



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)

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Even at 45 pages, this report has opened up a way forward into NGO quality. There are clear recommendations here for BOND and its members that, if taken up, would enable the UK's NGO sector to redouble its impact. We table this report in the hope that it will help convert this potential into effective action.

Finally, the content of this report does not reflect the opinion of the BOND secretariat or the BOND membership taken as a whole, but of the members that participated in the consultation. This constitutes the start of an ongoing process of consultation and support for members on quality. The limitations and any errors that this work might contain are the responsibility of the project team.

David Bonbright, Project Leader and Keystone Chief Executive

Glossary of Terms

Accountability is defined as being made up of three components: Transparency, i.e. to account to one's stakeholders; Responsiveness, i.e. to respond to stakeholder concerns; and Compliance, i.e. to act in accordance with standards to which an organisation is voluntary committed, as well as rules and regulations that it is legally bound to comply with (AccountAbility, 2003).

Aid is defined, for the purposes of this document, as the range of interventions made by various actors to address and re-balance the exercise of rights of people.

Audit is a systematic examination to determine whether the activities of an organisation are implemented according to the standards it has committed to and the regulations it is bound to comply with.

Assurance is the process (through statements, principles, or practice) by which an organisation ensures confidence in its stakeholders of its ability to carry out its objectives.

Beneficiaries are those intended to benefit from NGO activities, the primary stakeholders of a development or a humanitarian intervention, usually in a state of poverty, marginalisation and vulnerability.

Evaluation is a systematic assessment of an organisation's activities.

Learning Organisation is an organisation that builds and improves its own practice by continually developing the means to draw learning from its own and its stakeholders' views and experience.¹

Participation is a process by which stakeholders influence and share control over NGO initiatives and the decisions and resources that affect them.

Quality is generally defined as a 'degree of excellence'. In the context of organisational performance it can be defined as the way in which an organisation, through its activities and underlying management systems, succeeds in meeting the needs of its primary stakeholders.

Self-Regulation is the process by which a sector or group of organisations regulate their own performance separate to that to which they are legally bound to comply with.

Statutory Regulation is a rule that is bound by law, whether to the state or other authority.

Stakeholders are those individuals and groups that affect and/or are affected by an organisation and its activities.

Stakeholder Engagement is an organisation's efforts to understand and involve stakeholders and their concerns in its activities and decision-making processes.

¹ Adapted from Taylor, J (2002) On the Road to Becoming a Learning Organisation in Edwards, M., & Fowler, A. The Earthscan Reader on NGO Management. London, Earthscan.

Standard is either a specified level of performance for an organisation (e.g., as set in law, such as humanitarian law) or process (e.g., management tool).

Verification is assurance by demonstrating that something is true, accurate or justified.

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.²

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.

² 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 overriding 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'.³ 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.

³ 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.

1. A Short History of NGO Quality

“I’m concerned that it can become all about compliance, and grow another industry that is a parasite rather than actually driving quality.”

BOND member during focus group session

The number and size of NGOs has reached levels never seen before. This is mainly a result of the decentralisation of the state and deregulation of its services that began in the 1980s and saw a shift in the role of NGOs and businesses alike. This saw the number of NGOs registered in the 30 member countries of the OECD almost double from 1,600 in 1980 to 2,970 in 1993, with a concomitant doubling of spending (Edwards & Hulme, 1995). To a certain extent this has opened up the gates of global governance that some have termed a “global associational revolution” (Salamon et al, 1999). NGOs built on this new opportunity to have more impact on the ground as well as become more prominent in policy circles.

But there were also a number of less positive developments in relation to NGO interventions. Most notable was the practice of some NGOs in response to the genocide of Rwanda. The Joint Evaluation of Emergency Assistance to Rwanda (the first major joint evaluation to be carried out) concluded that ‘the current mechanisms for ensuring that NGOs adhere to certain professional standards are inadequate’ (Borton, et al, 1996). Other exposés began to emerge; in 1996 the Daily Mirror had the front page headline, “Exposed: Charity Investment Scandal - Red Cross has shares in arms firm”. Many of the allegations were unfounded, but nonetheless did raise eyebrows and questions as to the role of NGOs.

This rise in size and scale, accompanied by a greater impact on the lives of the poor, but in certain cases also high profile failures, incurs a higher level of scrutiny both within the sector but also outside the sector, particularly by those who began to question the legitimacy of these ‘young turks’. The Economist carried out a survey of NGOs, with the titles contained in it, overtly reflecting this new angle - ‘the sins of secular missionaries’, ‘the non-governmental order: will NGOs democratise or merely disrupt, global governance?’ (The Economist, 2000). The World Disasters report of 1999 summed up the situation as perceived by a sizeable constituency: “Increasingly, in the late 1990s, agencies working in emergencies have been battered by accusations of poor performance, and depicted as competitive corporate entities driven more by funding than humanitarian imperatives. Aid stood accused of fuelling conflict. Charity’s role was challenged. The problem was less one of compassion fatigue as of compassion discredited.” (World Disasters Report, 1999).

Conferences and books from practitioners and analysts within the sector began to debate and question the ‘accountability and performance’ of NGOs during the latter half of the decade (Lewis, 1999; Sogge, 1996). One influential book

concluded that when the popularity of NGOs with donors fades (which one could argue it has somewhat), 'the development impact of NGOs, their capacity to attract support, and their legitimacy as actors in development, will rest much more clearly on their ability to demonstrate that they can perform effectively and that they are accountable for their actions' (Edwards & Hulme, 1995).

But NGOs had not been sitting round doing nothing. For many years they had been evaluating their projects and assessing their impact (Roche, 1999). Similarly the whole participation paradigm gathered momentum through good and bad practice (Chambers, 2005). There was a new impetus and shift in action at least in regards of humanitarian assistance, where NGOs were feeling the heat of demands but also saw the opportunity to have greater influence. The US PVO member association, InterAction, developed probably the first set of NGO standards in 1992. At a more global level, the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief was developed and agreed upon by eight of the largest relief agencies in 1994. There then followed a series of codes of conduct, some national, others issue-specific. For example, in 1997, recognising the fundamental role staff play in delivering quality, the People In Aid code of conduct for human resource management was introduced. Uniquely, it included provision for externally audited performance (Davidson & Raynard, 2001). There are now numerous national-based codes of conduct across the world, usually set up by NGO in-country associations.

In 1999, the British Overseas Aid Group (BOAG), made up of the five major NGOs (Oxfam, Cafod, Christian Aid, ActionAid and Save the Children, commissioned a study into quality, standards and human rights (Slim, 1999). The study reviewed a wide range of standards, including some from the private sector, and provided four key insights (amongst many others), which are very useful for any analysis or history of quality and accountability in NGOs. Many of these insights are true today, some seven years later, and the sector has taken them on board to varying degrees. Uppermost have been the interests of the poor.

1. *A quality and standards approach should only be adopted if it is in the interests of poor people*

Participation is no longer solely a fashionable buzzword and today is institutionalised in the practice of many NGOs. Secondly, the interests of the poor were also the imperative behind the standards emerging during this time. People In Aid for example, states "The Code is a tool to help agencies offer better development aid and disaster relief to communities in need". Similarly, "Sphere is based on two core beliefs: first, that all possible steps should be taken to alleviate human suffering arising out of calamity and conflict, and second, that those affected by disaster have a right to life with dignity and therefore a right to assistance." Whilst its counterpart to that, the Quality Project, its first aim is to 'improve the service rendered to beneficiaries.' Although there is still some way to go, and NGOs are still grappling with the practical challenges of involving the poor

in delivering quality services and being accountable to them, it is still uppermost in their minds and actions.

2. *The potential proliferation of standards is an inherent risk in any standards system*

The inherent risk in the potential proliferation of standards has if anything been further compounded. At one level there is a simple confusion as to what to do. Do we do People In Aid or Investors in People if considering systematising our human resource management? How does the Red Cross Code relate to the Humanitarian Accountability Partnership? At another, more political level, the proliferation has given rise to tensions within the NGO community, particularly in regards of humanitarian assistance. This is illustrated in the response of, firstly French agencies, to the Sphere Charter and the setting up of the Quality Project in 2000. The main contention was in the concept of 'standardisation' of assistance itself. The Minimum Standards of Sphere were viewed by some as a constraint and counterproductive; for example the set indicators are seen to be invariable (something contradictory to what an indicator should be), and more profoundly, 'unsuitable'. Such confusions and tensions remain and are presently being played out.

3. *The world of development is not the world of business*

That the report also concluded that the world of development is not the world of business is certainly true in many ways. But there is certainly an ironic, if not wholly un-coincidental parallel in the debate and development of standards of quality and accountability in both sectors. Whilst the interests of the poor are not the main commercial stakeholders, businesses are grappling with the problem of balancing stakeholder interests, in much the same way as NGOs. Secondly, there is the same inherent risk in the proliferation of standards and initiatives. For example, there were some notable business standards beginning a little earlier with environmental management tool ISO14000, many others such as the Global Reporting Initiative, AA1000 Framework, UN Global Compact, emerged during the mid-to-late 1990s. Thirdly, there are parallels to the size and type of organisation across the NGO and business sectors and thus the experience of employing standards, which may have benefits of comparison. For example, Nike and Oxfam are both multi-national organisations with decentralised operations.

4. *A lot of fundamental standards for good practice in development work are already written down in signed and ratified conventions of human rights law.*

It is undoubtedly true that human rights law provides the basis for guiding good practice in development work. However, there remains a challenge of implementing such 'high level' regulations in practical terms. This is where standards have come in, as a way of implementing statutory regulations, whether at the global or national level. Taking for example, the proliferation of national NGO-driven codes of conduct since that late 1990s, these have been a reaction to concerns, in many cases from government, as to the role NGOs in the country, in

particular but not exclusively foreign NGOs. But at the same time, they are meant as a tool to strengthen the quality of the work and as a complement to statutory laws. What is required, and thus far still missing, is an understanding of what we could call the ecology of regulation, that being the relationship between various laws, non-statutory norms (i.e., self-regulation), management and measurement tools, and independent evaluation and audits, either imposed on and/or voluntarily undertaken by NGOs.

During the first half decade of the new century, there has been a continual blurring of sectoral lines, where business is now becoming more involved in development and disaster relief work, and larger NGOs are becoming more 'business like' in terms of organisational development but also in marketing and fundraising. Comparisons are now being made both informally and formally between the private, public, and non-governmental sectors in terms of their quality and accountability. The Global Accountability Project is probably the most comprehensive comparison to date, and in certain quarters, such as public access to information and how money is spent, NGOs score poorly (Kovach, et al., 2003; Ebrahim, 2005). At the same time, NGOs remain at the top of many public opinion surveys in regards of trust and having a positive influence (Globescan/PIPA, 2006).

NGOs have begun to tighten their grasp of the quality nettle. Experiments have been tried, and developed into other entities such as the Ombudsmen Project, which was a precursor to the Humanitarian Accountability Partnership (Callamard, 2004). At the same time the various different initiatives are starting to share information and work towards some kind of operational framework, again predominantly in the area of humanitarian assistance. For example, the Emergency Capacity Building 2 project "provides a mechanism to encourage collaboration among the seven agencies and other accountability networks and partnerships such as the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), the Humanitarian Accountability Partnership International (HAP-I) and Sphere. The purpose of this collaboration is to undertake activities that will strengthen the practice of accountability (to local people) and impact measurement."⁴ They are currently developing a 'how to' guide as an implementation tool (ECB2, 2006).

⁴ http://www.odi.org.uk/ALNAP/meetings/pdfs/EMonbiot_dec05.pdf

Table 1: Development of Regulations, Codes, Standards, and related tools affecting NGO Quality

| |
|--|
| 1948 - Human Rights Charter |
| 1970s (onwards) - Participatory Monitoring and Evaluation |
| 1992 - InterAction PVO Standards |
| 1994 - The Code of Conduct for the International Red Cross and Red Crescent Movement |
| 1990s (onwards) - Host country codes of conduct for NGOs |
| 1996 (onwards) - National and Sector Certification (e.g., Philippine Council for NGO Certification 1996, InterAction PVO child sponsorship standard, 2004) |
| 1997 - People In Aid Code of Good Practice in the Management and Support of Aid Personnel |
| 1997 - Sphere Project |
| 1998 - Practical Quality Assurance System for Small Organisations (PQASSO) |
| 1999 - Projet Qualité |
| 2001 - Humanitarian Accountability Partnership (HAP) International |
| 2005 - Projet Synergé |
| 2005 - UK Donor Accreditation and Partnership Programme Agreements |
| 2005 - EC Code of Conduct for Non-profit organisations |
| 2006 - International Advocacy NGO Accountability Charter |

However, technical approaches, whilst helpful, may not be enough to address the more strategic concerns of addressing the rights of beneficiaries. This is illustrated in the recent synthesis report of the Tsunami Evaluation Coalition (TEC, 2006), which in some ways brings the story full circle from the Rwanda evaluation. It concluded:

"The limited impact of the existing voluntary quality initiatives suggests that we are unlikely to see major improvement in the quality of humanitarian response. A regulatory system is needed to oblige agencies to put the affected population at the centre of measures of agency effectiveness, and to provide detailed and accurate information to the donor public ... on the outcomes of assistance, including the affected populations' views of that assistance."

"The international humanitarian community needs a fundamental reorientation from supplying aid to supporting and facilitating communities' own relief and recovery priorities."

Such failures of response, and in particular to engage with affected populations have been criticised for creating an accountability alibi for agencies such as the UN. Referring to Darfur, Stockton concludes, "somehow, accountability, or rather

a lack of it, has become, it seems, an alibi for humanitarian failure and a polite way of asking for more money (Stockton, 2006).

DFID has also begun to formalise relationships with a number of NGOs through Partnership Programme Agreements, “which set out at a strategic level how the two partners will work together to meet the Millennium Development Goals. Strategic Funding is provided, and is linked to jointly agreed outcomes.”⁵ There are also soundings from the Secretary of State for International Development, Hilary Benn about the need for benchmarks of performance in humanitarian response, but also the “need to increase accountability: accountability to those who suffer in disasters and accountability to our public, who through their taxes and personal contributions pay for the international effort.” (Benn, 2006). Post 9/11 security concerns have added a focus on how NGOs may be exploited for the financing of terrorism, leading to the European Commission draft Code of Conduct for NGOs in 2005 and a set of strict security screens promulgated by the United States government.⁶

Conclusions from a History of NGO Quality

The rise in size, number, influence and impact of NGOs has brought them under greater scrutiny and self-examination. This has resulted in an ongoing debate about what constitutes quality and accountability in the sector.

The knock-on effect of the deregulation of the state is still playing itself out and will do so for years to come. New actors are thus emerging both in the development and humanitarian space, in particular the private sector, which is increasingly involved not only in reconstruction, but also development, for example in micro-finance and small enterprise development. All of which require new ways of working without losing sight of the main driver of quality – the quality of the relationship with beneficiaries.

