



A BOND Approach to Quality in Non-Governmental Organisations: Putting Beneficiaries First



A report by Keystone and AccountAbility for the British Overseas NGOs for Development (BOND)

August 2006

Executive Summary

The Main Message

Quality standards pervade all aspects of society, from quality management systems standards for nuclear power stations to technical specifications for manufacturing bubble gum. For NGOs the story is no different. As part of the growing debate about quality systems and standards to enhance the performance of NGOs, BOND commissioned this research to help better understand the direction and approach that can be taken to further support its members.

The research involved: (a) an analysis of the current approaches to quality used by NGOs, both in the UK and internationally; (b) an online survey of BOND members; (c) a series of focus group discussions with BOND members; and (d) interviews with key opinion formers and those responsible for the main standards. The purpose was to review current practice, experience, and needs in the area of quality standards, as well as to suggest the roles that BOND and its members could play in this area going forward. The brief for the study had a strong technical orientation.

Throughout the consultations with BOND members, interviews with key informants, and review of the history and standards on offer, we found that the challenge lay not in the technical conversation – how to understand and implement standards – but rather in the political and strategic one – the realisation that the primacy of the beneficiary, through fully functioning, transparent, and responsive stakeholder relations, is at the heart of NGO quality. This leads to a new definition of NGO quality that forms the centrepiece of this report.

Definition of NGO quality

Throughout our research, we consistently heard that NGOs deliver quality when their work is based on a sensitive and dynamic understanding of beneficiaries' realities; responds to local priorities in a way that beneficiaries feel is appropriate; and is judged to be useful by beneficiaries.

In other words, members told us that quality is driven by the extent to which beneficiaries are the primary actors in these processes of analysis, response and evaluation. The involvement of beneficiaries in these three processes was sometimes referred to as "accountability to beneficiaries", a much broader definition than "reporting back to beneficiaries".

Members stressed that the social situations they work in are complex and unique, involving many different factors and interests. So these three processes are continuously repeated even during one intervention. 'Beneficiaries' are rarely a homogeneous group with a single set of views; different perspectives from different social groups need to be heard. Both NGO staff and beneficiaries have to learn about the social situation they face, how to respond to it and also about

each other. Members emphasised that one-off consultations and planning sessions are rarely an adequate mechanism for achieving this. Continuous participation and respectful two-way dialogue are required between an NGO and its intended beneficiaries.

This argument is summarised in the following definition:

The quality of an NGO's work is primarily determined by the quality of its relationships with its intended beneficiaries.¹

If an NGO maintains a respectful dialogue with its intended beneficiaries, recognising their priorities from their points of view, and beneficiaries shape operational decisions, then this creates a framework within which an NGO's analysis, response and evaluation are likely to be high quality.

These relationships may be mediated by specific individuals who represent beneficiary groups to NGO staff. They will also be influenced by many other stakeholders, including government, donors, and political interests. It depends on an NGO's ability to adapt its work flexibly to changing local conditions and priorities. Members were explicit in arguing that, for NGOs, quality depends on the relationships with beneficiaries taking priority over the achievement of pre-determined project goals and other 'professional' management practices. They also noted that it takes priority over quality assurance mechanisms for specific activities, such as (for instance) the build quality of new classrooms; the primary risk being that an NGO's activities, no matter how well implemented, do not respond to beneficiaries' realities and priorities.

Members highlighted the practical and conceptual shortcomings of 'impact' as the driver of performance management, noting that no satisfactory method has been developed to measure impact consistently, or to attribute social benefits to specific NGO interventions.

Implications

This definition of quality has direct implications for the management and oversight of NGO practice. To act on it, NGOs and donors need reliable mechanisms for managing and monitoring the quality of their relationships with beneficiaries. When BOND members said that relationships with beneficiaries have to come first, they also said that they have to be *the* priority in drawing up organisational systems. This may be challenging to BOND's members, requiring re-consideration of existing systems and the development of new ways of working.

¹ BOND members use the term 'beneficiaries', but tend to do so with some discomfort with some of its connotations. At best, it is a clear pointer to those people who are meant to benefit from the NGO's work and their broad and diverse range of interests. But to the extent that it implies that these people are passive receptacles of NGO benefits, that they might not be the principal agents of their own development and the ultimate drivers of NGO quality, the term is problematic. As it is the term most used by BOND members, we have used it in this report. And, like them, we take this occasion at the outset of the report to comment on the use of the term.

