can serve beneficiaries better.
- How can these partnerships encourage donors to look at failures? How can we examine our interventions as an iterative and dynamic process? The better we can look at alternative measures, the better we can serve our beneficiaries.
- NGOs are heterogeneous. Is there a general set of indicators that lead to learning? We are interested in engaging in concrete actions and approaches to assist NGOs and donors to build relationships of trust, and to promote internal learning.
- In addition, perhaps we can collectively develop “principles” of accountability for donors, NGOs, and governments.

The participants then commenced the final breakout discussion, with the purposes of identifying next steps. Their recommendations are summarized as follows.

Group 1

- Focus on how principles of accountability relate to mechanisms of learning. What capacity building is needed to enable learning?
- We endorse the idea of “principles” to reach a broader network of participants
- Focus on promoting learning and improvement
- Capacity building can look at: enabling NGOs to better engage in dialog with actors in the public and private sphere (including building capacity for advocacy); and, on helping NGOs work with beneficiaries on evaluation.

Group 2

- We need more donors involved! Set up a small, but representative group with more donors present, as well as grassroots organizations, not just first and second tier NGOs. Establish a network of other donors and NGOs interested in engaging on this topic. Don’t go after a universal approach to common reporting. Instead, aim for accountability in *partnerships*. Start with a handful of organizations that want a common reporting platform.
- The first step is developing a common vision among NGOs and donors, along with a common definition of accountability or common principles of accountability. Then it may be possible to

design capacity building efforts to assist organizations in implementing these principles. We need a simple process – one that is not too complicated – for engaging NGOs and donors.

- It is a non-starter to develop a set of standards independently of NGOs. It will only succeed if NGOs own it.
- Conduct research on principles/best practices of public-private partnerships. Identify accountability principles in those partnerships. Possibly establish a pilot project or a “competition” where NGOs would be awarded for coming up with good information and accountability mechanisms.
- On the basis of these good practices, draft principles of accountability/partnerships, and develop indicators
- Research existing standards and efforts, new methodologies of evaluation and accountability and learning.
- Do a mapping/database of NGOs and donors that are interested in principles of partnership, and to identify what capacities are needed.

Group 3

- We are not yet one single group, but we are here in good faith.
- Next step is to share with our communities what happened at this workshop. Get documents up on the MIF webpage. Possibly follow up with an e-conference to allow for comments on what the groups did.
- Repeat this event, but with more donors; arrange for those donors to bring their partners so there can be agreement within that cluster of organizations.
- MIF leadership can be strengthened to “walk the talk” by getting together with a CSO it supports
- Conduct research on documenting existing certification systems in Latin America and the Caribbean, and on quantifying the contribution of civil society to the functioning of broader society.
- The IDB should consider adopting a strategy on how it could participate/partner with civil society.

D. APPENDICES

APPENDIX 1: Workshop Program

SEEKING NGO-DONOR PARTNERSHIP FOR GREATER EFFECTIVENESS AND ACCOUNTABILITY

Multilateral Investment Fund (MIF) & Sustainable Development Department (SDS)
Inter-American Development Bank (IDB)
Workshop on May 12-13, 2004

Workshop Purpose

How can donors assist NGOs in improving their effectiveness, efficiency, and governance? Similarly, how can NGOs assist donors in better understanding their needs, constraints and priorities? Through this workshop, donors and NGOs will have an opportunity to engage in participatory dialogue about central issues of effectiveness and accountability. Donors, on one hand, are concerned about accountability of NGOs in the efficient and effective delivery of services. NGOs, on the other hand, are often concerned that accountability to donors can overshadow and overwhelm their accountability to communities and to their own missions.

Approach and Objectives

This workshop poses a critical challenge to NGOs and donors alike—to identify ways to catalyze NGO effectiveness and efficiency, while also balancing upward accountability to donors, downward accountability to communities, and internal accountability to missions. The workshop is premised on a process of open and honest dialogue over a 2-day period. In order to enable discussion, the event will be limited to 50 participants, of which approximately half shall be representatives of NGOs in Latin America and the Caribbean. In order to ensure balance and a spirit of collective engagement, the event will be facilitated by two external scholars who have examined issues of accountability and effectiveness in NGOs in other parts of the world—L. David Brown of Harvard University's Hauser Center, and Alnoor Ebrahim of Virginia Tech University's Center for Global Accountabilities.