Within this evolving set of stakeholder relations we can see three *drivers* of debate about quality in the sector:

- a) *Values*. These are the bottom-line for NGOs and are based on the drive to help others improve their lives;
- b) *Stakeholder Engagement*. NGOs practice has often been driven by engagement with different stakeholders, and in particular their contrasting accountability demands; and
- c) *External Pressure*. Usually in the form of adverse publicity in the media or requirements of donors, external pressure has catalysed responses by NGOs, including self-regulation.

⁵ See at: <http://www.dfid.gov.uk/aboutdfid/dfidwork/ppas/partnerprogagreements.asp>

⁶ For U.S. see: <http://www.independentsector.org/programs/gr/international.html> and for Europe: http://ec.europa.eu/justice_home/news/consulting_public/code_conduct_npo/draft_recommendations_en.pdf

There are undoubtedly other drivers (e.g. power imbalances, competition for funds, human resource capabilities), and the general mix will change over time for any one organisation, but it is also important to understand their inter-relationship in terms of how they affect the actions of NGOs. All of which has given rise to a range of responses on the part of NGOs.

NGOs have for many years explored the use of *participatory approaches* with beneficiaries and others as a key strategy for improving the quality of their work. However, two minor and two major problems remain:

Minor

- i. Lessons learned from participation from the field have not been up-scaled and brought into organisational strategy, or indeed influenced a general understanding of what really works in development.
- ii. Participation has been often transported from the development experience into humanitarian work, where it is not wholly applicable and has therefore undermined quality (work by ALNAP, carried out by Groupe URD, has tried to address this issue in the humanitarian context, Duffour, et al, 2003). This does however, reflect a more major problem about the way in which NGOs are organised and the fracture between the development and humanitarian experiences; there appears to be little in the way of cross-learning about quality and accountability more generally, between the two fields of intervention.

Major

- i. Participation has confined itself mainly to practice in the field, and there remain real governance gaps in terms of the involvement of beneficiaries in strategic decision-making and public reporting processes.
- ii. Bad practice still remains and can be quite damaging and distort good quality work.

The role of *leadership* both within organisations and across the NGO sector is critical in terms of dealing with the strategic implications of standards and approaches to quality; for example, whether an organisation chooses to go down a command and control route, or supports processes and practices that enable staff to be more reflective and engage in more qualitative discussions around their own or their organisation's practice. In the development sector and public sector more widely, there has been a trend towards more reductionist results focused on performance management and centralised management process. Parameters are tight, you set priorities, and you measure people against them (Wallace, 2006). This creates its own dynamic of over worked, stressed staff constantly complaining of demands on their time with no time to think. Equally, the competition for market share, growth, and brand identity can and often does contradict the espoused values and principles organisations set out in organisational mission statements and strategies. NGOs have to become much tougher about saying what is fundamentally wrong. This requires leadership within organisations and across

the sector; to create a form of engagement that understands these tensions and rethinks ways of working that enable better learning.

Transparency, a cornerstone of accountability, has been one of the major challenges for NGOs. Transparency about programmes and operations, as opposed to financial accounts, is not easy when there is pressure on NGOs to demonstrate results in short timeframes, and in quantitative form. NGOs are locked in a prisoners' dilemma of knowing that a lack of transparency is both damaging the sector, and contradictory to its values. At the same time they fear that a greater openness about performance by the sector will lead to a negative reaction by the media, donors, and the general public. Countering this dilemma requires sharing the more positive dimensions of NGO work, and also the difficulties and challenges of what has not worked. Donors are beginning to be more open to this, but there appears to be some resistance from fundraising and marketing departments within NGOs.

This problem of transparency is exemplified in the way in which *evaluations* are conducted and used. Clearly evaluations offer a tool for learning as well as accountability, but there are concerns that they often deliver neither. At the negative end they are seen to only occupy the shelves of NGO offices rather than the minds of their workers, and lack transparency because they are generally not in the public domain for fear that they will be misconstrued by the media. These concerns deserve due merit both in terms of not only being taken seriously but also the real fear of how they will be interpreted. All of this calls for an overhaul, not only to the way in which evaluations are carried out (the technical) and of their strategic purpose, but also to the role that transparency, as a component of accountability, plays in driving quality. Joint evaluations are seen to be one way, as concluded in a recent Niger joint evaluation and can promote more collaborative action amongst NGOs (Wright & Wilson, 2006). More recently the issue was addressed at a convening of the Centre for Global Development (CGD) in the U.S., where an independent multi-lateral evaluation fund was proposed to improve the quantity and quality of evidence of performance on offer.⁷

At the same time there has been a very active response on the part of NGOs, partly through codes of conduct and minimum **standards** of performance, particularly in improving the quality of service delivery and organisational development. This has been coupled with a range of accountability initiatives involving various levels of compliance with codes, sometimes for certification purposes, with the involvement of stakeholders. There is certainly now a marketplace of approaches that cover the range of activities undertaken by NGOs. The fact that eight of the world's largest advocacy NGOs – including Amnesty, Oxfam, and Action Aid – felt the need to develop an “International Advocacy NGO Accountability Charter” as recently as June 2006 is an indication that the current public demand for accountability and NGO quality are not assuaged by the present

⁷ See: CGD Initiative: “When will we ever learn? Closing the evaluation gap” at: <http://www.cgdev.org/section/initiatives/active/evalgap>

supply of formal standards. Initial press and expert responses to this latest accountability charter suggest that the search for an adequate NGO response is far from over.⁸

⁸ This was the central theme of one of the four Background Papers for this year's (2006) Civicus World Assembly, which took place from the 21 - 25 June in Glasgow, Scotland. The paper, authored by Keystone Chief Executive David Bonbright, can be downloaded from: <http://www.keystonereporting.org/node/105>

2. Mapping Approaches to Quality

“It is problematic to focus on 'impact'. There are massive problems of perception, attribution and self-interest inherent in its measurement. Quality is not the same as impact. For NGOs to do quality work, accountability to beneficiaries is far more important than other 'professional' management practices.”

BOND member during focus group session

Context

Perspectives on approaches to the quality of NGOs often generate ambivalent attitudes. On the one hand, the growing number and range of laws, conventions, charters, codes, standards, and frameworks on offer can give rise to confusion, stasis and in some cases distraction from organisational objectives. On the other hand, however, never before has there been such a range of approaches offering assistance to and regulation of NGOs, in helping them meet their objectives and the expectations of their stakeholders.

So the first question asked by a CEO, manager, local worker, or any other stakeholder for that matter is:

‘In terms of what we’re already doing - what do we need to do to improve our quality and accountability to stakeholders?’

This catalogue provides an analysis of the landscape of approaches to quality by NGOs. To begin to answer the question, however, an organisation will typically:

1. **Have to** adhere to a range of laws and codes of conduct in order to operate in a country or region;
2. **May choose to** adopt a code of conduct as a membership requirement to an NGO association or as a way of better aligning the values of the organisation with the wider community;
3. **May choose to or have to** implement a management and measurement process as well as external evaluation or validation mechanism, to improve the quality of its work and accountability to its stakeholders.

Any organisation will in different ways employ formal-external and homemade approaches to regulation that apply to the various organisational activities undertaken. These can be categorised as the table 2 below shows.

Each of the areas described on the table adds to the capability of the organisation to achieve its aims. Consequently, the range of approaches both covers individual areas, as well as overall organisational performance. Improving the quality of an organisation’s work within an area like, for example, Human Resources, is key, but this does not mean that the organisation is improving the quality of its performance overall. The diversity of approaches and their fragmentation per organisational area can often distract the organisation as to what is the best

approach from an overall perspective. As such, a simple long list of approaches does not allow people to answer the question of ‘what do we need to do?’

| Table 2: Overall Organisational Performance | | | | | | |
|--|--|---|--|---|--|--|
| <i>Governance</i> | <i>Human Resources</i> | <i>Projects/ Service Delivery/ Humanitarian assistance</i> | <i>Advocacy and campaigning</i> | <i>Financial Management</i> | <i>Fund-raising</i> | <i>Partnerships</i> |
| Does our governance structure allow for the appropriate representation of stakeholders and effective management of the organisation? | How well staff are recruited, treated, protected, and developed? | Are our projects and services delivered in an effective and efficient manner? | How does our advocacy work properly to reflect the interests of our beneficiaries? | Are the necessary and appropriate systems in place? | How are funds being raised? And from whom? | How are we accountable to our partners? What is the quality of relationships |

There is no single or ideal way in which to categorise approaches that influence and improve NGO performance. Nonetheless the following framework is offered as a practical basis for NGO practitioners to find their way across this complex landscape.

Managing NGO Quality

Methods to manage quality come in different forms. First and foremost, ‘the law’, which is obviously a key component of regulation, it is also one that often guides the direction of non-statutory regulation; whether these are voluntary codes of conduct or management tools and associated external assurance mechanisms.

Behind these different approaches lies an array of different actors driving them. These include: host governments, multilateral institutions (especially UN), NGOs themselves (the Red Cross, Social Accountability International), consultancy companies (SGS consulting), and businesses (Investor in People). Some are proprietary, requiring payment for a service (Investors in People, the European Foundation for Quality Management - EFQM) while others are open-access, i.e. there is no trademark but they may be obligatory as a membership requirement (InterAction’s PVO Standard). The range of issues they cover also varies, from human resource management through to the delivery of services of HIV/AIDS; they include methods to manage and externally verify the adherence to the type of regulation or action in question.

The most important thing to note when examining the different approaches and methods is that they are inter-related. It is not a matter of them being in isolation of each other, but rather bringing coherence to the complexity of approaches used. Together the approaches and areas within which they work affect and influence the management of NGOs' work. The areas of quality management of NGOs can be summarised in the following way:

1. **Statutory Regulations** 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. Recently there have been a number of new laws enacted by governments to regulate the activities of NGOs. Some are meant to simply ensure NGOs are meeting national laws, whilst others are claimed to be controlling mechanisms by government. Most notable examples have been in Russia where the government is accused of restricting the actions of NGOs as well as proscribing their operations in, for example, Chechnya. This is against a backdrop of suspicion by the Russian government of NGO involvement in changes in Ukraine and elsewhere in Eastern Europe. Similarly, in Nepal, the UN recently urged the Nepalese government to withdraw its code of conduct for NGOs on the grounds of undue political interference.

The over-riding regulation that guides NGOs, however, is the range of Human Rights Law and international humanitarian law that during the late 1990s gave rise to the now predominant rights-based approach to development and humanitarian assistance. As with the number of business standards in the area of social and environmental performance (e.g., the UN Global Compact), many, if not all of these normative frameworks are based on human rights law. For example, many codes of conduct (placed in the category below) for supply chain management are rooted in ILO conventions for child labour and employment rights and conditions.

2. **Voluntary Principles and Codes** are performance-based standards that organisations and/or sectors are meant to adhere to but are not directly enshrined in law - in essence self-regulation. There is adherence whether in the spirit of living up to the values of a sector (e.g., a sector code such as the Red Cross Code), or those which are more self-regulatory, such as issue-based codes that give legitimacy and build reputation (e.g., human resource codes such as People In Aid, or membership codes such as Interaction's PVO Standards). As mentioned above, these relate directly to international human rights and humanitarian law, and are developed as a way to further guide NGO practice in this area.

It is this area where the raft of NGO-driven initiatives has derived. These range from:

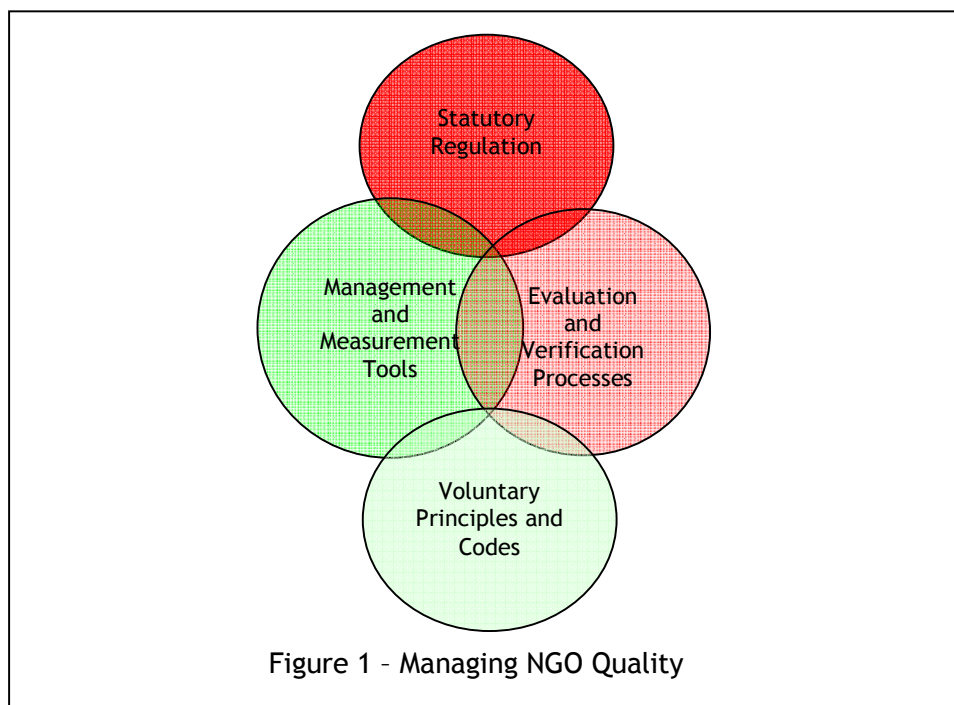
- (a) **Sector-level:** the most notable being the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief. But also, InterAction's PVO Standards for organisations in the US.
- (b) **Country-Level:** A number of country-level codes were initiated by NGOs (usually by their umbrella associations), including (Afghanistan, Australia, Botswana, Cambodia, Estonia, India, Lesotho, Philippines, South Africa, etc.). There are also regional-level codes for Africa and Europe.
- (c) **Issue-based Codes and Principles:** Within this one can broadly include those which guide humanitarian action, such as Sphere, HAP-I, as well as People In Aid for personnel management, and the code of good practice for NGOs responding to HIV/AIDS.

Many of these codes and principles are used as a requirement for membership to the NGO association (e.g. country-level codes), or the project meant to be promoting improved quality and accountability (e.g. HAP-I). Importantly also, they can act as a certification requirement for government funding or tax benefits as in the cases, respectively, of AusAid's Accreditation Scheme or the Philippine Council for NGO Certification (PCNC). This however, at this stage doesn't appear to be an option considered by DFID, where one alternative route are the Partnership Program Agreements (PPA).

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:
 - (a) **Individual organisational approaches**, such as ActionAid International's Accountability, Learning and Planning System (ALPS) (2006), Oxfam's stakeholder surveys & Ethical Purchasing Policy. Importantly, there are a multitude of 'silent' approaches tailored by individual organisations to meet the uniqueness of their objectives and type.
 - (b) **Proprietary Approaches**, such as the European Foundation for Quality Management (EFQM) Excellence Model, Investors in People Standard, the Charity Evaluation Service's Practical Quality Assurance System for Small Organisations (PQASSO), the International Standards Organisation's (ISO) 9000, 14000, and future 26000.
 - (c) **Open-access approaches** such as The Quality Compass, participatory monitoring and evaluation (PM&E), and organisational development tools (Balanced Scorecard).
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, signatories to the People In Aid are independently audited using the AA1000 Assurance Standard against the seven

principles of the Code, as are child sponsor agency members of InterAction, using Social Accountability International (SAI) as the auditor. Many humanitarian projects are externally evaluated by independent third parties with a mixed emphasis on learning and accountability. At the same time, again with People In Aid, the measurement process is carried out by the agency itself, the findings of which are externally audited, much akin to a financial audit.