Crucially, NGOs will need to make sure that they have the right people in place to develop relationships on the ground, with appropriate values and skills, committed to learning and staying in the same place for a reasonable length of time. BOND members drew a distinction between investments made in hard skills, such as accounting, and the soft skills of listening, responsiveness and interpersonal accountability that are ultimately more determinative of quality.

In taking the debate forward, it will be critical for NGOs to consider internal organisational priorities. For example, implementing this definition requires those in central positions within NGOs to pass decision-making authority to those in the field, within appropriate control frameworks. Just as progressive social change requires external social relationships to be re-balanced in favour of beneficiaries, so high quality NGO work requires internal relationships to be re-balanced in favour of beneficiaries, with those in positions of formal authority voluntarily giving power to those who are not.

A number of members pointed to the tension between balancing organisational interests and beneficiaries' interests. They commented that staff need flexibility and autonomy to nurture local relationships with beneficiaries and local implementing partners. When organisations' systems are unduly corporately bureaucratic or internally focused, they limit flexibility on the ground, and can constrain relationships between NGO staff and beneficiaries, as well as diverting staff's energy to focus inside the organisation.

However, there are very few examples of accountability mechanisms built around this organising principle that NGOs can pick up off the shelf.

This definition of quality poses an urgent challenge to the sector: to examine current practice and develop new approaches to internal organisation and accountability that put relationships with beneficiaries first. It has implications up and down the chain of stakeholder relations. For example, it will mean examining the relationships between donors and implementing partners at all levels. It will mean considering whether current organisational practices actively foster appropriate relationships between beneficiaries and NGOs. Do NGOs provide transparent accounts of their resources, intentions and actions to their beneficiaries? Do field staff have the time and skills to analyse social situations, build relationships, and the flexibility to respond to changing local priorities? Are current participation and consultation processes adequate? How are beneficiary representatives selected? Are beneficiary voices consistently heard in evaluating success? Are local partner organisations encouraged to develop appropriate relationships with beneficiaries - and is the quality of relationships verified?

However, a prior step will be continued exploration of the issue of quality. Recognising the diversity and independence of NGOs and their donors, we offer this exploration as a challenge to everyone working in our sector. We hope that this report provides an initial step in crystallising a common view of quality that

may become the basis for common action to strengthen our performance and do more to help poor, vulnerable and marginalised people around the world to improve their own lives.

The structure of this report

Section 1 of this report sets the historical and political context of the emergence of quality standards for NGOs. Section 2 develops an analytical framework that aims to give leaders and managers a tool to navigate the complexity of approaches and methods used to assess the quality of NGOs work. Section 3 sets out the main findings from the consultation with BOND members and other key informants about their practice, key challenges and opportunities in this field. Sections 4 and 5 present the overall conclusions and recommendations of the report both for BOND Secretariat and BOND members. The highlights from the report are summarized below.

The Background and Analytical Framework

The short history of standards for NGOs can be dated to the early 1990s, when InterAction's PVO Standards were first developed (in 1992) in the US, and the Red Cross Code in 1994. An explosion in standards followed the Joint Evaluation of Emergency Assistance in Rwanda published in 1996, as well as a number of accompanying media exposés. By the later part of the 1990s, many NGOs and related organisations were engaging with the new formal standards, codes, and charters. Many also developed their own unique organisational responses.

Approaches to the management of NGO quality, whether external standards or internal home-grown systems, can be categorised as follows:

1. ***Statutory Regulation*** are legal requirements that NGOs must adhere to in the country and region in which they operate; these include laws and conventions enacted by government and multi-lateral bodies such as the UN. The over-riding regulation that guides NGOs is the range of Human Rights Law and international humanitarian law and it is on these that the more voluntary approaches undertaken by NGOs are based.
2. ***Voluntary Principles and Codes*** are performance standards that organisations and/or sectors are meant to adhere to but are not directly enshrined in law - in essence self-regulation. Examples include, the Red Cross Code of Conduct and the Humanitarian Accountability Partnership International's current initiative to develop an Accountability and Quality Management Standard that focuses on intended beneficiaries.
3. ***Organisational Management and Measurement Tools*** assist NGOs in implementing and adhering to statutory regulation and normative principles

as well as being used for general organisational development. These include individual organisational approaches, such as ActionAid's Accountability, Learning, and Planning System (ALPS); proprietary approaches, such as Investors in People; or open access models, including Projet Qualité and Synergé. They range from overall organisational systems, to issue specific, but generally focus less on strategic assessments.