During the workshop, participants will:

1. Develop a shared working definition of “accountability.” We will discuss the links and tensions among accountabilities to donors, NGOs, and communities. To whom are NGOs accountable? To whom are donors accountable? Can improved accountability lead to greater effectiveness? Is there such a thing as “too much” accountability?
2. Identify and prioritize how accountability is best achieved. NGOs are already subject to many types of accountability requirements imposed by donors, such as quarterly or annual reports of finances and programs. Which mechanisms are the most useful, not only for accountability purposes, but also for improving NGO effectiveness? Which mechanisms are the least useful?

3. Outline a common reporting platform that would: a) reduce costs to NGOs of generating multiple reports for multiple donors, while still satisfying accountability to donors; and, b) improve effectiveness and organizational learning both in NGOs and donors. Is such a standard desirable and, if so, what might it look like?

The workshop is designed to include formal presentations as well breakout discussion sessions:

1. *Formal presentations* by scholars and practitioners will introduce the key challenges of accountability and effectiveness facing NGOs. Simultaneous translation (in both Spanish and English) will be available for these presentations.
2. *Breakout group sessions* of 15-20 participants each will enable more detailed discussion of issues raised in the formal presentations. Given that the challenges of accountability and effectiveness vary considerably across organizations, these discussion groups will be critical to developing a nuanced, rather than a “one-size-fits-all,” understanding of critical issues. They will also provide an opportunity for participants to engage with other participants and speakers.

Breakout groups will be assisted by facilitators that are fluent in both Spanish and English. Participants will have opportunities to hear the key findings of other groups during debriefing periods (with simultaneous translation).

Note: Participants are encouraged to make their own hotel reservations and travel arrangements. Please be advised that the IDB does not cover the costs incurred by participants in this event.

WORKSHOP SCHEDULE

DAY 1: Wednesday, May 12, 2004

8:30 am Coffee and Registration

9:00 am **Introduction to the Workshop**
Mr. Donald F. Terry, MIF Manager

9:15 am **Keynote Address**
Building Mutual Accountability among NGOs, Donors and Communities
L. David Brown, The Hauser Center for Nonprofit Organizations
The Kennedy School of Government, Harvard University

10:00 am **Session 1: Finding Common Ground on Accountability and Effectiveness**
Key Concepts, and Introduction to Breakout Exercise
Alnoor Ebrahim, Center for Global Accountabilities
Virginia Polytechnic Institute and State University

10:30 **Breakout Groups:**

Three simultaneous breakout sessions will take place with 15- 20 participants each, and assisted by facilitators fluent in Spanish and English. The groups and their facilitators are as follows:

Group 1 — Elba Luna, GADDIS, Argentina
Steve Wilson, MIF

Group 2 — Lisa Jordan, Ford Foundation
Brenda Bucheli, PACT Perú

Group 3 — Anabel Cruz, ICD, Uruguay
Daniel Shepherd, MIF

Dave Brown and Alnoor Ebrahim will float between the groups in order to observe the perspectives of each group, and to respond to questions that arise (with the assistance of interpreters as necessary).

Each group will have 1 hour to develop a working definition of accountability, and will select a spokesperson to present its findings to the larger group.⁷ In doing so, each group will answer the following questions:

- To whom is my organization accountable?
- What are the complementarities/tensions among these different accountabilities?
- What is our common definition of accountability?
- How, if at all, is accountability linked to efficiency and effectiveness?