These four areas in which to place the wide array of approaches to organisational quality coexist with each other. Depending on their choices and context of operations, NGOs will be influenced by different combinations of these.



This categorisation throws up a few key insights. For example, the variety of country-level national codes of conduct can be grouped as one and will only apply to NGOs who are working in the relevant country. Secondly, what becomes clear is that certain standards have different functions, encompassing voluntary principles as well as being a management tool with external third party validation. For example, the People In Aid Code has a set of normative principles, management tools and guidance, as well as an external audit functions. Thirdly, by setting out normative principles without any external validation, some methods actually drive the emergence of self-regulation. For example, one could argue that the level of prominence and reputation of the Red Cross and Red Crescent Movement has negated the need to have a validation function to their Code of Conduct.

The table 3 below maps out the core approaches cited by BOND members in the quality survey carried out for the research (see BOND website for full results). The approaches are analysed in **Appendix A** in more detail, while **Appendix B** gives a description of other relevant approaches.

| Table 3: mapping approaches cited by BOND members | | | | | |
|---|---|----------------------|--------------------------------|---------------------------------|--|
| | | Statutory Regulation | Voluntary Principles and Codes | Management and Measurement Tool | External Evaluation, Validation, or Audit Function |
| 1 | National & International Laws | Yes | | | Yes |
| 2 | National NGO Codes | | Yes | Some | None |
| 3 | Organisation-Specific Approach | | Yes | Yes | Some |
| 4 | The Red Cross and Red Crescent Movement Code | | Yes | | |
| 5 | Charities' Statement Of Recommended Practice (SORP) | | | Yes | Yes |
| 6 | People In Aid | | Yes | Yes | Yes |
| 7 | Investors in People | | Yes | Yes | Yes |
| 8 | Sphere | | Yes | Yes | Yes |
| 9 | Participatory Monitoring and Evaluation (PM&E) | | | Yes | Yes |
| 10 | Humanitarian Accountability Partnership (HAP-I) | | Yes | Yes | Yes |
| 11 | HIV/AIDS Code of Good Practice | | Yes | Some | Yes |
| 12 | Quality Compass | | Yes | Yes | No |
| 13 | PQASSO | | | Yes | Some |

Conclusions of Approaches to NGO Quality

NGOs attitudes towards standards range from scepticism to enthusiasm. The mapping and subsequent consultations note a number of gaps and concerns.

1. There is concern that the approaches focus too much on the technical aspects of aid delivery (the how), as opposed to addressing the more strategic issues (what are we doing and why, and who are we working with).
2. There is also confusion in terms of the relationship between voluntary and statutory standards (e.g. human rights law and the Red Cross code), between minimum standards of performance and process standards (e.g. management tools, or quality assurance systems), and between those that are non-binding and those that involve some kind of third party assurance process, such as social audit.
3. Although there is less of an issue with choice than generally perceived, there is a current need to better understand that choice, the relationships among the different approaches, and importantly the reasoning behind them. There are movements in this area, most notably in the humanitarian space, where there is a greater tendency to formalised approaches.
4. Standards are rarely applied effectively along the full length of the aid chain. There are real challenges of awareness let alone implementation of standards amongst field workers. This is not solely a fault of the standard, but of the way in which the system works, how standards are set, as well as the high turnover of staff. In reverse, lessons from participatory approaches to project work are lost at the global level when making decisions about strategy.
5. There is a concern that standards are being developed and driven by large organisations and therefore are not as applicable to the small and medium sized NGOs that make up the majority. This is compounded with fear that donors will use standards in a semi-regulatory fashion (e.g., in their funding decisions) to the detriment of smaller NGOs. It was also noted during the consultations that smaller groups have a greater willingness to tackle the core issues and be flexible and innovative.
6. Overall assessments of organisational performance, aligned to external laws and conventions, as well as the recognition of the primacy of the beneficiary, are currently lacking in many of the approaches to quality on offer. They either focus on a particular function (finance, HR, project), issue (HIV/AIDS), or intervention (humanitarian, development).
7. The current appetite of UK NGOs for standards is mixed, but in general is not averse to minimum standards of performance as long as these allow for flexibility and adaptability in their implementation. Comparative benchmarks that catalyse improved performance and learning are also seen to be acceptable, as long as the sector participates in their development.
8. In terms of external assurance, there is some appetite for peer review and/or social audit, but little for kite-marks or certification. It is less clear how a

mixture of peer review certification or a social audit-based kite mark would be accepted. What is clear is that the role of assurance needs to be embedded within charters and codes, like People In Aid, and is a subject of specific criticism where it is missing, as was the case with the International Advocacy NGO Accountability Charter at its June 2006 launch.

9. Whatever standards are employed or in what way (in practice this involves a mixture of recognised standards with systems developed by the organisation itself), it is generally accepted that they should enable a mix of self-criticism, learning and continual improvement, not only on the part of NGOs, but also those stakeholders working with them.
10. The principle of accountability to beneficiaries is indicated in various standards and approaches. But, as was noted frequently by BOND members in the consultations, there is as yet no fully articulated set of practice guidelines that delineate this principle in action. Nor are there adequate support materials.
11. A final key gap in standards is one that addresses the roles and responsibilities of all the aid actors and how they should collaborate; for example, there is no multi-stakeholder memorandum of understanding, or collaborative framework for the sector.

3. Views of BOND Members and Key Informants

“Accountability to beneficiaries is easy to fictionalise and skews reality in formal communications. I believe things will only change when we change the structure of relationships within the industry. If we provide a good enough quality service, people will choose the best one. It’s more than just voice, it has to be decision-making - they have to be able to choose”

BOND member during focus group session

In April 2006 we conducted an **on line survey** that went out to all BOND members. It was aimed at understanding BOND members’ practice and general attitudes towards quality standards. The survey counted 69 member responses, approximately 30% of BOND membership. The majority of responses (62%) were received from medium-sized organisations.⁹

Between May-June 2006, BOND members were invited to attend 4 **focus group discussions**. 34 organisations participated. The aim of these discussions was to understand BOND members’ current practice, views, experience, and needs in the area of quality standards, as well as eliciting views on the roles that BOND could play in this area going forward.¹⁰ Our starting question for the focus groups was to ask participants: *“What do NGOs look for in determining quality in their programme work?”*, the second question was: *“In what ways do quality standards, systems and approaches help to facilitate (or impede) NGOs work and practice?”* The evidence from these sessions is presented along these two questions.

We sought responses from NGOs that would reflect their own set of values, organisational policies, strategies, and management practices and approaches, we therefore planned the engagement from the premise that “what constitutes good development/humanitarian work” is therefore very subjective. Also in this period, we conducted **16 interviews** with key leaders and actors from the standards’ environment (see Appendix C).

1. On line survey:

The main arguments that emerge from the survey to BOND members’ practice are, firstly, the importance of contemplating not only **externally driven standards but also internally developed systems** (such as principles and assessment guidelines or monitoring and performance frameworks) when considering ways in which organisations work to improve their quality.

⁹ Full survey results can be accessed at: <http://www.bond.org.uk/pubs/lte/standards/surveyresults.pdf>

¹⁰ See Appendix C for details of organisations who participated in the focus group discussions and list of interviewees.

Secondly, the inherent tensions within existing organisational systems about issues of ‘performance reporting’ and issues of ‘organisational learning’. 56% of organisations think that *having organisational learning systems in place* is critical for quality to be improved. However, only 1.5% of the respondents to the survey were actually *learning and training staff*. NGO directors, who received the survey, found it difficult to decide whether to forward it to ‘performance managers’ or to ‘learning managers’. This practical tension between ‘performance’ and ‘learning’ within organisations was confirmed by BOND members during the focus groups: In large NGOs the domains of ‘quality/performance’ and ‘learning’ are usually divided and taken up by different people in distinct, and often disconnected, areas. In smaller organisations, where fewer people play multiple roles and are often overstretched in activities that guarantee the survival of the organisation, there is often not enough time or resources for organisational learning to take priority.

Thirdly, only relatively large organisations in member-categories D-E were the most open to support common standards or approaches to quality, while both smaller organisations in categories A-B-C (where the majority of BOND members are), as well as the largest NGOs in categories F-G, were not generally supportive of the idea. Most respondents call for an awareness that within quality standards “*one size does not fit all*”. An over-emphasis on external standards can inhibit learning within organisations and become merely another thing to ‘comply’ with. Enabling the convergence of quality issues and learning approaches within organisations would seem to be an important objective for standards setters and learning system builders alike.

Fourthly, a critical aspect found throughout the results is the call for an awareness of the risks associated with disregarding the limited capacity of small and medium organisations to comply with formal standards.

Fifthly, within the survey, **donors were identified as the main driver** for adopting quality standards (82%). On the other hand, the most important challenge identified for implementing them is a *burden of time and resources* (69%). Donors’ influence over organisations can be seen to play out in at least two obvious ways: (i) through the areas of ‘organisational development’ where they decide (or not) to invest funds and (ii) the kind of reporting requirements they place upon their grantees. These two areas have profound implications for supporting quality improvement, either through the increased availability of funding for adopting quality approaches or by aligning their reporting requirements in ways that alleviate the burden of time for organisations and are aligned with what really drives good quality of work on the ground.

Finally, **one of the most revealing issues was around the topic of accountability to beneficiaries**: A number of practices to enhance quality aim to do so by promoting the participation of stakeholders (especially beneficiaries) in the assessment of the organisation’s activities and performance. While *organisational*

learning was pointed out several times as a key aspect of quality in the survey, the question of *whom* an organisation learns from and *how* it learns, emerged as complementary issues in consultations.

Interestingly, 46% of respondents say ‘**accountability to beneficiaries**’ is a **main driver ensuring their work is of a high standard**. In terms of the BOND membership, however, again larger organisations in member-categories E-F-G assign the most importance to accountability to beneficiaries and partners as a driver of working more with quality issues, as opposed to smaller organisations in categories A-B-C-D. Consultations, however, showed an interesting difference between ‘accountability to beneficiaries’ as a ‘market driver’ (e.g. for reputation or access to funding) and a strong consensus that adequate accountability to beneficiaries is the actual condition for quality of an intervention. This explains the difference in the perception of members: larger NGOs are the ones at the centre of external pressures on accountability issues, while smaller NGOs are not very exposed to the accountability debate yet. In both cases, apart from the market signals, accountability to beneficiaries emerges as the central issue.

2. Focus Groups and Interviews

While the participants were keen to have their uniqueness (real or perceived) acknowledged and accounted for, there do however, appear to be certain key characteristics and principles that determine quality programming across the sector. The first question asked was:

2.1. “What do NGOs look for in determining quality in their programme work?”

Focus Groups stated they were looking for: meaningful participation; adequate attention to the quality of relationships; ongoing learning and reflection; efficient use of resources; and sustainability and long-term impact. These elements are explored below:

(a) Meaningful participation

While participants have multiple accountabilities to a range of stakeholders, a central theme throughout the discussions was the importance of **beneficiary voice**, perspective and involvement as a key element in defining quality and the lasting impact of interventions. Meaningful participation of the key ‘beneficiaries’ in programme design decision making and resulting strategies that are relevant to the changing needs of the people with whom NGOs and their partners work is a key characteristic of programme quality:

“The beneficiaries come first in any quality measure, what you have set out to do and what you have achieved, particularly amongst the most marginalised and poor groups”.

“(Quality) is something to do with delivering stakeholder expectations, of process and of outputs. You need to be aware of how you are delivering on those and whether this is empowering for those involved.”

“We look to see if we have done a contextual analysis about what poverty looks like, what social exclusion looks like. We need to know that a programme officer has gone out and asked questions to people (stakeholders) to check that they are doing the right thing, rather than just going on what they feel is right which often happens unconsciously and unintentionally”.

However, participants all talked about the challenge of ensuring meaningful participation beyond ‘tokenism’ and the implications this has for resources, time and skills required, particularly for smaller NGOs.

“There are issues around involving beneficiaries in planning, particularly when thinking about advocacy changes. Some can be relatively easy, but some can be more difficult and political. It can be hard for beneficiaries to meaningfully participate in processes, particularly when you are talking about sophisticated high-level discussions on policy etc. Engagement has to be meaningful and not token - they have to be in a situation where they can meaningfully participate.”

(b) Adequate attention to the quality of relationships

Participants frequently placed a **high value on the quality of relationships** as being a critical feature of quality, in particular a commitment to supporting local capacity & paying attention to these relationships. Whilst some organisations work directly on the ground, there does appear to be a move generally across the sector to working through local partnerships and implementing organisations as well as more collaborative work in coalitions and alliances on advocacy and influencing work. Participants place a great deal of importance on the relationship they have with their partners.

“There is something about how we work with local people - for instance we believe that they know better the problems and solutions - in this way we have been able to achieve much better results, we don’t have to spend a lot of money here in the UK sending out people, or maintaining a costly local infrastructure. What you see happening in development in many places, is that after so many years of development work we have not developed the people. This is quite shocking.”

“The way in which we work is critically important - we need to leave space for our partners to dictate how we work with them.”

“We value the quality of long relationships and so we can’t be permanently thrusting ideas onto partners.”

“When we talk about growth we talk about the growth of relationships between other people. It’s great when we become invisible, and become irrelevant as the network has grown to the point where it doesn’t need us anymore.”

Paying attention to the quality of relationships extends to other stakeholders including donors, governments, the general public, as well as how an organisation treats its staff.

“Quality is also how your donors feel about your work - that they are happy with what you are doing.”

“Other measures of quality are of course staff and how staff are motivated, confident and imaginative - how they are, they are inspired, that is also an indicator that the organisation is working well.”

(c) Ongoing learning and reflection

Another key characteristic of quality, identified by participants is **ongoing learning and reflection** about the work and changing context for continual improvement and adaptation. Most participants agreed that often the best learning happens where there is openness to discussing failures as well as successes and where learning takes place with and by key stakeholders.

“Reflection time is very important, particularly if it’s issue-specific, and helps get your head around your stakeholder input. Keeping the debates alive and not just talking to others like you but also understanding other stakeholders’ voices.”

“Our programme has been quite successful and reflecting on that ... the research did engage key stakeholders from the very beginning ... this was crucial to its’ success. Also we were willing to adapt based on what we were hearing and did change direction a couple of times.”

(d) Efficient use of resources

Efficient use of resources and **minimising the cost** of the interventions was also cited as an important measure of quality:

“An element of cost analysis and resource management needs to come into it.”

(e) Sustainability and long term impact

Most participants felt that the ultimate measure of quality is when an initiative is sustainable in the long term and, most importantly, has lasting impact on the broader economic, political and social causes of poverty.

“Another measure of quality is when you are exiting a programme because you don’t need to be there any more.”