4. **Evaluation and Verification Processes.** Of course, the categories set out above, can also involve an added assurance mechanism in the form of external evaluation, financial and social audit, all of which may or may not lead to certification or accreditation. For example, NGOs implementing the People In Aid Code are independently audited (based on the AA1000 Assurance Standard) against the seven principles of the Code.

The Consultations

The results of an *online survey* (completed by 69 of BOND's member organisations) showed that there was a need to differentiate between formal-external (e.g., People in Aid Code) and self-developed systems (e.g., Action Aid's ALPS). They also identified a contrasting need for both types of quality approaches to be integrated with each other better, and also with other organisational operations and goals. In particular, this report signals an opportunity to realize an important convergence of quality issues and learning approaches within organisations. Approaches to quality that promote relationships with beneficiaries re-frame organizational learning and accountability around questions of *who* an organisation learns from and *how* it learns, and does so in a way that renders the questions complementary.

A second theme from the online survey was a greater appetite amongst larger organisations for common approaches to quality, which calls for an awareness of the risks associated with disregarding the more restricted capacity of small and medium organisations to comply with formal standards.

Donors were identified as the main driver for quality (especially by larger organisations), through their influence on funding and requisite reporting requirements. Again, this report presents an important opportunity to resolve existing tensions between quality improvement and accountability to diverse stakeholders. Donors can align their reporting requirements with ways that really drive good quality work.

The focus groups (attended by staff from 34 of BOND's members) and interviews with 16 key informants further deepened an understanding of the survey results, and what members are looking for when they address the issue of quality. In determining quality, NGOs are looking for: i) meaningful participation by diverse stakeholders; ii) due attention paid to the quality of relationships, especially with

beneficiaries and local partners; iii) ongoing learning and reflection; iv) efficient use of resources; and v) sustainability and long-term impact. Standards therefore need to: be linked to values and principles; be sufficiently flexible and adaptable; encourage self-criticism and questioning of organisational direction; address strategic issues and not be solely operational (technical) in focus; aim for continual improvement; and enable comparison across the sector.

Recommendations

BOND members clearly asserted that NGOs can and should exert leadership in the development of new practices on this issue. The general view was that more of the same – a business as usual approach – was unacceptable. Members indicated that the focus on quality of relationships with beneficiaries was a question of core values and mission. Most NGOs espouse values that emphasise human dignity and equity, mutual respect, inclusion and a moral obligation to remedy inequality. This requires an examination of power, behaviours and relationships that foster working in ways that give meaning and substance to these values.

But they also recognized the limits of what they can do as only one set of actors in a larger ecosystem. BOND members recommended that BOND convene a multi-stakeholder dialogue on the issue of quality and accountability that includes donors, the media, academia, and of course beneficiary representatives. This should be complemented by more direct engagement with donors on the matter. Ultimately however, quality standards should be driven by beneficiary voice.

There was a mix of concurrence and non-concurrence in the views expressed in interviews with key informants and standard bearers when compared with BOND members. Interviewees generally felt that NGOs were taking the issue of quality seriously in their work, at least in terms of the debate and sign up to approaches. However, they felt strongly that there is a need to now go beyond sign up and to look to overall organisational assessments, particularly ones that point out the tensions within NGO structures, for example between humanitarian and development mandates, or between field work and fund raising organisational areas. There needs to be a recognition that there is still no magic bullet (Edwards & Hulme, 1995), or technical fix, and that it will require cultural change within NGOs before the practice of quality changes outcomes.

The key difference in approaches to quality amongst the standard bearers lies mainly in the humanitarian sphere where there is a difference of opinion whether you should set standards of performance (e.g. Sphere Humanitarian Charter) to ensure quality, or focus on a management system (e.g. Projet Qualité). However, in some cases there are no clear-cut distinctions between standards, as Sphere does include emphasis on management. There is a growing collaboration among standard bearers and a real attempt at generating a better understanding of the

linkages and differences between them. One of the major gaps in standards is their ability to balance the interests of the full spectrum of stakeholders, in particular the recognition of the primacy of the beneficiary (although, the Humanitarian Accountability Partnership (HAP) International, for example, was cited as beginning to redress this). Standard bearers felt that BOND should not develop its own standard (also echoed by BOND members), but should develop a 'quality roadmap' to support members whilst at the same time championing the cause of NGO quality amongst a wider set of stakeholders. Finally, they also pressed the view of BOND members that NGOs are but one part of the aid industry, and it is up to other actors (governments, donors, EU, UN) to demonstrate their own accountability and quality. NGOs can't do it alone!