11:30 am	Coffee Break
11:45 pm	Session 1 Debriefing: Each breakout group reports back to the larger community (10 minutes each). Overall summary of common ground/key issues: Dave Brown (10-15 minutes)
12:30 pm	Discussion Period
1:00 pm	Lunch
2:15 pm	<p>Session 2: Development Experiences and Accountability Mechanisms Moderator: Lisa Jordan, Ford Foundation, Program Officer, Governance & Civil Society</p> <p>Panelists: <i>The Experience of ActionAid</i> Atila Roque, Executive Director, ActionAid</p> <p><i>The Experience of InterAction</i> Kenneth Giunta, Vice-President, InterAction</p> <p><i>The Experience of Fundación SES in Argentina</i> Alejandra Solla, Fundación SES</p> <p>Discussion comments: Lisa Jordan, Ford Foundation</p>
3:30 pm	Discussion Period
4:00	Coffee Break

⁷ Spokespersons may make their presentations in either Spanish or English, as their remarks will be simultaneously translated.

4:15

Breakout Groups:

Each group will have 1 hour to develop and prioritize a list of accountability mechanisms. For example, some NGOs submit quarterly financial reports to donors, conduct participatory evaluations with clients, hold staff retreats to revisit their missions. Each group will brainstorm and discuss the following questions:

Questions for NGOs

- What mechanisms or practices does my organization use for accountability to its various stakeholders, e.g., to donors, communities, mission?
- Which mechanisms are most “useful” ? Why?
- Which mechanisms are least useful? Why?
- How should we prioritize our accountabilities and mechanisms?
- Is it possible to have mechanisms where “one size fits all” or do we need a more flexible approach to prioritizing accountabilities and their mechanisms?

Questions for Donors

- What mechanisms or practices does my organization use for accountability to its various stakeholders, e.g., to governments, taxpayers, boards?
- Do we need/have mechanisms for accountability to NGOs we support?
- Which of the above mechanisms are most “useful” ? Why?
- Which mechanisms are least useful? Why?
- How should we prioritize our accountabilities and mechanisms?

Each group will have time to revisit its key findings the next morning and to present to its peers.

5:15

End of Day 1

DAY 2: Thursday, May 13, 2004

8:30 am Coffee

9:00 am *Utilizing metrics to measure effectiveness*
William Reese, Executive Director, International Youth Foundation

Session 3: Linking Accountability, Long-Term Effectiveness, and Learning

Recap of Day 1
Overview of Challenges in Linking Accountability, Effectiveness and Organizational Learning
Alnoor Ebrahim, Center for Global Accountabilities, Virginia Tech

10:00 am Return to Breakout Groups:

Each group will revisit its list of accountability priorities and mechanisms from Day 1. It will then issue a list of recommendations on:

- How to prioritize accountabilities
- Key mechanisms for each stakeholder group
- Capacity building needs for improving accountability and effectiveness

11:15 Coffee Break

11:30 am Session 3 Debriefing:
Group presentations (10-15 minutes each)
Overall summary: Dave Brown or Alnoor Ebrahim (10-15 minutes)

12:30 *Regulatory frameworks in the region for civil society organizations*
Janine Perfit, Senior Civil Society Specialist, IDB

12:45 Lunch

2:15 pm **Session 4: Next Steps**

A Common Reporting Platform: What is it and Why should we care?
Steve Wilson and Daniel Shepherd, MIF-IDB

2:45 pm

Breakout Groups:

Each group will discuss the following issues and questions:

A. Reporting that harmonizes requirements of donors.

This type of common reporting platform would aim to harmonize donor requirement while still providing the information required for accountability purposes. Since NGOs are often overwhelmed by the multiple requirements of different donors, is it possible to develop a common reporting platform, which would also improve efficiency and effectiveness both in NGOs and donors?

- What might such a standard look like? What are its key components?
- Is there a donor format currently in use that could be replicated? Or would it be better to start from scratch and design something that enables upward accountability to donors, but without compromising accountability to communities and missions?
- What are its advantages, with respect to transaction cost savings, improved upward accountability and efficiency?
- What are the disadvantages?
- Is there sufficient interest to form a steering committee from workshop participants to design such a platform?