“The ultimate test is the question, ‘what changed as a result of this project?’ This is crucial to ascertaining quality.”

“There is a difference between impact and quality. For example you can achieve real quality with no real impact on poverty. So we might all end up doing real quality projects, but there will be no real change in power relationships in the world.”

2.2. In what ways do quality standards, systems and approaches help to facilitate (or impede) NGOs’ work and practice?

We were keen to hear more from participants about their own experiences of applying the variety of approaches to quality on offer. In exploring how quality standards and systems help to facilitate or hinder NGO work and practice, a number of themes emerged, which inevitably link to the earlier discussion on what NGOs look for in defining good quality. In general quality standards, systems and approaches can facilitate good practice when they are:

(a) Linked to values and principles

A number of respondents talked about the importance of **values, principles and faith** in determining the attitudes and behaviours of how you work with others:

*“Attention to quality in *relation* to ethical principles is high in our offices, and when you’re in the office it’s hard to see what this means. However when you go out into the field, it all starts to make sense and you can see it in action.”*

“It’s important to have time with staff and volunteers to get them engaged. I sit with them to go through our values and what we perceive as quality within the organisation. Then, when they have trouble making decisions I sense that they think about our values, and it helps them make decisions.”

(b) Sufficiently flexible and adaptable

Frameworks and standards can be useful but there has to be enough **flexibility built into the system** to take account of organisational context, size, resources as well as context of work in different locations. Linked to context and flexibility is the question of who develops and sets the standards. For many participants this has to be done in collaboration and discussion with key stakeholders; partners, staff, and programme participants, if there is to be ownership.

“At team level important to have ownership of the processes ... we are all tired of meetings but we do need to get the balance right in this area.”

“It is important to engage your partners and beneficiaries in defining what quality means to them and not to impose a standardised definition.”

However, it was noted that there are some standards that are non-negotiable. An example cited a number of times is child protection.

“This would depend on what you are doing. In child protection policy, all agencies are signed up to that - this is a non-negotiable and that is right. If you are a rights-based organisation there may be a set of standards as defined in human rights conventions, but in other areas there are standards you could say you are aiming to achieve, but it is not so clear-cut. It may be that we need to differentiate on what it is easy to sign up to and others that are more principled and aspirational.”

The above quote however, also highlights the limits of the standards model when faced with dealing and capturing areas of NGO work that involve attitudes and behaviours and more rights focused work. Participants are wary of standards that might lean towards more service oriented, less rights focused, intangible areas of NGO work; i.e. work that can be more easily counted and measured. Standards that are oriented to measurable outputs might lead to stifling creativity and innovation and confine NGOs to the areas of work that can be counted:

“Some aspects are going to be irreconcilable, for example, attitudes and behaviours, amongst different types of groups. A reflection of a colleague of mine about when he’s assessing the work, he’s not just looking at the log frame, but he’s looking at whether people’s attitudes and behaviours have changed, for example, to women. It’s very difficult to measure?”

“Standards need to be sufficiently flexible. For example, if they are too rigid you may judge an organisation because it is not meeting that standard yet in reality it might be doing some excellent work on the ground and also quite innovative but this wouldn’t necessarily meet a set standard.”

(c) Encourage critical questioning of approach and direction

Frameworks and standards can be useful if they encourage critical questioning of approach and direction and provide good information on which to act:

“We find it can be helpful to have some external questions that we have to answer as it helps us to reflect. In an agency that has a lot of its own resources, and often with people who’ve been there a long time, it can be difficult to have an external check on whether we’re doing things the right way.”

“If there were more qualitative standards around ensuring stakeholder input into project processes. This is where accountability can be ensured through standards. We can require that organisations speak to stakeholders, and if they don’t, they have to go back and do it. The other aspect is things like having complaints procedures, treating users more like customers, accountability at the delivery end in terms of the way we treat people. That is something that should be supported.”

(d) Address strategic issues not only operational (technical) ones

The current range of performance tools, management frameworks and standards are geared towards delivery of outputs and metrics. They tend to **overemphasise technical fixes** to work and not examine processes that lead to quality work. The challenge is how to communicate and articulate quality as a process not a product. Whilst quality standards and frameworks may be helpful in ensuring adherence to accepted procedures and can also ensure good process (e.g. that initiatives are empowering and participatory), a question remains whether current standards and frameworks offer help to organisations to examine 'strategies':

“For real impact perhaps we need to think about the quality of the strategies we are taking, rather than the quality of the projects”.

(e) Aim for continual improvement

Once set, standards should be a starting point for continual **learning, refinement and adaptation** and not just about ticking boxes and getting the kite mark. Standards should be driving quality rather than complacency:

“The problem with many systems aimed at supporting quality is that the quality of the relationships is lost in the tick box approach to monitoring and evaluation systems. Too much time and emphasis on the system can mean you lose track of what is important – relationships. Ticking a box doesn't necessarily tell you anything.”

“I worked for an organisation where the sole goal was to get the quality mark, and, once they had it, a sense of complacency set in. They ticked all the boxes, got the kite mark and then it was back to business as usual.”

(f) Provide adequate quality assurance

While participants see the value of audit and external assessment of their work they are less keen on certification and assurance schemes, preferring instead self-regulatory processes, peer reviews, or adapting social audit approaches. This does not necessarily represent the views of the sector as a whole. It would be fair to argue that for many others external assurance is a key factor for credibility and quality. Assurance is not just about compliance with performance and systems criteria, but can also be about the process for developing strategies, and about the adherence to principles and values. However, for many organisations **peer reviews** are now becoming considered as a form of third party assurance:

“Peer review and reflections have been introduced to help support/guide countries/teams to engage with findings and what implications for ongoing work.”

Reliance on an external audit assurance function could encourage defensiveness and hence undermine critical reflection and on-going learning within organisations:

“Quality assurance systems don't always help support and motivate staff to perform. These systems tend to be about ticking boxes and having various

things in place. Performance is about motivating people and about the ethos of the particular organisation.”

“I’m concerned that it can become all about compliance, and grow another industry that is a parasite rather than actually driving quality.”

(g) Enable comparison across the sector

The idea of benchmarking and comparative learning across the sector was also discussed:

“There are big issues around ‘how do we compare?’ We can’t look at one thing in a vacuum. It’s difficult to judge something without having thought about it in relation to something else.”

“We can talk about the quality of our work confidently but not in relation to work in the sector.”

However, participants were keen to stress that any attempt to compare across the sector would have to take in to account the diversity of BOND members. Benchmarking in this sense would be more about more openness and transparency across the sector would help to promote learning on challenges that NGOs face, lessons learnt, good practices explored and informed and lively debates across the sector on key areas of work and approaches relevant to a wide range of NGOs and not about NGO league tables:

“It’s a huge task, we don’t want to lose our creativity and uniqueness, but it’s important to mean something to someone else and have some generally accepted principles that help us set benchmarks. This makes it less work for individual organisations”.

“Some agencies who are into that might usefully see a role for peer benchmarking. One element could be shared protocols. How do you ensure that the voices of poor people are there in the advocacy you undertake? Tracing back into the real experiences of poor people. It happens, but there are no frameworks for ensuring that it is done well”

3. Conclusions emerging from consultations:

The following are the main challenges and gaps that emerged throughout the course of the discussions. In raising these challenges and gaps we also asked participants what NGOs might collectively do to address these challenges and support the quality and performance of their work and practices which they can’t do individually and what role might BOND and other actors in the sector have to support NGOs to take a collective approach.

3.1. Overcoming the prisoners’ dilemma

There are two key factors that seem to determine constraints in the political landscape of NGO quality. Firstly, there is a fundamental tension between the

need to allow the time and space for learning and improving the work as it faces multiple challenges and constraints, and the increasing **need to be seen to be doing good work**. The latter is often driven by fundraising and marketing needs and which can be impediments to organisations wishing to be more open about failures and mistakes, working more collaboratively, being more open and transparent, and being more able to communicate the difficulties and long term nature of change.

“The general public is totally unforgiving. If you rely on them for funds, and they hear something negative, they will not forget. Donors understand that some mistakes have to be made, and would consider it a whitewash if you don’t report any problems whatsoever. It can be hard to get staff to admit mistakes though.”

Secondly a widespread perception among NGOs is the donor limitations and conditions placed on NGO funding (i.e., terms of investment, proposal templates, and reporting requirements). The biggest concern is around the context of the sector, which strives to survive, or is being driven to grow to take advantage of funds, in general detriment of genuine learning modes, of adequate reflection, and of connection to the beneficiaries in meaningful ways.

“The conversation with donors should include questions: What are the consequences of your mode of funding? What stresses does that place on us as an organisation? What effect does that have on our impact at the end of the day?”

“Donors are concerned about sticking to budget, delivering outputs, etc, and don’t place emphasis on the softer side i.e. beneficiary satisfaction. We have an internal drive for that but I haven’t sensed it coming from donors.”

“You talk to people in the field and there are often so many conflicting priorities. For example, when the donor wants their report in on time, the learning stuff goes out the window.”

For smaller organisations this is particularly a key issue. Many small organisations do not have access to flexible funds or sufficient core funds to fund learning initiatives or enable them to develop more participatory planning, monitoring and evaluation systems. There is **very little funding available from donors to fund NGOs’ quality systems** and more participatory approaches.

“A bid to donors to open up ‘quality’ and ‘impact’ review funding opportunities – especially for smaller organisations and past work.”

However, we also see a number of cases where NGOs are having successful relationships with donors that emerge from a strong clarity of purpose from the NGOs part and sets the foundations for more flexible and productive relationships.

“It’s just a lot of work to negotiate the different donor requirements.”

“There is a lack of reflection and thought about quality, and a lack of a capacity to innovate. There is a lot of stuff going on in the sector, and this is one area where DFID has not caught up with us and have got left behind. If we could collectively advocate to donors, including DFID, it would be great to let them know what it is we want to do better. That would be better than standardising.”

“BOND is probably in the best place to do this - it represents a broad group of NGOs and can be a voice to the government, EU and other funders to help set the boundaries and expectations in this whole area of quality and performance.”

This dilemma reflects a complex set of drivers and inhibitors for engaging with the quality agenda. On the external front, there is pressure from the media with more savvy exposés of malpractice beginning with Rwanda and more recently the Tsunami. This relationship with the media is something that needs to be normalised. **NGOs and celebrities tend to have a similar relationship with the media**; they need the media to publicize their work (in this case for public funding), whilst at the same time they are very defensive when there is negative media, which is reinforced by the media’s appetite for scandals. There does not appear to be any strategy in place to introduce depth, complexity and realism into media coverage of NGO work. Within the second external pressure - that from donors - the interviews reflected some doubt as to whether this was real or just a fearful perception on the part of NGOs.

On the internal, there is a growing recognition that it is not enough to say you are doing well, you need to demonstrate this and to systematise it. It has become more of a strategic imperative. The practice of this is the key challenge. Within the sector, there is a real sense that it is the larger NGOs who are also driving the agenda, and it is they who the funders’ eyes are focused on. There seems to be little in the way of cooperation between different sized organisations outside BOND.

The standards experts interviewed identified one of the major challenges as **overcoming the ‘negative perception imperative’**, i.e. the perception that funders will no longer fund you, that the media will attack you, that the public will desert you, if you become more accountable. Interviewees also agreed that for NGOs to get beyond the prisoner’s dilemma will require the support of others, like BOND, who can work at a sector and multi-stakeholder level, to facilitate and protect NGO practice through wider dialogue and practical engagement across stakeholder groups.

3.2. The current focus on bilateral relationships hinders accountability to beneficiaries

Accountability in relationships is mostly dealt with as sets of **bilateral relationships** rather than as multi-stakeholder in nature: e.g., between donors and NGOs, between the NGO headquarter and the local offices or partners, or between

local NGOs and the communities with which they work. A bilateral focus on accountability misses this point. An international NGO at its headquarters in London reports to donors on the global work but its own accountability to partners/beneficiaries seldom makes a central theme in evaluation reports.

“Don’t isolate the question of quality to the issues around accountability to beneficiaries. Let’s show how that might fit into the broader accountability picture – accountability to donors, trustees, accountability to mission. Examples of wider framing of best practices could be useful.”

The interviews with standards experts identified one of the biggest current gaps as being the ability of existing standards to **balance the interests of NGOs stakeholders to the benefit of beneficiaries**. All of the interviewees recognise that beneficiaries are the primary stakeholder group that should be the main driver behind standards, but they are not often mentioned as being so. However, such recognition is beginning to influence the development of some initiatives, where they are explicitly focused toward beneficiary involvement and participation (HAP-I, Projet Qualité). One critical point, however, was that such an approach needs to go beyond communicating with (and ‘reporting back’ to) beneficiaries, or even asking their opinion about their needs, to **involving them more directly in the governance and direction of NGOs**.

3.3. Quality approaches used by the head offices of overseas NGOs are usually disconnected from those of field offices.

Members argued that sometimes an organisation’s quality systems appear to be disconnected from what is needed in the field. Headquarters develop comprehensive Planning and M&E systems that are “pushed down” to field offices, but not adequately used or understood. At the same time field-staff and partners in countries may use participatory methods of development that raise strategic issues and lessons and make excellent good-practice case studies and yet the learning remains localised and is not necessarily feeding into ongoing strategy and wider organisational learning. There is a **need for better learning between head and field offices and across sectors**. Asking fundamental questions about practice does not appear to be happening systematically in organisations. Where learning is happening, it is in pockets and not being systematised.

“Everyone says that we should be a learning organisation - but nobody seems to be doing it properly. Everybody is learning as individuals but how do we formalise the process of learning? This cuts across the whole debate”.

There was a general sense that more openness and transparency across the sector would help to promote learning on what challenges NGOs face, lessons learnt, good practices explored. This is also an area that NGOs felt they could collectively do more to promote.

“No-one is making a collective noise. There are many internal discussions, but there is a place that we should be making a collective noise. It’s not about borrowing other people’s ideas - we need an entity to make a collective noise. That’s where the assurance lies - in a collective view on what’s working.”

However, working effectively is not just about information flows and channels, it does involve critically examining and revisiting the context of NGO work. There appears to be scant evidence of this:

“Staff get into mode of 'deliver deliver deliver' and are overstretched – so don’t have time to sit down and reflect. Especially for people who don’t speak English when most of the information about planning and learning is in written English. We need to stop rushing.”

“A lot is driven by senior management and by those involved in raising funds (not just fundraisers but others involved). Focus on pumping in money, senior managers like to see their programs grow, and quality is neglected. Senior managers need to hold back, as do those involved in fundraising.”

3.4. Overcoming the aspirational nature of standards

NGOs are open to considering quality standards but are more comfortable with the idea of a **principles-based approach** as long as this is flexible. The NGO world has principles in abundance, however. You can take any number of them – human rights and humanitarian law, the Red Cross code, Sphere, right through to the latest International Advocacy NGO Accountability Charter – and see that they are lathered in principles. The challenge is **translating them into practice, into the specifics of doing**, and to understand why in so many cases principle declarations don't translate into action.

“UNCRC is a significant standard for us. The difficulty lies in implementing it in different countries, with different cultures and traditions. People might well say this is Eurocentric or racist. There is a big challenge of cutting across contexts.”