The recommendations of this report emerge fundamentally from the consultation with BOND members. At the same time, they should not be taken as a majority or even representative view. They are tabled as a starting point for further deliberation and ultimately decision by BOND and its members. The recommendations are organized according to their potential to be implemented in the short (within the next year), medium (2007-2008), and long-term (2008+).

The recommendations closely follow from this central message that relationships with beneficiaries drive quality. They seek to address the practical difficulties NGOs face in implementing participatory approaches, especially given competing demands from other, often more powerful actors along the chain of relationships. One of the main conclusions of this report is the need to encourage NGOs *to develop ways of holding relationships with beneficiaries as the real organisational priority*, and to exhibit the necessary leadership to influence other actors along the chain to adopt this priority.

BOND Members

Recommendations for BOND members are divided into what they can do individually and what they can do collectively.

Short-Term

- a. Individually, we invite BOND members to discuss the definition of quality and conclusions presented in this report, and consider whether they agree with them. This could be taken forward through a structured debate within organisations.
- b. Members should assess whether their relationships with their beneficiaries are as strong as they could be, potentially surveying beneficiaries' and field managers' opinions of their work, and consider whether existing management practices prioritise relationships with beneficiaries.
- c. Members should share a short report of their processes and findings with BOND Secretariat to feed into a peer review learning process.

Medium Term

- d. Monitor the quality of their relationships with beneficiaries. This may include approaches such as routinely surveying beneficiaries (and their representatives) for their opinions of the NGO's work.
- e. Consider taking steps to develop organisational cultures and internal systems that (i) encourage field staff to develop appropriate relationships with their beneficiaries and (ii) allow them to monitor the quality of these relationships.
- f. Consider how to involve beneficiaries more in the development of the organisation by ensuring they or their representatives are involved in decision-making.
- g. Pilot approaches to internal and external accountability that build on and recognise the central importance of relationships with beneficiaries.

Collectively, current experience as well as ongoing improvements and challenges should be shared amongst BOND members to develop a 'community of practice' to understand common concerns, highlight good practice, and generate an environment of collective learning.

BOND Secretariat

In line with BOND's Strategic Aim 1 'Building influence and holding to account' as well as Strategic Aim 2: 'Building our capacity'.² The overarching recommendation is that BOND should champion the implementation of the message that the quality of an NGO's work is primarily determined by the quality of its relationships with its intended beneficiaries.

Short-Term

- a. Provide a knowledge resource about existing standards that helps members understand the different options on offer. This report is intended to fulfil this purpose in part. The use of BOND's website would ensure wide accessibility as well as workshops on themes identified by members.
- b. Develop simple tools and guidelines to help members manage and monitor the quality of their relationships with their beneficiaries.
- c. Organise on-going discussion and peer review learning between members that carry out the organisational reviews mentioned above in recommendation (c) to members.

² BOND Strategy 2006 – 2011 <http://www.bond.org.uk/aboutus/strategy06.htm>

Medium Term

- d. Publish periodic reports, if not an annual review, on good practice in the management and monitoring of relationships with beneficiaries to inform the sector and society-at-large as to both how and why NGOs are better aligning functions with their values and purpose.
- e. Work together with those developing standards to help ensure that they form a coherent framework of approaches to quality and accountability.

Longer Term

- f. Address the multi-stakeholder nature of the problem that the sector faces – namely, the inability of actors along the chain (donors, NGO HQ, government agencies, etc.) to prioritise relationships with beneficiaries. BOND can do this by engaging with different stakeholders to raise awareness of the issues facing NGOs and, for example, develop a set of commitments on the part of these stakeholders that can guide their transactions.
- g. A more ambitious initiative that emerged as a recommendation during member consultations would be to develop a collaborative framework (similar to the Compact in the UK between the government and voluntary sector) between key stakeholders in the sector.