B. Reporting that is internally useful to NGOs.

This type of common reporting platform would aim to collect information that can assist NGO staff in improving effectiveness and organizational learning. Such a reporting platform might enable better accountability to clients and communities through improvement of services.

- Are there some common features of reporting that are useful for NGO learning? Do NGOs currently have their own internal learning and reporting systems (which are separate from donor reporting) that could be standardized?
- How can such a mechanism be continuously improved – so that it can be revisited over time, and adjusted to changing needs and local contexts?
- Is there sufficient interest to form a steering committee from workshop participants to design such a platform?

C. Combined Reporting

- Is it possible to combine the two reporting platforms described above? If yes, what would be its key components?

3:30

Coffee Break

3:45

Session 4 Debriefing

Concluding Observations

Dave Brown and Alnoor Ebrahim

4:15

End of Workshop

APPENDIX 2: List of Participants

Type	First Name	Last Name	Institution	Country
Participant	Brett	Alessi	Innovations in Civic Participation	U.S.A.
Participant	Juliana	Barreto	Solidarity in Literacy	Brasil
Participant	Nancy	Becerra-Cordoba	Virginia Tech	U.S.A.
Participant	Matt	Bond	Virginia Tech	U.S.A.
Participant	Zulema	Brea	Consejo de Fundaciones Americanas de Desarrollo, Solidarios	República Dominicana
Speaker	David	Brown	Harvard University	U.S.A.
Speaker	Brenda	Bucheli del Aguila	Pact - Perú	Perú
Participant	Sara	Cohen	US Agency for International Development	U.S.A.
Speaker	Anabel	Cruz	Instituto de Comunicación y Desarrollo	Uruguay
Speaker	Alnoor	Ebrahim	Virginia Tech, Center for Global Accountabilities	U.S.A.
Participant	Maria Elena	Foronda Farro	Sociedad Nacional del Ambiente	Perú
Participant	Jorge	Gandara	Fundación para el Desarrollo Integral de programas Socioeconómicos	Guatemala
Participant	John	Garrison	World Bank	U.S.A.
Participant	Fernando	Jiménez-Ontiveros	Inter-American Development Bank	U.S.A.
Speaker	Lisa	Jordan	The Ford Foundation	U.S.A.
Participant	Meg	Kinghorn	PACT	U.S.A.
Participant	Nybia	Laguarda	Inter-American Development	U.S.A.
Participant	Raúl	Llobeta	Warmi Sayajsungu	Argentina
Speaker	Elba	Luna	GADDIS	Argentina
Participant	Iraida	Manzanilla	Fundacion Unamos al Mundo por la Vida	Venezuela
Participant	Michael	McLeod	Inter-American Development Bank	U.S.A.
Participant	Stephen W.	Miller	HELPS International	U.S.A.
Participant	Rebeca	Monestel	Fundación Arias	Costa Rica
Participant	David	Moore	Virginia Tech	U.S.A.
Participant	Consuelo	Morillo	Red Venezolana de Organizaciones para el Desarrollo Social	Venezuela
Speaker	Claudia	Muñoz-Reyes	PROCOSI	Bolivia
Participant	Gil	Nolet	Inter-American Development Bank	U.S.A.
Participant	Carmen	Olaechea	Fundación AVINA	Argentina
Participant	Soraya	Otero	Inter-American Development Bank	U.S.A.
Participant	Eugenio	Peral	Fundación CODESPA	U.S.A.
Speaker	William	Reese	International Youth Foundation	U.S.A.
Participant	Mariel	Sabra	Oficina del BID en Argentina	Argentina
Participant	Luz	Santamarina	Fundación Compromiso	Argentina
Speaker	Daniel	Shepherd	Inter-American Development Bank	U.S.A.
Speaker	Alejandra	Solla	Fundación SES	Argentina
Speaker	Jorge	Talavera	Fundación en Alianza	Paraguay
Speaker	Donald F.	Terry	Inter-American Development Bank	U.S.A.
Speaker	Steven	Wilson	Inter-American Development Bank	U.S.A.
Participant	Leslie	Wright	Conference of Non-Governmental Organizations	U.S.A.
Participant	Cesar	Yammal	World Bank	U.S.A.