“The gap between the passion and the contract project is the bit we need to address.”

“Are these aspirational standards or are they bottom-line standards? For us, we stray too much into the aspiration and get the consensus and buy-in. Then we struggle with the implementation, and when we don’t get there we can say, ‘it doesn’t matter, it was aspirational anyway.’”

For example, there is much rhetoric about being accountable to people living in poverty and our southern partners, but more critical interviewees argued that NGOs are not addressing **fundamental issues of power**. So in some ways, the focus on methodologies is the wrong starting place. We need to begin with answers to

questions such as ‘why are beneficiaries still not part and parcel of NGO governance and strategy?’

Interviewees stressed the challenge of getting beyond debate and sign-up of principled-based approaches. There was consensus that there is little evidence that initiatives are being systematised and institutionalised within agencies, in particular on the ground, where there are variable amounts of awareness. There was a feeling that NGOs were getting away with bad practice. For example, it was said on more than two occasions, that there had never been an instance where an NGO worker had been sacked for not adhering to a code, or for medical malpractice.

Furthermore, the interviews with standards experts show that within the wide range of standards on offer, the real issues and discussions play themselves politically amongst the standard holders and concerns the standardizing process: *how do you best adhere to humanitarian law, respect and involve beneficiaries, etc.?* The main divide is between what has been described as the ‘Anglo-Saxon and French approaches’. Anglo and French agree on what the problem is – the power in relationships between NGOs, local partners and beneficiaries – but pose very different prescriptions. One answer (from the Anglo perspective: HAP-I, People in Aid, InterAction’s PVO standards, and a number of others) is certification or setting standards of care. The French view deeply opposes this “reification of form over content”.

The Anglo perspective essentially rests on the belief that NGOs, as do all organisations, need a catalyst to change, and one that is a mixture of carrot and stick. Whereas the French believe that certification and minimum standards will lead to bad outcomes (e.g., organisations deciding not to work in difficult conflict areas such as parts of Afghanistan), and not allow space for redress where such outcomes occur. So whereas HAP-I, People In Aid, and Sphere are working to integrate their approaches, the French approaches (Projet Qualité and Synergé), do not see this as an appropriate approach, as they feel prescribed standards of performance can impede quality. What will happen? One interviewee said, *‘the market will decide’*. Who determines the market, however, is open to question – public, funders, NGOs, local partners, beneficiaries?

3.5. A question of leadership within the NGO sector

The role of leadership within organisations and across the NGO sector is critical in terms of dealing with the strategic implications of standards and quality approaches, for example whether an organisation chooses to go down a command and control route or chooses to support processes and practices which enable staff to be more reflective and to engage in more qualitative discussions around their own or the organisations’ practice, particularly in relation to relationships, or change or strategic thinking.

For many, NGO leadership is seen to be fragmented across the sector and yet they feel that many of these issues “*need to be dealt with by the leaders*”. At the root

of this concern is an emerging consensus that there is a problem with NGO quality and that more of the same isn't going to solve the problem.

“We don't have a business imperative to hold us accountable. Is there something to be said for looking at this aspect? I don't know how or what, but structurally there is a problem with our industry.”

“I'm concerned that the quality discussion is a delaying mechanism that is distracting us from the real issues.”

“Before we go down the road of looking at quality standards, let's step back and say, ‘why are we here?’ Let's have a discussion about values, relationships and power. That might be more useful than having a quality standard at this point.”

This takes the debate beyond the question of quality to address more fundamentally the current role of Northern NGOs. Increasingly Northern NGOs are moving away from projects in the south to funding southern organisations, at least in the development field. Advocacy is becoming an increasingly prominent part of their role. As this advocacy is aimed at Northern governments and to a lesser extent multilateral agencies (such as the United Nations), the risk is it that they can become Northern centric. NGOs have an interest in presenting the South as helpless and disaster prone. These self-serving messages are still the dominant ones communicated to the public from the media and the fundraising arms of Northern NGOs. There is still a strong emphasis on what is going wrong, rather than what can go right. There do not appear to be the spaces or opportunities for NGOs to step back and critically engage with these issues collectively and proactively, preferably something they would do with local partners and beneficiaries.

3.6. How was BOND perceived during the consultation?

There seemed to be little appetite generally for BOND either to set up its own standard (as one interviewee said, *‘in terms of the number of standards on offer, we are now full’*) or to become a policing body. To the question of what BOND should do? The answers included: (a) provide a quality roadmap so that members can make informed choices; (b) champion the cause of quality in NGOs to donors and government to eke out resources and demonstrate the need for sector wide approaches to quality and accountability; and (c) develop some form of multi-sector collaboration on quality in the sector.

From the survey and the focus groups, the main views on BOND and its potential roles are expressed below with quotations from BOND members:

Knowledge sharing and service-based roles: *“Facilitate information sharing and lessons learned, provide learning opportunities and explore opportunities for financing of quality-related exercises”*; and *“Updating members on learning and new developments.”*

Convene at a multi-stakeholder level: *“...The key role BOND can play is in providing fora which are relevant to members and enable them to share experience of what works and what doesn't. In order to do this, BOND needs to reach out to bigger constituencies within larger NGOs and ensure that the agenda remains relevant to a wide variety of NGOs. Supporting NGOs to advocate to donors for processes that are conducive to improving learning and quality. The development of a quality standard could be useful if [...] it is more of a checklist for organisations to adapt and work to within existing processes. It should not become a stick for funders to use to impose approaches on NGOs.”* As another respondent puts it: *“Improvement in the quality of what we do is one of the most important issues facing the sector in the coming years, and BOND should be at the heart of driving this agenda. BOND should be promoting good practice, developing common standards, providing information about quality tools and standards, signposting and offering training, gathering evidence, encouraging members to improve quality and showing us how to do that, and then telling the wider world (DFID, funders, etc) that we as a sector are driving this ourselves.”*

Focus on the quality of relationships: *“While the idea of focusing on beneficiary needs is laudable, in the real world it is funders - governments and foundations - which have the most powerful voice in defining policies and standards and everyone else (beneficiaries included) has to accommodate the shifting fashions in order to access resources. Any useful initiative in the arena of quality has to recognise the wider power relationships within which 'quality' gets defined. What a donor wants, what an organisation needs to know in order to improve its performance, and what beneficiaries regard as useful outcomes may be quite different things.”*

Emphasise the reality of smaller NGOs: *“Identifying how quality systems can be used by smaller NGOs and evaluating the effectiveness of different approaches.”* Another respondent echoed a similar point in terms of sensitivities: *“It is of concern that BOND's focus, [...] is about uniform, professionalised standards and mutual accountability (i.e. self-regulation) that will likely increase the gap between NGOs and Southern partners and communities. BOND is not objective or independent in this process as it will probably become the gatekeeper or policeman in enforcing codes of conduct.”* As another respondent puts it: *“Needs vary enormously depending on the size of an NGO. Small NGOs with limited resources generally operate with a lot of informal and tacit systems - they can do this because communication in a small team is much easier than a large organisation. I think this way of working needs more recognition as a legitimate way to manage. BOND could help by influencing opinions on what smaller NGOs can/should be expected to do realistically. Yet another quality system is the last thing we all need.”*

Do not impose a standard, but encourage quality: *“The network is not sufficiently close-knit to warrant BOND imposing quality standards on its membership, but there is certainly a role for BOND to encourage quality amongst*

its members by sharing information, making links, offering training and advice which members can take advantage of. Explicit and active support for quality will also help BOND in its advocacy work.”

Don't attempt to generate a one-size fits all approach: as membership is too diverse. *“Concentrate on accountability to beneficiaries as this is common throughout. Development organisations’ work on evaluation is ahead of other sectors, e.g., human rights. Need to explain why concentration on quality and not evaluation - the difference/relationship is not clear to me.”*

Be critical of the idea of ‘standards’ as the only means to achieve quality: *“Convene the discussion [...] of whether industry-wide standards are a good idea. Bring together donors and NGOs in the debate – two-way standards issue here. Examine standards against all kinds of organisational accountability requirements – see e.g., Cavill S. and Sohail M. (2003). Examine narrative approaches - see e.g. Tsoukas H. (2001). Review range quality standards approaches and see if they can be matched to full range of NGO organisational requirements. Range of approaches from health sector relevant here, e.g., Vancouver single target model vs. NHS multi-imposed targets. Provide supporting evidence that quality standards do what they say. The counter argument is that delivering best practice depends most on engendering a body of motivated, interacting, sharing, learning staff with good financial systems and support. Do standards deliver this?”*

Be selective on the intervention, focus on the gaps in current practice: *“Take the lead on developing and setting appropriate sector-specific or organisational-specific quality and accountability standards where members agree that there are gaps that need to be plugged.”*

Bring the quality debate to bear on NGOs’ goals and strategies: *“There is an urgent need to develop organisational approaches in the NGO sector that (a) on the one hand, encourage NGO field staff to engage with complex local situations and maintain respectful dialogue with beneficiaries, and (b) on the other hand, meet corporate responsibilities. BOND could play a leading role in developing and promulgating these approaches. An important starting point may be to generate (in dialogue with the sector) standard definitions and strategies for what NGOs are trying to achieve. At the moment, it is arguable that NGOs struggle to maintain quality because they are not always clear what their goals (or roles) are.”*

Nor, as is noted below, would there be general agreement on goals and roles.

Consider the limitations of international organisations: *“There are perceptual and conceptual difficulties for quality work with overseas staff. Application of set codes or scales may have limited validity. Systematic approaches need to be backed up with inspectorial interviews. The greater the distance from front-line staff and beneficiaries, the greater the sanitisation of the truth. Confidence to report weaknesses as well as strengths needs to be encouraged with feedback.”*

Reflect the diversity of the sector: *“Who is driving this agenda? It appears to be about self-regulation and assumes that all NGOs are working to the same ends, a soft myth we collectively perpetuate. For example, conservation organisations (and BOND members) are systematically alienating people and communities from their lands. Will this code or standards sanction this activity?”*

Build awareness about the bias of performance metrics: *“...I think metrics are important but we need to recognise that they have limitations. Especially in the area of programme impact what constitutes impact is socially constructed. It's negotiated between a range of stakeholders, is often imprecise, is dynamic and usually contested. Even in areas that are easier to measure, what works in one organisation may not fit the culture of another. We should avoid putting too much emphasis on 'normative' practices.”*

Members were explicit to argue that managing to realize accountability to beneficiaries is prior to other ‘professional’ management practices, such as impact measurement. They highlighted the practical and conceptual shortcomings of ‘impact’ as the driver of performance management, while proposing that in any case the right frame for understanding impact is through relationships with beneficiaries.¹¹

¹¹ Current development literature confirms these views, perhaps none more ably than Canadian International Development Research Centre’s Outcome Mapping project. IDRC has developed a creative methodology, called outcome mapping, to surmount the impact measurement problem. Sarah Earl, Fred Carden and Terry Smutylo, Outcome Mapping: Building Learning and Reflection into Development Programs, (IDRC, 2001).

4. Overall Conclusions

“Standards put a lot of emphasis on measurement. Ultimately what people want to see is how relationships have changed and power shifted.”

BOND member during focus group session

On a brief to help BOND and its members make sense of the complexity (some might say confusion) of the world of quality standards, this project began with a technical approach. Quite soon, however, throughout the consultation with BOND members, interviews with key informants, and review of the history and standards on offer, **we concluded that the challenge lay elsewhere, not in the technical conversation, but rather in the political and strategic one.** Here lie the gaps that will pose the biggest risks and opportunities for realising the values of the UK international NGO sector in the years to come.

*The research suggests that **NGOs deliver quality work – i.e., progressive social change – when they engage in internal and external relationships in ways that foster ongoing accountability to their intended beneficiaries.***

As we engaged BOND members and other experts in consultations about their practice, the challenges and opportunities they found in everyday work, we found a comprehensive set of gaps in current debates about quality, and myopia in the organisational practices and systems that aim to strengthen quality in NGO work. Indeed, when we asked a group of BOND members: *‘What drives quality in your work?’* **the overwhelming response was that the main driver of good work is the quality of relationships between development actors along the aid chain, both within NGOs (internal) and in the links to stakeholders and partners (external).** BOND members identified that the main obstacle and challenge to building successful international development organisations lies in the fact that the quality of relationships in development work from global to local and vice versa is *not driven* by the beneficiaries of the work.

BOND members described ‘quality of relationships’ as linked to the idea of accountability, but as being more than just NGOs having to ‘report back’ to their beneficiaries. We found that **accountability, taken not as ‘consultations’ and ‘reporting back’ but rather as ‘meaningful participation’ and ‘ongoing dialogue’**, lies at the core of creating the kinds of relationships with beneficiaries that are the single essential ingredient in high quality interventions. As one BOND member pointed out, changing the social relationships that beneficiaries live in, and the accountability within them, changes power structures, and so is the aim of development.

This differentiation of the term ‘accountability’ may have important implications for how NGOs consider putting these concepts into practice. Where the focus is on developing appropriate relationships with beneficiaries, then NGOs will, for instance, **need to make sure that they have the right staff in place to do this on the ground**, with appropriate values and skills, committed to learning, and staying in the same place for a reasonable length of time. They will also have to make sure that locally based employees have the flexibility and freedom of action to nurture local relationships. In other words, this means NGOs have to create a series of organisational arrangements beyond simply reporting to beneficiaries and involving them in making key decisions.

In addition, BOND members made it clear that they understand the ‘quality of relationships’ in a changing context in which roles are changing in response to changing needs and opportunities. BOND members have highlighted changing relationships between NGO headquarters (HQ) and international donors and governments, between NGO HQ and its field staff, between the NGO and its southern partners. As one informant put it, “We are becoming more donor than NGO.”

In taking the debate forward, it will be critical for NGOs to consider internal organisational priorities. When BOND members have said that relationships with beneficiaries have to come first, they’ve also said that they have to be the priority in drawing up organisational systems. Do reports to beneficiaries always include explanations of what the organisation did in response to prior feedback from beneficiaries (responsiveness)? Does the NGO have a written agreement in place that governs its relationships with local partners (mutual accountability)? Are planning, contracting, and monitoring and evaluation adequately informed by the principle of adequate accountability/participation of those down along the chain? This discussion links NGOs’ internal practices and systems to their external objectives and changing contexts. If NGOs are to engage in internal and external relationships in a way that fosters progressive social change, then they should shape their strategies and their internal organisational systems in this direction.

This leads into another very important set of arguments that emerge from the consultations with BOND members: the **practical tensions between ‘accountability to beneficiaries’ and existing organisational arrangements**. BOND members drew attention to the fact that, in practice, organisational tools like logical frameworks, or inflexible budgets – and other problems that result from too great a focus on relationships with (and accountability to) donors – are both commonplace in NGOs, and get directly in the way of allowing field staff to develop flexible and trusting relationships with beneficiaries and local partners.

These key tensions may help explain why so much of the attention on accountability to date does not appear to have delivered quality on the ground. It also may help explain why inappropriate corporate approaches (e.g. developing organisation-wide policies for NGOs; or too close an alignment with official

government donors) may inhibit good practice rather than promote it.

In taking the debate forward, it will be **critical for NGOs to consider internal organisational priorities**. When BOND members have said that relationships with beneficiaries have to come first, they've also said that they have to be the priority in drawing up organisational systems or in assessing the value of external standards. So, for example, it's clearly important to develop detailed implementation plans if an NGO decides that it should build a school; but the implementation plans must be a tool for developing appropriate relationships with beneficiaries and local partners, and not a dominant factor in determining them.

This prioritisation seems to be widely lacking, with a belief that NGOs can have logical frameworks and water-tight financial control at the same time as achieving authentic participation. The main problem, however, does not lie mainly within the relationships between donors and NGO HQ. The consultation with members has shown that in many cases, **NGO HQ behaves in practice as a donor with its field offices or southern partners**, while this may also be true in the relationship between southern partners and communities, in other words, within bilateral relationships along the chain. Where asymmetric power and resources determine a principal-agent relationship, the focus of organisational systems on enabling adequate participation seems lagging.

While informed essentially by the consultation with BOND members, the conclusions of this report might be challenging for people in the NGO sector who consider NGOs either as service-delivery mechanisms or as corporately coherent entities (similar in form to commercial entities). Those that argue that when setting up a refugee camp, it is more important to set up water tanks than to convene community meetings may wish to ignore the conclusions of this report. They choose to monitor the quantity and quality of water delivered, rather than hold the quality of relationships as an objective of great importance. Others might argue that worrying about the quality of relationships with beneficiaries is all well and good, but NGOs must remain committed to corporate risk management and ensuring financial control.

But it is surely not a case of either/or. There are substantial tensions between these approaches that are useful to recognise. The relevant finding from our research on this point is the importance NGOs place on values and mission. In any case, in the wake of the June 2006 report of the Tsunami Evaluation Coalition (TEC), views are now likely to evolve rapidly. Following the central critique in the TEC report, current debates within humanitarian NGOs are now starting to recognise the **centrality of relationships for the sustainability of their interventions**.

NGOs face a number of practical difficulties in implementing participatory approaches, especially given the constraints determined by competing accountabilities to other, often more powerful actors along the chain of relationships, the need to survive and respond to donor expectations. However,

one of the main conclusions of this report is the need to encourage **NGOs to develop ways of developing/monitoring relationships as the determining organisational priority** and developing the necessary leadership to influence other actors along the chain to adopt these.

5. Recommendations

“Staff get into mode of 'deliver deliver deliver' and are overstretched - so don't have time to sit down and reflect. Especially for people who don't speak English when most of the information about planning and learning is in written English. We need to stop rushing.”

BOND member during focus group discussion

The recommendations of this report emerge fundamentally from the consultation with BOND members. Rather than the end of a process, it aims to formalize the beginning of one, marked by continued interaction between BOND Secretariat and its members, with those that expressed a strong interest in continued participation and debate, as well as with those that did not have the opportunity to participate of these initial conversations.

Throughout our consultations with BOND members and key influencers, participants were generous in sharing suggestions for BOND. The long list of recommendations is reported in the conclusion to Section Three: Views of BOND Members and Key Informants. The balance of what follows elaborates on the many positive suggestions. It is also instructive to consider what they said BOND should *not* do: BOND should not develop another standard or act as an arbiter of one, and certainly not advocate a one-size-fits-all approach to quality.

The recommendations are organised according to their potential for implementation in short (within the next year), medium (2007-2008), and long-term timescales (2008-).

Recommendations for BOND Members

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

Short-Term

- h. 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.
- i. 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. **Table 4** below begins to suggest a framework for developing appropriate tools.
- j. Members should share a short report of their processes and findings with BOND Secretariat to feed into a peer review learning process.

Medium Term

- k. 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.
- l. 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.
- m. Consider how to involve beneficiaries more in the development of the organisation by ensuring they or their representatives are involved in decision-making.
- n. 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.

Table 4: Example of Beneficiary Involvement

The outer frame provides scoping/mapping questions for examining organisational practise. The inner questions are the ‘bottom line’ where what has been mapped is analysed for gaps in the ability to meeting goals and objectives.

| Level of beneficiary involvement | Quality of beneficiary involvement |
|---|---|
| <p><i>What do you engage with beneficiaries about?</i></p> <ul style="list-style-type: none"> • Performance feedback (evaluations, complaints processes) • Project planning and operations • Strategy • Policy | <p><i>How do you involve beneficiaries?</i></p> <ul style="list-style-type: none"> • Consultation, dialogue and/or partnership? • Who is involved? Men, women, children, marginalised groups? • Do participants feel sufficiently confident to engage in these processes? What methods do you use to ensure this? • What provisions are made to ensure participation of most marginalised groups? Are different perspectives heard in these interactions? • What has your organisation brought to the process” (information, knowledge, research, skills etc)? • How are decisions made? Whose voice counts? How are conflicts dealt with? • How is feedback on decisions made? How often and in what format? |
| <p><i>How is beneficiary involvement embedded in the organisation?</i></p> <ul style="list-style-type: none"> • Learning systems • Compliance systems • Governance structures | <p><i>How do you align your other stakeholders with the rights and interests of your beneficiaries?</i></p> <ul style="list-style-type: none"> • How do you reflect beneficiary voices in public and donor reporting? |

Recommendations for 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'.¹² 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.

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.

¹² BOND Strategy 2006 – 2011 <http://www.bond.org.uk/aboutus/strategy06.htm>

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Appendices

Appendix A: Analysis of Core Approaches to Quality

The following approaches considered in detail are ones that influence the activities and performance of British international development NGOs, and are seen to be core to current practice. They have been cited by BOND members in the questionnaire survey done in the context of this research project. In Section E, there is also a set of examples of other relevant approaches.

The analysis is done according to agreed criteria set out in the original proposal and further developed as part of the research process. These criteria are:

- (a) **Approach** - How does the approach work in practice and to what extent is it mandatory or voluntary?
- (b) **Assurance** - How does the option provide assurance? First person, peer review, third party evaluation or audit?
- (c) **Legitimacy** - Who was involved in the development of the approach and to what extent has it been taken up in practice?
- (d) **Accessibility** - Is it an open-access or proprietary (wholly-owned) method?

1. National and International Laws

As with any body or citizen, NGOs are regulated by a series of international and national laws, dependent on where and how they carry out their operations. Predominant amongst the plethora of laws are international human rights law and international humanitarian law. These include the Universal Declaration of Human Rights and International Covenants; Genocide and Refugee Conventions. More recently the European Commission published guidelines to regulate NGO actions that aim to promote "transparency and accountability best practices" in the voluntary sector, primarily in order to guard against the exploitation of organisations for the financing of terrorism. Added to these international conventions, are related national laws, which can be more responsive to particular political and social developments and not always corresponding to international conventions. As mentioned before, for example, recent legislation in Russia and Nepal to regulate the actions of NGOs has been seen to be politically motivated and questions the independence of NGOs.

2. National NGO Codes

(a) Approach

During the mid-1990s onwards, mainly national associations in a wide range of countries developed national codes of conduct. Most of the codes are voluntary. However, signing up to them does bring with it a number of responsibilities, as well as benefits, such as being able to register with the government in order to apply for funding. An article on such NGO self-regulation by the One World Trust

for Alliance Magazine, concluded that the response “is defined primarily in terms of setting standards for internal governance, administration and financial management systems so as to ensure compliance with reporting requirements, laws and regulations. This bias is primarily a product of the forces driving the accountability debate within the sector. The majority of NGOs are grappling with their accountability in reaction to external threats and bad publicity. Consequently, they are establishing codes of conduct largely out of fear that questions about their accountability will damage their image, scupper their fundraising efforts, reduce levels of public trust and/or lead to more intrusive government regulation.”

(b) Assurance

Although most codes are voluntary and don't include an external assurance mechanism, there are examples where certification and/or accreditation is a requirement.

(c) Legitimacy

There is some criticism that national codes are too vague to have 'bite' and that they lack an emphasis on beneficiary concerns. On the other hand, they are often developed by the representative body of NGOs in the country.

(d) Accessibility

Most of the codes are proprietary in that they are developed by a national NGO association and require membership.

Further Information: <http://www.allavida.org/alliance/axdec05e.html>

3. Organisation-Specific Approaches

(a) Approach

One of the over-riding responses to quality and accountability by NGOs, and organisations from other sectors for that matter is the implementation of specific approaches to quality that include formal standards. What this means in practice is that organisations will quite often integrate and adapt formal standards with a system they have developed themselves. Or they will develop a 'stand alone, home-made' system. A useful illustrative example of this is Action Aid's ALPS (Accountability, Learning and Planning System) (David, et al, 2006), which is essentially a practical response to the philosophy driving the organisation: *emphasising accountability to the poor*, creating space to reflect and work in different ways with poor people (in particular in relation to its campaign, Fighting Against Poverty), and balance the dominating upward accountability to donors to involve poor people in the planning, budgeting and assessing the value of interventions (downward accountability). However, Action Aid is also a signatory of the Code of Good Practice for NGOs responding to HIV/AIDS, The Code of Conduct for the International Red Cross and Red Crescent Movement, as well as adhering to national and international laws.

Further Information about Action Aid's ALPS example: www.actionaid.org.

(b) Assurance

Assurance is gained in a mixture of ways depending on the organisation. However, it also will be a mix of self-regulation, external evaluations and audit.

(c) Legitimacy

Legitimacy will rest on the views of an organisation's stakeholders, in particular how it involves its beneficiaries. However, it will also rest on how it drives the organisation's learning and performance.

(d) Accessibility

Organisation-specific approaches are often 'silent', or more problematically they are un-transparent. This can be a problem for the organisation in that they are not able to demonstrate how they are achieving their goals, particularly to funders, but also to external stakeholders who may perceive a lack of transparency.

4. The Code of Conduct for the International Red Cross and Red Crescent Movement

(a) Approach

The Code of Conduct for The International Red Cross and Red Crescent Movement and NGOs in Disaster Relief, like most professional codes, is a voluntary one. It is applicable to any NGO, be it national or international, small or large. "It is not about operational details, such as how one should calculate food rations or set up a refugee camp. Rather, it seeks to maintain the high standards of independence, effectiveness and impact to which disaster response NGOs and the International Red Cross and Red Crescent Movement aspire." It lays down 10 points of principle (e.g. 'the humanitarian imperative comes first'; 'aid will not be used to further a particular political or religious standpoint'; and 'ways shall be found to involve programme beneficiaries in the management of relief aid'), which all NGOs should adhere to in their disaster response work, and goes on to describe the relationships agencies working in disasters should seek with donor governments, host governments and the UN system.

(b) Assurance

The Code is self-policing. No one NGO is going to force another to act in a certain way and there is as yet no international association for disaster-response NGOs which possesses any authority to sanction its members.

(c) Legitimacy

The Code of Conduct was developed and agreed upon by eight of the world's largest disaster response agencies in the summer of 1994. In many ways, it was the first Code of Conduct for NGOs and remains the most prominent. To date there are almost four hundred signatories.

(d) Accessibility

The code is open to all NGOs within the Red Cross and Red Crescent Movement, and a list of signatories is given on the IFRC website.

Further Information: <http://www.ifrc.org/publicat/conduct/index.asp>

5. Charities' Statement of Recommended Practice (SORP)

(a) Approach

“The Charities’ Statement of Recommended Practice (Charities SORP) provides recommendations for the format and content of charity reports and accounts. It provides a mechanism enabling charities to meet the legal requirement for their accounts to give a true and fair view and gives consistency in the sector’s interpretation of accounting standards. The SORP also provides recommendations for annual reporting that are relevant to sector and stakeholders needs and are in line with wider developments in reporting. The requirements of the law and accounting standards exist irrespective of the SORP. Its contribution is to provide a consistent interpretation of these standards and, moreover, one that has been specifically developed for the sector and with sector involvement at each stage of its development.”

(b) Assurance

A charity’s annual accounts are external audited by professional financial accountants. Accounting standards require any non-compliance with a relevant SORP to be disclosed in the accounts and this may lead to a qualified audit opinion. In the case of the Charities SORP, for non-company charities, its methods and principles and key disclosures are also underpinned, in England and Wales, by regulations made under the Charities Act 1993.

(c) Legitimacy

SORP are developed under an Accounting Standards Board (ASB) code of practice and provide authoritative recommendations that enable charities to meet the legal requirement to present a true and fair view in their accounts. The Commission is authorised by the ASB as the SORP-making body and as such takes the responsibility for organising the SORP review, drafting any revision and undertaking the consultation process. In making recommendations, the Commission is expected to act on the recommendations of an expert committee - The SORP committee. The recommendations of the SORP committee are then tested through extensive consultation before recommendations are finalised and published.

(d) Accessibility

Charities’ SORPs are a requirement of registration with the Charity Commission. The Commission provides information to assist charities in the preparation of accounts.

Further Info: <http://www.charity-commission.gov.uk/investigations/sorp/sorpfaq.asp#1>

6. People In Aid

(a) Approach

People In Aid is a voluntary ‘Code of Good Practice in the management and support of aid personnel’ (i.e. strategic human resource management). It “is the result of years of international collaboration by dozens of agencies. The Code is a

tool to help agencies offer better development aid and disaster relief to communities in need, and is an important part of their efforts to improve standards, accountability and transparency amid the challenges of disaster, conflict and poverty. As well as building on previous guidelines, the Code reflects the growing attention of aid groups on issues of health and safety, diversity and equality, and is relevant for agencies engaged in development and advocacy as well as emergency response.”

The Code sets out seven principles of performance in the support of aid personnel, against which signatories must adhere. The seven principles cover: human resources strategy; staff policies and practices; managing people; consultation and communication; recruitment and selection; learning, training and development; and health, safety and security.

(b) Assurance

Assurance is attained through a third party independent social audit of a performance report submitted by the organisation to the auditor. Audits take place every three years, and if the agency meets the Code principles, it is given a kite mark.

(c) Legitimacy

People In Aid was formally established in 1999, following a three-year pilot based on input on good practices from the UK and Ireland, but also from the USA, Continental Europe, the UN family, and a large number of individuals with experience in the field and in human resource management. Ongoing experience informed revisions released in 2003 and 2006.

(d) Accessibility

People In Aid is a non-profit proprietary code that is accessible to all signatories, who are given support in its implementation by the secretariat.

Further information: <http://www.peopleinaid.org/>

7. Investors in People Standard

(a) Approach

“The Investors in People Standard is a business improvement tool designed to advance an organisation's performance through its people.” Their framework follows the business project cycle of “Plan, Do, Review”. It contains a set of three principles, 10 respective indicators, and a range of evidence requirements per indicator. For example, the first principle is to ‘Develop strategies to improve the performance of the organisation’; indicators include ‘learning and development is planned to achieve the organisation’s objectives’; and evidence requirement includes, ‘people can explain what their learning and development activities should achieve for them, their team, and the organisation’.

(b) Assurance

An external assessor from Investors in People carries out an assessment of the implementing organisation’s performance against the criteria. In achieving liP

recognition, the assessor assessment goes to a Recognition Panel, which decides on whether to award liP status.