APPENDIX 3: Slides of Powerpoint Presentations

- L. David Brown, “Mutual Accountability and Development Partnerships”
- Alnoor Ebrahim, “Key Concepts: Effectiveness, Efficiency, Accountability”, and
“Linking Accountability and Organizational Learning”

Mutual Accountability and Development Partnerships

L. David Brown
IADB
May 12, 2004

Overview

- Accountability to Whom?
- Sources of Accountability Standards
- Underlying Models of Accountability
- Building Accountability Systems
- Donor-NGO Partnerships?

7/25/04

Accountability & Partnerships

2

Accountability to Whom?

- Accountability to
 - Self: Own expectations and values
 - Others: Relational expectations and promises
- CSOs: Multiple Accountability Relations
 - Value creation stakeholders
 - Legitimacy and support stakeholders
 - Operational capacity stakeholders

7/25/04

Accountability & Partnerships

3

Sources of Standards

- Social Ideals: Societal values, norms, laws
- Organizational Strategies: Standards set by values and strategic choices
- Domain Negotiations: Standards set by concerned community of actors:
 - Sector domains
 - Problem domains
 - Campaigns

7/25/04

Accountability & Partnerships

4

Underlying Models

- Provide conceptualization of relationship and issues
- Three Forms
 - Representative Accountability
 - Principal-Agent Accountability
 - Mutual Accountability

7/25/04

Accountability & Partnerships

5

Representative Model

- Representative acts for constituents
- Key problem: serve constituent interests
- Mandates and standards
- Sanctions and rewards:
 - election support
 - regulatory agencies for standards
 - media oversight



7/25/04

Accountability & Partnerships

6

Principal-Agent Model

- Agent acts for Principal
- Key problem: Agent opportunism
 - goals conflict with Principal's
 - likely to free ride
- Contract: incentives for results
- Sanctions and rewards:
 - economic incentives
 - legal obligations
 - courts



7/25/04

Accountability & Partnership

7

Mutual Accountability Model

- Parties share vision, values and goals
- Key problem: Coordinate collegial peers for innovation and joint action
- Compact for mutual responsibilities
- Sanctions and rewards:
 - social identity
 - relationships of trust
 - moral obligations



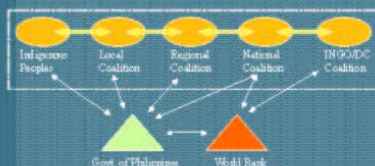
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Campaign Accountability

- Mt. Apo Power Plant Campaign:



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Comparing Models

	Representative	Agency	Mutual
Parties	Rep'tive, Voters	Principal, agent	Multiple Actors
Goals	Serve voters	Serve principal	Shared goals
Agree't	Mandate	Contract	Compact
Reward/Sanction	Political, media	Legal, Economic	Social, Moral

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Building Accountability Systems

- Assessing Accountabilities
 - Defining strategy and mapping stakeholders
 - Describing value creation process
 - Prioritizing accountabilities
- Constructing Accountability Systems
 - Negotiating stakeholder expectations
 - Creating performance measurements
 - Organizing communications and sanctions
- Using Systems: → performance, learning and legitimacy

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Mutual Accountability and Development Possibilities

- Understanding from multiple perspectives
- Mobilize invisible resources and assets
- Flexible response to novelty or change
- Social capital for future initiatives
- Empower sustainable change
- Social and institutional learning capacity

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Creating Mutual Accountability

- Parties commit to shared vision, goals
- Strategy emphasizes complementary resources, shared responsibilities
- Mutual influence in implementation
- Joint evaluation and learning from performance
- Accountabilities shift as problems and capacities of parties evolve

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1.1

Donor-CSO Partnerships?

- Managing power and resource differences → recognition of interdependence?
- Trust and mutual respect?
- Measuring social results or change?
- Surfacing and managing difference?
- Interpersonal vs. institutional relations?