(c) *Legitimacy*

The Standard was developed during 1990 by the National Training Task Force in partnership with leading national businesses, personnel, professional and employee organisations such as the Confederation of British Industry (CBI), Trades Union Congress (TUC) and the Institute of Personnel and Development (IPD). The work was supported by the Employment Department. Since it was developed the Standard has been reviewed every three years to ensure that it remains relevant, accessible and attractive to all. The most recent review was completed in November 2004.

(d) *Accessibility*

liP is a proprietary standard; to achieve liP status, an external assessment process has to be carried out.

Further Information: <http://www.investorsinpeople.co.uk/IIP/Web/default.htm>

8. Sphere Project

Humanitarian Charter and Minimum Standards in Disaster Response:

(a) *Approach*

The Sphere project was set up in 1997 by a group of humanitarian NGOs and the Red Cross and Red Crescent Movement. They framed a voluntary Humanitarian Charter and defined minimum standards to be attained in disaster assistance in each of five key sectors (water supply and sanitation, nutrition, food aid, shelter, and health services).

(b) *Assurance*

There is no formal independent third party audit or evaluation of agencies' performance in meeting the minimum standards. However, as part of its 'common standards', number 6 'evaluation' states, "There is a systematic and impartial examination of humanitarian action, intended to draw lessons to improve practice and policy and to enhance accountability." CARE has developed a participatory Sphere audit procedure.

(c) *Legitimacy*

The Charter is based on the principles and provisions of international humanitarian law, human rights law, and the Red Cross and Red Crescent Code of Conduct. As of 2004, over 400 organisations from 80 countries have contributed to the development of Minimum Standards and key indicators.

(d) *Accessibility*

A Handbook was developed in 2000, which was revised in 2004. The Handbook provides detailed guidance to agencies in the implementation of the Humanitarian Charter and minimum standards. "Agencies' ability to achieve the Minimum Standards will depend on a range of factors, some of which are within their control while others, such as political and security factors, may lie outside their control.

Of particular importance are the extent to which agencies have access to the affected population, whether they have the consent and cooperation of the authorities in charge, and whether they can operate in conditions of reasonable security. Equally critical is the availability of sufficient financial, human and material resources.”

Further Information: www.sphereproject.org

9. Participatory Monitoring and Evaluation (PM&E)

(a) Approach

PM&E is an evaluation methodology that has greatly evolved over the past thirty years, and is now widely practiced by NGOs in both disaster relief and development work. It is generally a voluntary undertaking, but can also be part of an agreement with funders. It began with what was known as Participatory Rural Appraisal (PRA), later to be termed Participatory Learning and Action (PLA). Whatever its terminology, what lies at its heart is the recognition of inclusion of stakeholders, in particular beneficiaries, in the evaluation (and sometimes the planning and design cycles) of organisational practices and their outcomes. Techniques include mapping of locations, diaries, diagrams, etc. However, “PM&E is not just a matter of using participatory techniques within a conventional monitoring and evaluation setting. It is about radically rethinking who initiates and undertakes the process, and who learns or benefits from the findings.” (IDS Briefing, No 12, 1998) PM&E has been added to this analytical scope since it deals with a central aspect of improving the *quality* of programs and activities, even though it is not a formal standard and sheds light into how organisations address the issue from a variety of points of view.

(b) Assurance

External evaluations are part of PM&E processes. But their real assurance comes with the wider involvement of beneficiaries in the development process. It is not a centralised process, or one that relies on the need for third party intervention, in fact in many ways it is meant to rest with the organisation and not be ‘outsourced’.

(c) Legitimacy

The legitimacy of PM&E very much lies in its philosophy of inclusion. Robert Chambers, the name most associated with the origination of the idea, recently commented that, “a lot of activities labelled as PRA and PLA have been routinised and wooden, and exploit and disillusion poor people who participate. In contrast, good PRA/PLA activities empower. They are different each time. They improvise and innovate. They fit our world in which change is accelerating not only for “us” but for those who are poor and marginalised.”

(d) Accessibility

There are some challenges to implementing PM&E, most notably the appropriate and relevant engagement process with beneficiaries, something which NGOs have grappled with from the beginning of such an approach. As the IDS Briefing sums up,

“For organisations supporting participatory development, monitoring and evaluating throws up a particular challenge. Although there have been attempts to develop standardised indicators, these are bound to be problematic, since the quality of participation can only really be assessed through a process which is itself participatory.” However, PM&E is both well established and widely practiced, and is something that now makes up the DNA of the sector’s way of working.

Further information:

<http://www.ids.ac.uk/ids/particip/information/index.html>; and
www.mande.co.uk/

10. Humanitarian Accountability Partnership - International’s (HAP-I) Principles of Accountability

(a) Approach

HAP-I’s principles of accountability are a set of voluntary principles that members of the initiative are meant to adhere to. The seven principles are: commitment to humanitarian standards and rights; setting standards and building capacity; communication with stakeholders; participation in programmes; monitoring and reporting compliance; addressing complaints; and implementing principles when working with partners.

(b) Assurance

Adherence to the principles is through self-regulation and accreditation. “It is anticipated that by 2007 HAP-I accreditation and certification processes will both involve standardised procedures of self-assessment, peer review and/or independent inspection.”

(c) Legitimacy

The Principles of Accountability have been developed by HAP-I, an international partnership set up in 2003, following extensive debate within the humanitarian sector on the most appropriate approach to accountability. HAP-I was set up with six objectives: (i) to develop principles and standards of accountability to beneficiaries; (ii) to support members and potential members of HAP-I in adhering to the principles of accountability to beneficiaries through training and advice; (iii) to advocate for the application of HAP-I’s Accountability Principles; (iv) to monitor and report on the implementation by members of HAP-I’s Accountability Principles; (v) to assist members in finding solutions where concerns or complaints are raised about them; and (vi) to establish a system of HAP-I accreditation and certification.

(d) Accessibility

The HAP-I principles are non-profit propriety principles, which all members of the initiative are meant to implement and be measured against.

Further Information: www.hapinternational.org/en/

11. Code of Good Practice for NGOs responding to HIV/AIDS

(a) Approach

The CoGP is a voluntary code that has five guiding principles for implementing agencies: “We advocate for the meaningful involvement of People Living with HIV/AIDS (PLHA) and affected communities in all aspects of the HIV/AIDS response; We protect and promote human rights in our work; We apply public health principles within our work; we address the causes of vulnerability to HIV infection and the impacts of HIV/AIDS; our programmes are informed by evidence in order to respond to the needs of those most vulnerable to HIV/AIDS and its consequences.” The Code is aspirational, as such there are no minimum standards rather there are good practice guidelines that agencies can work toward over time.

(b) Assurance

Implementation remains the responsibility of the signatory agency, although a proposed Secretariat will assist in doing so. “Accountability is built into the process using social audit. Social audit enables signatory NGOs to build on monitoring, evaluation and accreditation systems already in place in their organisation. Training and support is provided to enable NGOs to use this process.”

(c) Legitimacy

The CoGP is a joint initiative of a number of major international agencies, including Action Aid International, Red Cross, and the International HIV/AIDS Alliance. The Code was launched in ten countries on World AIDS Day, December 1, 2004. There are over 150 signatories to the CoGP. It is currently based at the premises of the Red Cross.

(d) Accessibility

The CoGP is focused on NGOs that give technical and/or financial support, capacity development, and advocacy support. It is an open-access code, but there are commitments when signing up. There are a range of tools and guidance for implementation of the CoGP.

Further Information: <http://www.ifrc.org/what/health/hivaids/code/>

12. The Quality Compass

(a) Approach

The Quality Compass is a voluntary quality assurance method for humanitarian assistance. The method is built around a quality reference framework, ‘the compass rose’. It mixes principles of performance, with eight supporting structure and process criteria. There are two functions to the Compass method: (a) *Project Management*: At each stage in the project cycle, aid agencies are faced with a certain number of critical points where the quality of their action may be affected. Each critical point is associated with one of the twelve criteria of the compass rose. By asking questions, the COMPASS Method guides the user in making decisions in order to ensure ‘quality’ project management. (b) *Project Evaluation*: Using the indicators linked to the twelve criteria of the compass rose, aid agencies

can assess project quality. Possible risks and problems can therefore be identified and preventative action taken. In this way, agencies can apply the principle of Continuous Quality Improvement to their projects.

(b) *Assurance*

The method is inspired by the Socratic argument that the questioning process itself is often more creative than the answer. In this way, the questioning process is carried out by the agency itself with its beneficiaries. There appears to be no third party external evaluation or audit.

(c) *Legitimacy*

The Quality Compass was developed by the French humanitarian agency, Groupe Urgence Rehabilitation Development (Groupe URD), which for many years has been at the forefront of the debate on quality and accountability in humanitarian assistance. Critical of prescribed standards of performance, Groupe URD feels there needs to be a “shift from quality control (ex-post evaluation and verification of compliance to standards) to quality assurance (prevention by the management of critical point during the project cycle). This is the main innovation proposed by the Quality COMPASS, which is the first quality assurance method specifically designed for the quality management of humanitarian projects.” The method was developed over a five-year period of in-depth research and practice. Affected populations and their environment lie at the heart of the quality reference system.

(d) *Accessibility*

The Quality Compass is an open-access method, which has a range of supporting materials. It is now developing software to manage the information linked with quality. There is also a training manual.

Further Information: <http://www.projetqualite.org/en/index/index.php>

13. Practical Quality Assurance System for Small Organisations (PQASSO)

(a) *Approach*

PQASSO is a voluntary self-assessment tool that encompasses twelve quality areas: planning; governance; management; user-centred service; staff and volunteers; training and development; managing money; managing resources; managing activities; networking and partnership; monitoring and evaluation; and results. Each area has three "levels of achievement", with details of what the organisation should be doing to achieve each of these levels. Each area has "suggested evidence" to help you identify how to demonstrate your achievements. This leads you on to a "self-assessment", which helps you decide what action needs to be taken, by specific people and within specific timeframes to meet the "levels of achievement". You are encouraged to set a review date to evaluate progress.

(b) *Assurance*

One of the twelve quality areas is monitoring and evaluation. Essentially it is a self-assessment tool that does not explicitly require external evaluation, but can include third party verification as an added level of assurance.

(c) Legitimacy

PQASSO was developed by the Charities Evaluation Services, a consultancy providing advice and training on quality and assurance systems for the voluntary sector.

(d) Accessibility

PQASSO is a proprietary system promoted and developed by the Charities Evaluation Services. CES runs a PQASSO mentor training scheme, to further the application of the system more widely.

Further Information: <http://www.ces-vol.org.uk/index.cfm?pg=42>

Appendix B: List of NGO Approaches to Quality

1. National/Regional Codes of Conduct (government initiated/driven):

1. **European Commission Code of Conduct for Non-Profit Organisations to Promote Transparency and Accountability Best Practices:** In July and August 2005, the European Commission consulted on a draft code of conduct for non-profit organisations which aims to promote "transparency and accountability best practices" in the voluntary sector, primarily in order to guard against the exploitation of organisations for the financing of terrorism. The code is to be a voluntary one, and the idea is that each EU member state will implement it with their regulatory authorities and voluntary sector umbrella bodies as appropriate. Following the consultation, the Commission published new guidelines on 29 November 2005. This communication is broader in scope, with the transparency guidelines set within a longer document about the fight against terrorist financing.

<http://www.bond.org.uk/sector/eccode.htm>

2. **Russia Law on NGO regulation:** "On January 10 [2006], Russian President Vladimir Putin signed legislation that introduced new government restrictions on nongovernmental organisations (NGOs) and expanded the grounds for closing or denying registration to NGOs. The law grants government officials an unprecedented level of discretion in deciding what projects or even parts of projects can be considered detrimental to Russia's national interests. It gives registration officials broad power to close the offices of any foreign NGO that implements a project that does not have the aim of "defending the constitutional system, morals, public health, rights and lawful interest of other people, guaranteeing the defense capacity and security of the state."

<http://hrw.org/english/docs/2006/02/11/russia12656.htm>

3. **Nepalese Government Code of Conduct for NGOs:** This recently developed (mid-2005) CoC on the part of the Nepalese government has courted criticism on the part of NGOs, the UN and donor community. "United Nations resident coordinator Matthew Kahane, on behalf of major donors including residential embassies and UN agencies, has urged the government to withdraw the Code of Conduct for NGOs and INGOs and revisit the issue. The UN official, in a letter to the Minister for Women, Children and Social Welfare, Durga Shrestha, has said the donors believe the Code of Conduct was not conducive to improving NGO governance and fostering NGO endeavours. "It is inconsistent with Nepal's commitments and obligations under the International Covenant on Civil and Political Rights and other international human rights instruments," stated the letter written to the minister Shrestha. The donor community believes the Code of Conduct clearly provides a means for undue political interference and it is also likely to

hinder critical development activities, as the independence and impartiality of NGOs are essential to work in rural areas and to support the population affected by the conflict. “We therefore, recommend that the current Code of Conduct be withdrawn and that this issue be revisited,” stated the letter. It further stated that the Code of Conduct does not appear likely to contribute to the process of ensuring accountability and transparency and will be seen as another step to constrain the legitimate activities of civil society”.

http://www.southasianmedia.net/index_story.cfm?id=251369&category=Front&Country=NEPAL; and

<http://www.gorkhapatra.org.np/pageloader.php?file=2005/11/16/nation/nation1>

2. National Accreditation/Certification/Rating/Partnership Agreements:

4. **AusAid Accreditation Scheme:** The accreditation process aims to provide AusAID, and the Australian public, with confidence that the Australian Government is funding professional, well managed, community based organisations that are capable of delivering quality development outcomes. Accreditation acts as a front-end risk management process and ensures accountable use of funding with minimal activity overview by AusAID. The Accreditation Policy document describes the accreditation process in detail. Non-government organisations NGOs can gain accreditation at two different levels, Base or Full. There are distinct criteria tables for accreditation at each level and eligibility for AusAID funding is different at each level. NGOs seeking accreditation need to prepare an Agency Profile. The accreditation of an NGO is undertaken by a three member Review Team, comprising two independent development consultants and a Financial Systems Assessor contracted by AusAID. The role of the review team is to assess the NGO against the agreed Accreditation Criteria.

<http://www.usaid.gov.au/ngos/accreditation.cfm>

5. **DFID Partnership Programme Agreements (PPAs):** PPAs are agreements between DFID and influential civil society organisations in the UK which set out at a strategic level how the two partners will work together to meet the Millennium Development Goals. Strategic Funding is provided, and is linked to jointly agreed outcomes. PPA documents follow a standard format and cover the nature and scope of the current relationship between DFID and the agency; the shared objectives of the PPA; the arrangements for monitoring and evaluation and the financial arrangements. Other DFID Departments and country programmes can negotiate separate arrangements for collaboration (for example contractual arrangements), including financial support for specific activities within the overall PPA framework. PPAs are intended to last 3-5 years.