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1.2

Key Concepts: Effectiveness, Efficiency, Accountability

Alnoor Ebrahim
May 12-13, 2004
MIF/IDB Workshop

Effectiveness: Efectividad

- Definition: producing a desired effect or result
- Measures:
 - quarterly and annual reporting
 - impact assessment and evaluation
 - outcome measurement
- Does the act of reporting and measuring improve effectiveness? Why do we do it?

Efficiency: Eficiencia

- Definition: producing a result with minimum waste or effort; achieving greater output with the same input
- Measures:
 - overhead costs
 - economies of scale
- Can the drive for efficiency compromise effectiveness?

Accountability: Rendición de cuentas / Responsabilidad

- Working Definition
 - What is accountability?
 - To whom are NGOs and Donors accountable?
- Mechanisms and Priorities
 - How is accountability achieved?
 - How should it be achieved? To whom should NGOs and donors be accountable?
- Common reporting platform
 - Is it useful to harmonize reporting to donors?
 - What kind of common reporting would be more useful to NGOs? (for effectiveness, efficiency)

Finding Common Ground

- To whom is my organization accountable?
- What are the complementarities/tensions among these different accountabilities?
- What is our common definition of accountability?
- How, if at all, is accountability linked to efficiency and effectiveness?

Breakout Groups

1. Elba Luna, GADDIS, Argentina
Steve Wilson, MIF
2. Brenda Bucheli, PACT Peru
Lisa Jordan, Ford Foundation
3. Anabel Cruz, ICD, Uruguay
Dan Shepherd, MIF

Linking Accountability and Organizational Learning

Group 3

- To ACT, inform, communicate, and respond to stakeholders about the resources and outcomes of a project in an ethical, transparent and responsible way
- ACT = attitude, ability, action

Group 2

- Accountability/responsabilidad is a "chain." It starts with values and vision of an organization, which must be explicit.
- It involves transparency of information, with results being measured systematically, and linked to mission and vision.
- Shared values are needed, and also a punitive structure.
- "To be able to explain what I do on the radio."
- "When a soccer coach loses a couple of games, he is out."

Group 1

Accountability involves many ideas:

- Based on trust and social legitimacy
- Balance of power between NGO and donors
- Responsibility - important to have results, & to involve participants as protagonists
- Transparency

More than accountability, this is about creating "flows of trust/confidence" aimed towards a single goal. It is an opportunity to learn from experiences.

Accountability Relationships



Linking Key Concepts

- Accountability depends on relationships -- different audiences need different kinds of information (*whom* and *what*)
- Effectiveness depends on what information is valued
- Organizational learning depends on what is done with that information

Organizational Learning Aprendizaje Organizacional

- Definition: the process of **improving** actions through better knowledge and understanding
- Means:
 - openness to sharing failure
 - information systems that staff can use and understand

United Way (391 agencies)

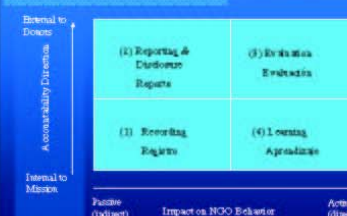
- Communicating results (84-88%)
- Help improve service delivery (76%)
- Focus on measurable outcomes at expense of other important results (46%)
- Overloaded record-keeping capacity (55%)
- Uncertainty on how to make changes (42%)

Measuring Outcomes

Establishing these systems [of measurement] alone was not good enough. In the end, the project's success had less to do with whether measurement systems were developed and more to do with whether the organizations were able to create a culture that valued the process of self-evaluation.

(Guthrie & Viner, 2002: 2)

Information Use in Accountability



Implications for Policy & Practice

- Accountability mechanisms mean little without consideration of *how* they affect behavior and for *whom* they are employed
- Accountability involves a *system* of multi-directional and sometimes competing relations
- Too much external and short-term accountability to donors can chill learning and innovation

Breakout Discussion

- What mechanisms lead to internal improvement in an NGO or donor?
- What learning mechanisms would you like to develop in your organization's future?
- What can donors do to assist NGOs and themselves to build learning capacities?