<http://www.dfid.gov.uk/aboutdfid/dfidwork/ppas/partnerprogagreements.asp>

3. NGO Sector-wide (i.e. initiated/driven by NGOs)

6. **Association of Development Agencies in Bangladesh Code of Ethics:** ADAB is a membership organisation, which is organised in district level networks providing support especially to smaller NGOs. It adopted a Code of Ethics in 1994, as part of a wider debate concerning the role of NGOs in Bangladesh, which included government-level discussions as to how best support and **regulate** their actions. "The code is an excellent innovation, providing a detailed framework of NPS ethics defined at five levels in relation to the poor people for whom the NPS works, the government and the state, other [private voluntary development organisations] PVDOs in Bangladesh, development partners (or donors), and NGO staff. In terms of commitment, the document promises high standards and practices including self-regulation, efficiency, transparency, and accountability. It also speaks of checks against political influences, factionalism and divisiveness within the sector. The code also commits the sector to strong collaboration with the government, and an independent and transparent relationship with donors."

<http://www.asianphilanthropy.org/pdfs/conference/bangladesh1.pdf>

7. **Afghanistan NGO Code of Conduct:** Launched by aid agencies in Kabul in May 2005. "The 21-article code, signed by 90 national and international NGOs, sets high standards to ensure greater transparency and accountability, as well as to improve the quality of services provided by NGOs, according to the Agency Coordinating Body for Afghan Relief (ACBAR). "The code of conduct is a public statement for those NGOs who have signed up to it, that they take it very seriously to adhere to some minimum standards in implementing operations and institutional standards," Anja De Beer, executive coordinator of ACBAR. The latest news comes from around the time of the launch, no information on its practice, although awareness raising workshops were planned. Any NGO not signed up to the code cannot register with the Ministry of Planning. The code calls for beneficiaries to be involved in planning and other programme in decision-making.

<http://www.irinnews.org/report.asp?ReportID=47410&SelectRegion=Asia&SelectCountry=AFGHANISTAN>

8. **Botswana NGO Code of Conduct:** The Code was drafted by the Botswana Council of Non-governmental organisations (BOCONGO). The NGO movement in Botswana saw the need to improve its transparency and accountability mechanisms in order to win the confidence of other development partners. Bocongo and its members thus recognized the need to develop a self-regulating mechanism to guide and monitor their behaviour. The Code sets out a number of goals with requisite commitments, in the areas of: values, transparency, governance, fundraising and resource mobilisation, financial and human resource management, capacity building, communication and networking, partnership, and programme development and management. The

Code applies to all NGOs operating in Botswana and is overseen and promoted by a Board of Trustees and National Task Force. Monitoring and Evaluation of the Code is the responsibility of individual NGOs.

<http://www.gdrc.org/ngo/codesofconduct/botswana-ngocode.html>

9. **Australian Council for International Development (ACFID) Code of Conduct:** ACFID is an independent national association of NGOs in Australia, which administers a code for its members meant to commit them to high standards of integrity and accountability. It is a compliance and complaints-based code that provides the public with a set of standards against which they can measure and assess the management of the organisations they wish to support. Any member of public is entitled to make a formal complaint against a signatory to the code, which is then investigated by the Code Committee. If in breach, signatories are removed from the Code. Signatories that deliver humanitarian assistance, must also as part of the Code, must adhere to People In Aid, Red Cross, and Sphere standards.

<http://www.acfid.asn.au/code/code.htm>

10. **InterAction PVO Standard (US):** Under a 1992 agreement worked out among members, all existing and prospective InterAction member organisations have had to certify compliance with the newly adopted PVO Standards (Standards) as of January 1994. At the end of every calendar year, each InterAction member is asked to review the Standards and re-certify compliance. Intended to ensure and strengthen public confidence in the integrity, quality, and effectiveness of member organisations and their programs, the standards were created when the overseas work of PVOs was dramatically increasing in scope and significance. Defining the financial, operational, and ethical code of conduct for InterAction and its member agencies, these high and objective standards, self-applied, set InterAction members apart from many other charitable organisations. Indeed, in various aspects, the InterAction PVO Standards exceed the prevailing standards of the Better Business Bureau and the National Charities Information Bureau. Gender and diversity amendments to the standards, which became effective in January 1998, grew from the realization that organisations need to diversify their boards and staff in order to become more effective and credible as they implement programs serving a widely diverse population overseas.” For five years, the main child sponsorship agencies of Interaction have been piloting third party verification of the standard. “This sub-group has now completed a five-year pilot project, using a private, independent accrediting agency to manage a program for external, third-party certification of compliance by their child sponsorship programs with the PVO Standards. This comprehensive process includes site visits, both at these agencies’ respective U.S. headquarters and at a random sampling of select field offices in other countries. Periodic surveillance audits will verify ongoing compliance. These external audits are being accredited by

Social Accountability International (SAI), best known for its oversight of training and certification to the SA8000 labor standard around the world. The actual PVO Standards certification audits are being conducted by two certifying bodies that are part of the SAI accredited auditing pool.”

<http://www.interaction.org/pvostandards/index.html>;

http://europe.eu.int/comm/justice_home/news/consulting_public/code_conduct_npo/contributions/contribution_interAction4_en.pdf

11. **NGO Code of Conduct for Ethiopia:** The Ethiopian Code was developed collectively by various NGOs in Ethiopia in 1998 and endorsed by almost all NGOs that are operational in the country. It is a Code that all signatories have vowed to abide by during the course of their development activities. The document defines "Code of Conduct" as "a set of norms, principles and values to standardise the conduct, action and behaviour of NGOs. It has the following objectives: To ensure transparency and accountability in the operation of NGOs by voluntary self-regulation; To improve the quality of services provided by NGOs by helping NGOs to adopt high standards of conduct and to devise efficient decision-making processes; To improve communication between the NGO community and the various stakeholders; To improve the performance of the NGO community by encouraging the exchange of experiences among its members and learning from proven best practices. The Standard of Conduct shall refer to the way in which signatories behave and work."

<http://hq.unhabitat.org/cdrom/TRANSPARENCY/html/box49.html>

12. **Philippine Council for NGO Certification:** In the mid-1990s, the Philippine government, concerned about the abuse of status by NGOs, threatened to take away tax relief on donations unless they demonstrated a level of accountability. Thus, in 1997, six of the country's largest national NGO networks, set up the Philippine Council for NGO Certification signed a MoU with the Department of Finance (DOF) where it was given authority to certify NGOs applying for donee institution status based on specific standards. Organisations seeking certification shall file with the PCNC Secretariat a letter of intent to apply for certification and submit the necessary documents. If the organisation is qualified for evaluation, it undergoes the evaluation process that includes site visits by an evaluation team. A recommendation based on the results of the evaluation is then submitted to the Board. If the applicant NGO has met the minimum criteria for certification, the Board gives a 3-year or 5-year certification to the organisation and informs the Bureau of Internal Revenue (BIR) which then issues to the organisation a certification of Donee Institution Status. As of 2005, 630 NGOs have been certified.

<http://www.ngowatch.org/articles.php?id=158>; Soledad, F (2001) Civil Society and NGOs in the Philippines; AccountAbility Quarterly No 15, 1st Quarter

13. **Ugandan NGO Forum Code of Conduct:** The Ugandan NGO Forum, set up in 1997, developed its Code in 2001. It lists a set of values, culture and identity for NGO signatories that includes, 'respect for human rights, equity and gender parity, and listening and seeking to understand the views of all stakeholders along the principles of participatory development.' The Code's oversight committee is made up of elected members, a legal representative and the CEO of the Forum. Their role is to examine and adjudicate on complaints presented to them regarding a member NGO in relation to the principles of the Code. The aims and objectives of the Code are to strengthen the quality of the NGO sector in the country, so not only is a compliance mechanism, it also aims to 'periodically recognise exemplary performance'. There are a set of guidelines for implementation that include Generally Accepted Accounting Principles; the Non-Profit Principle; and Participatory Governance.

<http://www.ngoforum.or.ug/conduct/index.htm>

4. Management and Reporting Tools

14. **The AA1000 Framework:** AA1000 was launched in 1999 by the British organisation AccountAbility and is designed to improve accountability and performance by learning through stakeholder engagement. It was developed to address the need for organisations to integrate their stakeholder engagement processes into daily activities. It has been used worldwide by leading businesses, non-profit organisations and public bodies. The Framework helps users to establish a systematic stakeholder engagement process that generates the indicators, targets, and reporting systems needed to ensure its effectiveness in overall organisational performance. The principle underpinning AA1000 is inclusivity. The building blocks of the process framework are planning, accounting and auditing and reporting. It does not prescribe what should be reported, but rather the 'how'. In this way it is designed to complement the GRI Reporting Guidelines. Within the Framework are a set of standards, two of which focus on external assurance and stakeholder engagement.

<http://www.accountability.org.uk/aa1000/default.asp>

15. **The Global Reporting Initiative (GRI):** The GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These Guidelines are for voluntary use by organisations for reporting on the economic, environmental, and social dimensions of their activities, products, and services. The GRI incorporates the active participation of representatives from business, accountancy, investment, environmental, human rights,

research and labour organisations from around the world. Started in 1997, GRI became independent in 2002, and is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in cooperation with UN Secretary-General Kofi Annan's Global Compact.

www.globalreporting.org

16. **European Foundation for Quality Management (EFQM) Excellence Model:** The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing organisations for the European Quality Award. The EFQM Excellence Model is a non-prescriptive framework based on 9 criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does. The 'Results' criteria cover what an organisation achieves. 'Results' are caused by 'Enablers' and 'Enablers' are improved using feedback from 'Results'. The nine criteria are: Leadership; Policy and Strategy; People; Partnerships and Resources; Processes; Customer Results; People Results; Society Results; and Key Performance Results.

<http://www.efqm.org/Default.aspx?tabid=35>

17. **ISO Series:** The International Organisation for Standardization (ISO) is a world-wide federation of 156 national standards bodies. ISO is not an acronym but a word, derived from the Greek 'isos', meaning 'equal'. From 'equal' to 'standard', the line of thinking that led to the choice of ISO as the name of the organisation. ISO has published 15,649 standards covering 97 categories (one of which covers management). The ISO standards mainly focus on customers, staff and suppliers in the delivery of services and products (ISO9000) and environmental management (ISO1400). The ISO family of standards are process based and provide no substantive standard of performance (e.g. in the quality of a product) beyond what is required by legislation. Rather they focus on the systems themselves in order to assist organisations to meet legislative requirements of performance. ISO is currently developing ISO26000, a standard for social responsibility.

Appendix C: List of focus group participants and interviewees

Focus Group Session 22nd May 2006, 10am - 1pm

Facilitators - Keystone/AccountAbility

Antonella Mancini

Alejandro Litovsky

Siobhan MacCarthy (note-taker)

Observer

Charlotte Imbert, Learning and Training Manager, BOND

Participants

Liz Carlile, Director of Communications, IIED

Simon Starling, Programme Adviser, Monitoring and Evaluation, DEC

Barnaby Peacocke, Quality Assurance Manager, Practical Action

Jane Travis, Quality Improvement System Programme Manager, Viva

Alex Jacobs, CEO, Mango

Guillermo Rogel, Director of International Programmes, War on Want

Simon Collings, Director, Resource Alliance

Rachel Bartlett, VSO

Ruth Steele, EveryChild

Robyn Wilford, Concern Worldwide

David Bainbridge, DMT Senior Operations Manager, Tearfund

Focus Group Session 5th June, 10am - 1pm

Facilitators - Keystone/AccountAbility

Antonella Mancini

Alan Knight

Siobhan MacCarthy (note-taker)

Observer

Charlotte Imbert, Learning and Training Manager, BOND

Participants

Abigail Taylor, Impact Assessment, ActionAid

Catherine Hine, Regional Programme Policy Co-ordinator, Middle East, Europe and Former Soviet Union Department, Oxfam

Anna Stobart, Director of Organisational Effectiveness, ActionAid

Aidan Timlin, Head of Support for Learning and Training, Corporate Affairs, Christian Aid

Ian Phillipson, Head of Support Services, CORD International

Catherine Russ, Training and Learning Advisor, REDR-IHE

Ronald Estera - Program Effectiveness Department, Plan International

Focus Group Session 6th June, 10am - 1pm

Facilitators - Keystone/AccountAbility

Antonella Mancini

Alejandro Litovsky

Siobhan MacCarthy (note-taker)

Participants

Claire Thomas, Minority Rights Group

Emanuela Brahmasha, Sense International

Ebrahimasa Mohamed, Muslim Aid

Lis Martin, Womankind Worldwide

Corinne Davey, EveryChild

Robert Lloyd, One World Trust

Dragana Sretenov, Save the Children UK

Andrew Sinclair, Red International

Focus Group Session 8th June, 2pm - 5pm

Facilitators - Keystone/AccountAbility

Antonella Mancini

David Bonbright

Andre Proctor

Siobhan MacCarthy (note-taker)

Participants

Andy Waites, CAFOD

Geoff Colledge, Head of Learning and Accountability, Christian Aid

Graham Bennett, CEO, One World Action

Jill Gasson, Regional Co-ordinator -West Africa, World Vision UK

Susanne Niedrum, Chief Executive, International Care and Relief

Emma Crewe, Director, ChildHope UK

Ian Mowatt, Programme Officer - Monitoring and Evaluation, World Vision

Luis Silva, Head of Intl Programmes, Skillshare

Atallah Fitzgibbon, Improvement Manager, Islamic Relief

Interviewees List

1. John Mitchell and Maurice Herson, ALNAP, UK
2. Alyson Joyner, Sphere Project, Switzerland
3. Ken Giunta, InterAction, US
4. Pauline Wilson, Emergency Capacity Building Initiative, UK
5. David Lewis, London School of Economics, UK
6. Nick Stockton, HAP-I, Switzerland
7. Simon Starling, DEC, UK
8. Hugo Slim, Humanitarian Dialogue Centre, Switzerland
9. Jonathan Potter, People In Aid, UK
10. Cecile Ziegler, Coordination Sud, France
11. Francois Grunewald, Groupe URD, France
12. James Shaw-Hamilton, Charity Commission for England and Wales
13. Tina Wallace
14. David Harding
15. Kumi Naidoo, Civicus
16. Hans Zomer, Dochas, Ireland

About the consultants

Keystone

Established in 2004, Keystone promotes the improvement of development performance by focusing on the quality of relationships and accountability between development organisations and their intended beneficiaries. It does so by innovating performance management tools, metrics, standards and reporting models that are grounded in accountability to intended beneficiaries. We call such accountability Constituency Voice.

Keystone operates as an international public benefit (not-for-profit) organisation. It spent its first two years incubating within AccountAbility, with which it continues to enjoy a close working relationship.

See www.keystonereporting.org

AccountAbility

Established in 1995 as an international, not-for-profit, membership organisation, AccountAbility has now around 300 members from business, civil and academic organizations spanning five continents.

AccountAbility's mission to promote accountability innovations has been focused on advancing organisational alignment with sustainable development for over a decade. Having been historically focused on business governance and accountability, and on developing and influencing professional standards, including its own AA1000 Series, AccountAbility is both directly engaged in civil society and partnerships governance and accountability. Its activities include professional development, performance benchmarking, standards and rating, as well as practitioner and strategic-oriented research.

See www.accountability.org.uk